

# TRANSMITTAL LETTER

August 13, 2002

The Honorable Rick Perry  
The Honorable William R. Ratliff  
The Honorable James E. "Pete" Laney  
Members of the 77th Legislature  
Commissioner Felipe T. Alanis, Ph.D.

Fellow Texans:

I am pleased to present my performance review of the Hitchcock Independent School District (HISD).

This review is intended to help HISD hold the line on costs, streamline operations, and improve services to ensure that more of every education dollar goes directly into the classroom with the teachers and children, where it belongs. To aid in this task, I contracted with McConnell Jones Lanier and Murphy of Houston, Texas.

I have made a number of recommendations to improve HISD's efficiency. I have also highlighted a number of "best practices" in district operations-model programs and services provided by the district's administrators, teachers, and staff. This report outlines 66 detailed recommendations that could save HISD more than \$4.1 million over the next five years, while reinvesting more than \$1.2 million to improve educational services and other operations. Net savings are estimated to reach over \$2.9 million that the district can redirect into the classroom.

I am grateful for the cooperation of HISD's board, staff, parents, and community members. I commend them for their dedication to improving the educational opportunities for our most precious resource in HISD-our children.

I am also pleased to announce that the report is available on my Window on State Government Web site at  
<http://www.window.state.tx.us/tspr/hitchcock/>.

Sincerely,



Carole Keeton Rylander  
Texas Comptroller

# EXECUTIVE SUMMARY

In April 2002, Texas Comptroller Carole Keeton Rylander began a review of the Hitchcock Independent School District (HISD). Based upon more than four months of work, this report identifies HISD's exemplary programs and suggests concrete ways to improve district operations. If fully implemented, the Comptroller's 66 recommendations could result in net savings of more than \$2.9 million over the next five years.

## **Improving The Texas School Performance Review**

Soon after taking office in January 1999, Texas Comptroller Carole Keeton Rylander consulted school district officials, parents and teachers from across Texas and carefully examined past reviews and progress reports to make TSPR more valuable to the state's school districts. With the perspective of a former teacher and school board president, the Comptroller has vowed to use TSPR to increase local school districts' accountability to the communities they serve.

Recognizing that only 52 cents of every education dollar is spent on instruction, Comptroller Rylander's goal is to drive more of every education dollar directly into the classroom. Comptroller Rylander also has ordered TSPR staff to share best practices and exemplary programs quickly and systematically with all the state's school districts and with anyone else who requests such information. Comptroller Rylander has directed TSPR to serve as a clearinghouse of the best ideas in Texas public education.

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

- Ensure students and teachers receive the support and resources necessary to succeed;
- Identify innovative ways to address the district's core management challenges;
- Ensure administrative duties are performed efficiently, without duplication, and in a way that fosters education;
- Develop strategies to ensure the district's processes and programs are continuously assessed and improved;
- Challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and
- Put goods and services to the "Yellow Pages Test": government should do no job if a business in the Yellow Pages can do that job better and at a lower cost.

Finally, Comptroller Rylander has opened her door to Texans who share her optimism about the potential for public education. Suggestions to improve Texas schools or the school reviews are welcome at any time. The Comptroller believes public schools deserve all the attention and assistance they can get.

*For more information, contact TSPR by calling toll-free 1-800-531-5441, extension 5-3676, or see the Comptroller's Web site at [www.window.state.tx.us](http://www.window.state.tx.us).*

### **TSPR In Hitchcock ISD**

In May 2001, the Comptroller received a request for a Texas School Performance Review (TSPR) from Mayor Pro Tem Theo Blue of the Village of Tiki Island. Mayor Blue cited the high cost of operations and a low tax collection rate as the motivation for the request.

Comptroller Rylander selected Hitchcock for a review in February 2002 and began onsite work in April 2002. The Comptroller's office selected McConnell Jones Lanier and Murphy, a Houston-based firm to assist the agency with the review at a cost of \$85,000. The review team interviewed district employees, board members, parents, business leaders and community members and held a public forum at Stewart Elementary School on April 11, 2002 from 5:00 p.m. to 8:00 p.m.

To obtain additional comments, the review team conducted three focus group sessions with teachers, principals, parents and community members. To ensure that all stakeholder groups had input, TSPR sent surveys to students, parents, teachers, campus and central administrators and support staff.

A total of 199 respondents answered surveys. Fifty administrative and support staff; three principals and assistant principals; 40 teachers; 28 parents and 78 students completed written surveys as part of the review. Details from the surveys and public forums appear in **Appendices A** through **F**.

The review team also consulted two databases of comparative educational information maintained by the Texas Education Agency (TEA)-the Academic Excellence Indicator System (AEIS) and the Public Education Information Management System (PEIMS).

HISD selected peer districts for comparisons based on similarities in student enrollment, student performance and community and student demographics. The selected peer districts were Anahuac, Boling, East Chambers, La Marque, Hempstead and Royal ISDs. TSPR also compared

HISD to district averages in TEA's Regional Education Service Center IV (Region 4), to which Hitchcock ISD belongs, and to the state as a whole.

During its four-month review, TSPR developed 66 recommendations to improve operations and save taxpayers more than \$4.1 million by 2006-07. Cumulative net savings from all recommendations (savings minus recommended investments or expenditures) would reach more than \$2.9 million by 2006-07.

A detailed list of costs and savings by recommendation appears in **Exhibit 4**. Many TSPR recommendations would not have a direct impact but would improve the district's overall operations.

### **Acknowledgements**

The Comptroller's office and McConnell Jones Lanier and Murphy wish to express appreciation to the HISD Board of Trustees, Superintendent Dr. Ruth Kane, district employees, students, parents and community residents who helped during the review.

### **Hitchcock ISD**

HISD is located in Galveston County, approximately 40 miles south of downtown Houston. The town has a population of approximately 6,400. In 2001-02, the district serves its 1,123 students in four campuses including two elementary schools, one middle school and one high school. A Head Start program is operated on one of the district's elementary school campuses. Due to declining enrollment and to reduce cost, the district plans to consolidate the two elementary schools in 2002-03.

In 2001-02, HISD's students are 39.2 percent Anglo, 37.2 percent African American, 22.8 percent Hispanic, 0.6 percent Asian/Pacific Islander and 0.2 percent Native American. More than 64 percent of the district's students are economically disadvantaged. The ethnicity of teachers includes

81 percent Anglo, 12.7 percent African American, 4.2 percent Hispanic and 2.1 percent Native American.

HISD's Texas Assessment of Academic Skills (TAAS) passing rate has improved by more than 33 percent during the last five years, however, HISD's overall 2000-01 TAAS passing rate of 71.3 percent is still 10.8 percentage points lower than the statewide average of 82.1 percent. In 2000-01, TEA rated the district as Academically Acceptable, with the high school receiving a Recognized rating and the other three schools an Acceptable rating.

**Exhibit 1** details the demographic characteristics of HISD and its peer school districts.

**Exhibit 1  
Demographic Characteristics of HISD  
and Peer School Districts  
2000-01**

District	Student Enrollment	Racial/Ethnic Percentage				Percent Economically Disadvantaged
		Percent African American	Percent Hispanic	Percent Anglo	Percent Other	
La Marque	4,063	65.5%	13.6%	20.2%	0.7%	49.0%
Royal	1,469	34.9%	44.4%	20.2%	0.5%	69.2%
Anahuac	1,421	21.6%	16.6%	59.4%	2.4%	43.7%
Hempstead	1,399	38.4%	31.8%	29.7%	0.2%	59.9%
<b>Hitchcock</b>	<b>1,225</b>	<b>36.4%</b>	<b>23.3%</b>	<b>39.5%</b>	<b>0.8%</b>	<b>64.2%</b>
East Chambers	1,126	13.9%	13.7%	71.7%	0.7%	42.4%
Boling	974	20.3%	36.9%	42.8%	0.0%	48.7%
<b>Region 4</b>	<b>876,901</b>	<b>21.9%</b>	<b>36.8%</b>	<b>36.0%</b>	<b>5.3%</b>	<b>47.4%</b>
<b>State</b>	<b>4,059,619</b>	<b>14.4%</b>	<b>40.6%</b>	<b>42.0%</b>	<b>3.0%</b>	<b>49.3%</b>

*Source: Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS), 2000-01.*

HISD served 1,123 students during 2001-02, a decrease of 17.9 percent over the last five years (**Exhibit 2**). District officials expect enrollment to continue to decline.

**Exhibit 2  
HISD Student Enrollment History  
1997-98 through 2001-02**

School Year	Actual Student Enrollment	Percent Change from 1997-98
1997-98	1,368	N/A

1998-99	1,292	(5.6%)
1999-2000	1,233	(9.9%)
2000-01	1,225	(10.4%)
2001-02	1,123	(17.9%)

*Source: TEA, AEIS, 1997-98 through 2000-01 and PEIMS 2001-02.*

In addition, the district has more than 250 employees; slightly more than 37 percent are teachers. The district's 2001-02 budget is approximately \$10.8million, an increase of 3.8 percent over the 2000-01 annual budget of \$10.4 million. HISD spent 40.7 cents of every dollar on instruction in 2000-01, which is significantly lower than the 52-cent state average.

HISD's 2002 tax rate is \$1.71 per \$100 value; \$1.49 for Maintenance and Operations and \$0.22 for debt service. In 2001-02, HISD's property value was \$200,256 per student, compared to the state average of \$236,543 per student.

HISD recently experienced a leadership change after almost 20 years with the same superintendent. The district's previous superintendent retired and the new superintendent started with the district in June 2001. During its July 2002 meeting, the board voted not to extend the current superintendent's contract.

On August 1, 2002, the Texas Education Agency released the TAAS results for the 2001-02 school year. HISD received an overall Academically Acceptable rating, unchanged from its 2000-01 rating. According to these latest reports, all four of HISD's schools received Academically Acceptable ratings. Because this information came late in the review process, and because information regarding the cumulative test results will not be available until November 2002, the AEIS data presented throughout the rest of this report reflects 2000-01 information.

After four months, TSPR has found that HISD is facing a number of challenges including:

- improving board governance;
- enhancing curriculum and staff proficiencies;
- increasing operating efficiencies; and
- expanding the monitoring of service contracts.

***Improve board governance***

***Develop a board members' code of conduct and board operating procedures.*** HISD's board does not follow a code of conduct or standard operating procedures to guide board behavior. Some board members have become involved in issues outside of their purview. A code of conduct and board operating procedures that each member commits to will reduce conflicts among board members and allow the board to conduct school business in a more cordial and effective manner.

***Schedule and attend "team of eight" teambuilding training.*** Three out of seven HISD board members have not completed the required three hours per year of teambuilding training as required by the Texas Administrative Code. All board members and the superintendent are required to attend this training together to help the team of eight develop a good working relationship. Resolving divisiveness between board members and the superintendent will help the district to focus upon its primary mission of educating students.

***Define board expectations for the superintendent.*** The HISD board and superintendent have not developed a cooperative working relationship. Trust can only be forged when both parties share a mutual understanding of each other's roles, responsibilities and expectations. By clarifying expectations, roles and responsibilities and establishing a clear set of performance standards, district business can be carried out in a more efficient manner and criticism and praise are more likely to be based on performance.

***Develop an annual calendar of board activities and keep it updated.*** The board does not use a calendar to identify its activities and some members do not fulfill their obligations to their constituents by attending and appropriately participating in all board meetings and workshops. The board has repeatedly canceled and rescheduled workshops for teambuilding and policy review because of the absence of a quorum. By developing a calendar, each board member should be able to arrange work schedules that will enable them to attend, participate in board actions and fulfill their responsibilities to the district, the students and their constituents.

#### ***Enhance curriculum and staff proficiencies***

***Conduct a comprehensive curriculum audit.*** HISD does not have a comprehensive curriculum development and management system. The district's curriculum is not aligned to their teaching and testing methods. Curriculum auditing is an all-encompassing management tool that examines the entire curriculum development and delivery system and gives administrators and boards the impetus and means to improve student performance. A curriculum audit, estimated to cost approximately

\$30,000, will identify student objectives, increase control over resources and transform curriculum guides into usable management tools.

***Develop a comprehensive plan for teacher staff development.*** HISD's teacher staff development is informal and does not target teacher skills and student performance. Most staff development has been planned and conducted at the campus levels and is not a part of an overall district plan. The district does not have a plan that identifies training needs, includes specific training requirements, focuses on increasing student development or focuses on the specifics of special student populations like gifted and talented students or students with disabilities. A comprehensive teacher staff development plan will assist the district in having a more targeted approach to training and subsequently improve student performance.

***Increase operating efficiencies***

***Implement staffing allocation formulas and staff accordingly.*** The district does not use staffing allocation formulas to ensure that staffing levels are adjusted proportionate to student enrollment. HISD's enrollment decreased by 17.9 percent from 1997-98 to 2001-02, but staffing increased by 13 percent. The district's general fund expenditures have increased 11.1 percent between 1997-98 and 2000-01 causing the cost per student to increase from \$5,686 to \$7,051 during the same period. By implementing staffing allocation formulas and reducing staffing to mirror current enrollment, the district will save more than \$2.2 million over five years.

***Close the HISD tax office and enter into an interlocal agreement with Galveston County for tax collection.*** HISD's tax office is not cost effective to operate and has a relatively low tax collection rate of 93.3 percent. HISD's board discussed closing the tax office in its April 2002 board meeting and voted to keep it open at the June 2002 meeting. Closing the tax office and contracting with the Galveston County Tax Assessor-Collector will decrease the district's operating cost and increase tax collections, thus providing the district more than \$1 million over the next five years to spend on its educational needs.

***Implement a just-in-time purchasing process.*** The district does not operate an efficient centralized warehousing operation to receive and distribute supplies to schools. By acquiring supplies on a just-in-time basis and contracting with the vendor for delivery directly to the schools or departments, the district can reduce one warehouse staff position, make the process more cost effective and save the district \$94,000 over five years.

***Expand monitoring of service contracts***

***Monitor and track the custodial contractor's performance.*** The district has contracted for custodial services since 1994, yet schools remain dirty. Despite the fact that the contractor provides an on-site contract manager, there is virtually no responsibility taken for contract oversight by the contractor, nor the district. By implementing a formal contract management program for the custodial contract and assigning this function to the district's chief financial officer, the district will be in a position to ensure that service improves or the contract is terminated based on performance.

***Renegotiate the agreement with the transportation contractor to include provisions for monitoring and controlling costs.*** The transportation contract lacks clearly defined performance measures and provides annual price increases based on the Houston-Galveston Consumer Price Index without an assurance that the transportation function has met certain standards. The contract does not provide for the contractor to provide the district with driver evaluations. Reports submitted to the TEA by the contractor on behalf of the district are inconsistent between years and reflect an inverse relationship between operating costs, annual miles and annual ridership. By requiring the contractor to comply with established performance measures, HISD will maximize the funds spent on transportation services.

***Monitor and track the performance of the food service contractor and incorporate tighter controls to ensure profitability targets are met.*** HISD does not adequately monitor the Food Service program's contractor and has not enforced the guaranteed district profit of \$50,312 in 1999-2000 and \$23,676 in 2000-01. District staff do not regularly meet with the food service contractor. By enforcing the contract's provisions, the district will maximize its resources in the food service program.

## **Exemplary Programs and Practices**

TSPR identified a number of "best practices" in HISD. Through commendations in each chapter, the report highlights HISD's model programs, operations and services provided by HISD administrators, teachers and staff. Other school districts throughout Texas are encouraged to examine these exemplary programs and services to see if they could be adapted to meet their local needs. TSPR's commendations include the following:

- ***HISD's superintendent is seeking innovative ways to solicit input from the community and improve the district's image.*** The superintendent has initiated a series of public forums and communicates frequently with the news media to improve the district's image in the community. These public forums and others

meetings are held in either schools or community facilities located throughout the district.

- ***HISD's student discipline policies provide students an incentive to improve academically.*** Previously, students who violated the district's Code of Conduct or the Dress Code were penalized by mandatory reductions of 20 percent on grades they received on their assignments and were placed in In-School Suspension (ISS). The superintendent encouraged the board to revisit the policy so that students with discipline problems could preserve their academic standings. The board adopted revisions providing students more incentive to complete makeup work and to improve their grade standings.
- ***The Northside Elementary School uses Title I money to fund curriculum specialists.*** Federal Title I money is being used to pay for one reading and one math curriculum specialist to help teachers at Northside Elementary address curriculum needs. These specialists attended curriculum meetings and training outside the district. Using the "train the trainer" model, these specialists are now training their colleagues. Specialists also aligned the curriculum of that school to the Texas Essential Knowledge and Skills and initiated benchmark testing for all PreK-2 students.
- ***HISD has established a Telecommunication Committee, TelCom, to address short-term and long-term technology needs of the district.*** TelCom was formed in September 2001 to discuss infrastructure issues related to the district's telecommunication, network and computer hardware needs. The committee's diverse membership includes key HISD teachers, administrators and the director of Technology. Having a broad cross-section of participants ensures that issues are discussed from all perspectives, including funding, educational and technical feasibility.

### **Savings and Investment Requirements**

Many of TSPR's recommendations would result in savings and increased revenue that the district could use to improve classroom instruction. The savings opportunities identified in this report are conservative and should be considered minimums. Proposed investments of additional funds usually are related to increased efficiencies or savings, or improved productivity and effectiveness.

TSPR recommended 66 ways to save HISD more than \$4.1 million in gross savings over a five-year period. Reinvestment opportunities will cost the district more than \$1.2 million during the same period. Full

implementation of all recommendations in this report could produce net savings of more than \$2.9 million by 2006-07.

**Exhibit 3**  
**Summary of Net Savings**  
**TSPR Review of Hitchcock Independent School District**

Year	Total
2002-03 Initial Annual Net Savings	\$330,464
2003-04 Additional Annual Net Savings	\$685,059
2004-05 Additional Annual Net Savings	\$699,972
2005-06 Additional Annual Net Savings	\$667,332
2006-07 Additional Annual Net Savings	\$714,885
One Time Net Savings (Costs)	(\$177,073)
<b>TOTAL SAVINGS PROJECTED FOR 2002-2007</b>	<b>\$2,920,639</b>

A detailed list of costs and savings by recommendation appears in **Exhibit 4**. The page number for each recommendation is listed in the summary chart for reference purposes. Detailed implementation strategies, timelines and the estimates of fiscal impact follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions necessary to achieve the proposed results. Some items should be implemented immediately, some over the next year or two and some over several years.

TSPR recommends the HISD board ask district administrators to review the recommendations, develop an implementation plan and monitor its progress. As always, TSPR staff is available to help implement proposals.

# EXECUTIVE SUMMARY

## Exhibit 4 Summary of Costs and Savings by Recommendation

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07	Total 5-Year (Costs) or Savings	One Time (Costs) or Savings
<b>Chapter 1 District Organization and Management</b>							
1	Develop a board members' code of conduct and board operating procedures. p. 24	\$0	\$0	\$0	\$0	\$0	\$0
2	Schedule and attend "team of eight" teambuilding training. p. 25	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$2,500)
3	Define board expectations for the superintendent. p. 27	\$0	\$0	\$0	\$0	\$0	\$0
4	Develop an annual calendar of board activities and keep it updated. p. 28	\$0	\$0	\$0	\$0	\$0	\$0
5	Restructure HISD's organization and update job responsibilities to more appropriately group administrative and operational positions. p. 31	\$0	\$0	\$0	\$0	\$0	\$0
6	Develop a comprehensive strategic planning process that focuses on the strategic goals, objectives and needs of the community. p. 33	\$0	\$0	\$0	\$0	\$0	(\$7,000)
7	Compile existing policy and procedure	\$0	\$0	\$0	\$0	\$0	\$0

	memorandums into an organized, indexed policies and procedures manual. p. 35							
8	Develop reports for the board providing the implementation status of recommendations contained in reports and audits. p. 36	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Develop a superintendent's appraisal instrument and establish timelines for the appraisal. p. 38	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Formally distribute the duties and functions previously performed by the public information officer among current staff. p. 45	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Establish performance measures to evaluate the effectiveness of community involvement strategies. p. 46	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Chapter 1 Total</b>	<b>(\$500)</b>	<b>(\$500)</b>	<b>(\$500)</b>	<b>(\$500)</b>	<b>(\$500)</b>	<b>(\$2,500)</b>	<b>(\$7,000)</b>
<b>Chapter 2 Educational Service Delivery</b>								
12	Conduct a comprehensive curriculum audit. p. 54	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,000)
13	Develop a series of curriculum guides and keep them updated. p. 56	(\$7,000)	(\$3,500)	(\$3,500)	(\$3,500)	(\$3,500)	(\$21,000)	\$0
14	Develop a comprehensive plan for teacher staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	development. p. 60							
15	Use TAAS data to identify student and teacher needs, to improve student performance and to hold principals and teachers accountable for improvement. p. 63	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Ensure that established procedures are followed in identification of students for special education programs. p. 66	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Develop a comprehensive student behavior management program. p. 69	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Revise HISD's dress code policy and communicate expectations to ensure consistent enforcement throughout the district. p. 70	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Summarize, report and distribute incident statistics to board members, parents, teachers and school administrators, and develop additional prevention and intervention programs to improve student behavior. p. 72	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Revise the School Resource Officers	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000	(\$20,000)

	agreement with the Hitchcock Police Department to include cost-sharing provisions and eliminate the full-time night officer. p. 73							
21	Revise the agreement with the Hitchcock Police Department to include performance expectations, clearly defined reporting relationships and accountability for officers provided to HISD under the Gang Resistance Education Training grant. p. 75	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Revise and update the districtwide crisis management plan. p. 76	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,500)
	<b>Chapter 2 Total</b>	<b>\$23,000</b>	<b>\$26,500</b>	<b>\$26,500</b>	<b>\$26,500</b>	<b>\$26,500</b>	<b>\$129,000</b>	<b>(\$54,500)</b>
<b>Chapter 3 Personnel Management</b>								
23	Develop an operating procedures manual for human resources functions and cross-train a staff member to perform human resources duties. p. 82	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Implement staffing allocation formulas and staff accordingly. p. 88	\$248,010	\$496,020	\$496,020	\$496,020	\$496,020	\$2,232,090	\$0
25	Examine the PEIMS data reporting process, and implement policies, procedures and controls to ensure the accuracy of data	\$0	\$0	\$0	\$0	\$0	\$0	\$0



	improve effectiveness and productivity. p. 113							
33	Develop an automated work order system and use labor and cost data to monitor productivity and track costs. p. 114	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Implement a preventive maintenance program that provides regularly scheduled reviews and repairs on all facilities and equipment. p. 116	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Assign contract monitoring of the custodial contract to the chief financial officer and track performance of the custodial contractor. p. 118	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Contract safety training and reallocate responsibilities for coordinating districtwide safety and safety inspections between the director of Maintenance and the chief financial officer. p. 119	(\$1,600)	(\$3,200)	(\$3,200)	(\$3,200)	(\$3,200)	(\$14,400)	\$0
37	Pursue reactivating the energy management contract and comply with contract terms. p. 121	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,500)
38	Request an energy	\$0	\$27,139	\$27,139	\$27,139	\$27,139	\$108,556	\$0

	management audit and develop an energy conservation plan. p. 123							
	<b>Chapter 4 Total</b>	<b>(\$5,600)</b>	<b>\$19,939</b>	<b>\$19,939</b>	<b>\$19,939</b>	<b>\$19,939</b>	<b>\$74,156</b>	<b>(\$19,500)</b>
<b>Chapter 5 Financial Management</b>								
39	Evaluate job assignments of Business Office staff and realign job duties. p. 132	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	Strengthen internal controls by assigning all appropriate accounts payable tasks and responsibilities to the accounts payable clerk. p. 133	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	Include an executive summary and other narrative in the district's budget document. p. 135	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	Establish a budget development calendar with specific dates that are consistent from year to year. p. 136	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	Develop a business case before upgrading to Regional Service Center Computer Cooperative 2000 or purchasing another accounting system. p. 139	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	Increase direct deposit marketing efforts and encourage all employees to use direct deposit. p. 140	\$0	\$0	\$0	\$0	\$0	\$0	\$0

45	Consolidate all student activity funds into one bank account and centralize accounting for these funds in the Business Office. p. 141	\$823	\$823	\$823	\$823	\$823	\$4,115	\$0
46	Ensure all new grant applications include a request for indirect and/or administrative costs and continue to pursue indirect cost recovery for existing grants. p. 144	\$14,705	\$14,705	\$14,705	\$14,705	\$14,705	\$73,525	\$0
47	Close the HISD tax office and enter into an interlocal agreement with Galveston County for tax collection. p. 147	\$183,969	\$209,773	\$209,773	\$209,773	\$209,773	\$1,023,061	\$0
48	Eliminate three bank accounts and sweep excess funds into interest bearing accounts daily. p. 153	\$3,748	\$3,748	\$3,748	\$3,748	\$3,748	\$18,740	\$0
49	Survey employees to determine what preventive health care services are desired, and collaborate with community health organizations to provide such services to district employees. p. 157	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	Obtain an independent review of the district's property/casualty insurance program. p. 159	\$0	\$30,548	\$30,548	\$30,548	\$30,548	\$122,192	(\$20,365)

51	Purchase and install an asset tracking system with barcoding and reporting capability. p. 161	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,000)
52	Ensure that Business Office staff take full advantage of the financial system's purchasing capabilities. p. 167	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	Update purchasing policies and procedures, consolidate into a comprehensive purchasing manual and continually revise as changes occur in the purchasing process. p. 168	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	Implement a just-in-time purchasing process. p. 170	\$13,429	\$20,143	\$20,143	\$20,143	\$20,143	\$94,001	\$0
55	Acquire a textbook inventory management system. p. 172	\$0	(\$900)	(\$900)	(\$900)	(\$900)	(\$3,600)	(\$6,985)
56	Develop a textbook manual that includes policies and procedures for performing textbook activities. p. 174	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Chapter 5 Total</b>	<b>\$216,674</b>	<b>\$278,840</b>	<b>\$278,840</b>	<b>\$278,840</b>	<b>\$278,840</b>	<b>\$1,332,034</b>	<b>(\$30,350)</b>
<b>Chapter 6 Operations</b>								
57	Revise the technology plan to contain quantifiable goals and ensure consistency with the district and campus improvement plans.	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	p. 181							
58	Document policies and procedures for technology software purchases and the standards for computer software. p. 182	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59	Develop a comprehensive computer replacement program. p. 184	(\$32,640)	(\$65,280)	(\$97,920)	(\$130,560)	(\$130,560)	(\$456,960)	\$0
60	Renegotiate the district's transportation agreement to include provisions for monitoring performance and controlling costs, and link such provisions to compensation. p. 191	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61	Develop a fleet replacement schedule to be included in the district's capital budget. p. 195	(\$142,659)	(\$142,659)	(\$95,106)	(\$95,106)	(\$47,553)	(\$523,083)	\$0
62	Monitor and track the performance of the food service contractor, and incorporate tighter controls to ensure profitability targets are met. p. 202	\$24,179	\$24,179	\$24,179	\$24,179	\$24,179	\$120,895	\$0
63	Adopt strategies to increase breakfast and lunch participation in HISD's Food Service Program. p. 205	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64	Repair or replace severely outdated	\$0	\$0	\$0	\$0	\$0	\$0	(\$15,723)

	cafeteria equipment and identify cafeteria needs for the future district facilities master plan. p. 206							
65	Develop a plan to improve school cafeteria designs at all schools. p. 207	\$0	\$0	\$0	\$0	\$0	\$0	(\$50,000)
66	Design and implement participation initiatives to qualify students for the free and reduced lunch program at schools where the percentage of students approved is low. p. 209	\$0	\$48,020	\$48,020	\$48,020	\$48,020	\$192,080	\$0
	<b>Chapter 6 Total</b>	<b>(\$151,120)</b>	<b>(\$135,740)</b>	<b>(\$120,827)</b>	<b>(\$153,467)</b>	<b>(\$105,914)</b>	<b>(\$667,068)</b>	<b>(\$65,723)</b>
	<b>TOTAL SAVINGS</b>	<b>\$518,863</b>	<b>\$905,098</b>	<b>\$905,098</b>	<b>\$905,098</b>	<b>\$905,098</b>	<b>\$4,139,255</b>	<b>\$0</b>
	<b>TOTAL COSTS</b>	<b>(\$188,399)</b>	<b>(\$220,039)</b>	<b>(\$205,126)</b>	<b>(\$237,766)</b>	<b>(\$190,213)</b>	<b>(\$1,041,543)</b>	<b>(\$177,073)</b>
	<b>NET SAVINGS (COSTS)</b>	<b>\$330,464</b>	<b>\$685,059</b>	<b>\$699,972</b>	<b>\$667,332</b>	<b>\$714,885</b>	<b>\$3,097,712</b>	<b>(\$177,073)</b>

<b>5 Year Savings</b>	<b>\$4,139,255</b>
<b>5 Year Costs</b>	<b>(\$1,218,616)</b>
<b>Grand Total</b>	<b>\$2,920,639</b>

# Chapter 1

## DISTRICT ORGANIZATION AND MANAGEMENT

This chapter reviews the district organization and management of the Hitchcock Independent School District (HISD) in the following four areas:

- A. Governance
- B. Planning, School Management and Site-Based Decision-Making
- C. Policies and Procedures
- D. Community Involvement Initiatives

The governance team, consisting of the elected school board members and the superintendent, must work in harmony for the good of all students, staff and taxpayers of the district. When the superintendent and board work together as advocates for students, positive progress can be achieved for the district.

The city of Hitchcock's population approaches 6,400. The 2000 US Census indicated the ethnic composition of the city of Hitchcock is 48 percent White Non-Hispanic, 33 percent African American, 14 percent White Hispanic, and 5 percent other ethnicities, including Asian, Native American, Alaska Native and Pacific Islander.

HISD serves 1,123 students in two elementary schools, one middle school and one high school. A Head Start program is operated on the Northside Elementary School campus. The district markets itself as "a small district with high standards", and promotes the academic success of all students by taking "an active role in providing quality learner-centered curriculum and instruction to a diverse population of students."

HISD's operating budget totals \$10.8 million. Local revenues provide 47 percent of the district's budgeted funding for 2001-02 while state revenues provide 48 percent and federal revenues provide 5 percent.

The mission statements for HISD's four schools are:

- Hitchcock High School will produce a good, responsible, productive citizen prepared to face all challenges in our ever changing world, by providing students with a quality education to meet their specific needs.
- Crosby Middle School is to provide a student centered learning environment where every student can maximize his or her potential.
- We the staff, of Stewart Elementary, accept the challenge of preparing our students to be contributing members of society. We

will develop a learning environment in which all students will be challenged educationally, physically, emotionally, and socially.

- Northside Elementary puts children first because education is vital for their future and ours. At Northside, children learn: Pride - through good citizenship, self-esteem, and appropriate behavior. Performance - measured by test scores. Participation - Exhibited through attendance.

During 2000-01, HISD's overall pass rate on all Texas Assessment of Academic Skills (TAAS) tests was 71.3 percent, lower than the Regional Education Service Center IV (Region 4) average of 83.1 percent, and lower than the state average of 82.1 percent. However, HISD's overall pass rate increased 11.8 percent from its 1999-2000 rate of 63.8 percent. **Exhibit 1-1** presents a profile of HISD.

**Exhibit 1-1  
HISD Profile  
2001-02**

<b>Total Number of Students</b>	<b>1,123</b>
<b>Total Number of Schools</b>	<b>4</b>
<b>Breakdown of Schools</b>	
Hitchcock High School	Grades 9-12
Crosby Middle School	Grades 6-8
Stewart Elementary School	Grades 3-5
Northside Primary School	Grades Pre-Kindergarten-2
<b>Enrollment/Ethnicity Percent Breakdown</b>	
- Anglo	39.2%
- African American	37.2%
- Hispanic	22.8%
- Other	1%
- Economically Disadvantaged	63.8%
<b>2000-2001 Accreditation Status</b>	<b><i>Academically Acceptable</i></b>
<b>1999-2000 Accreditation Status</b>	<b><i>Academically Unacceptable</i></b>
Attendance Rate (1999-2000)	95.1%

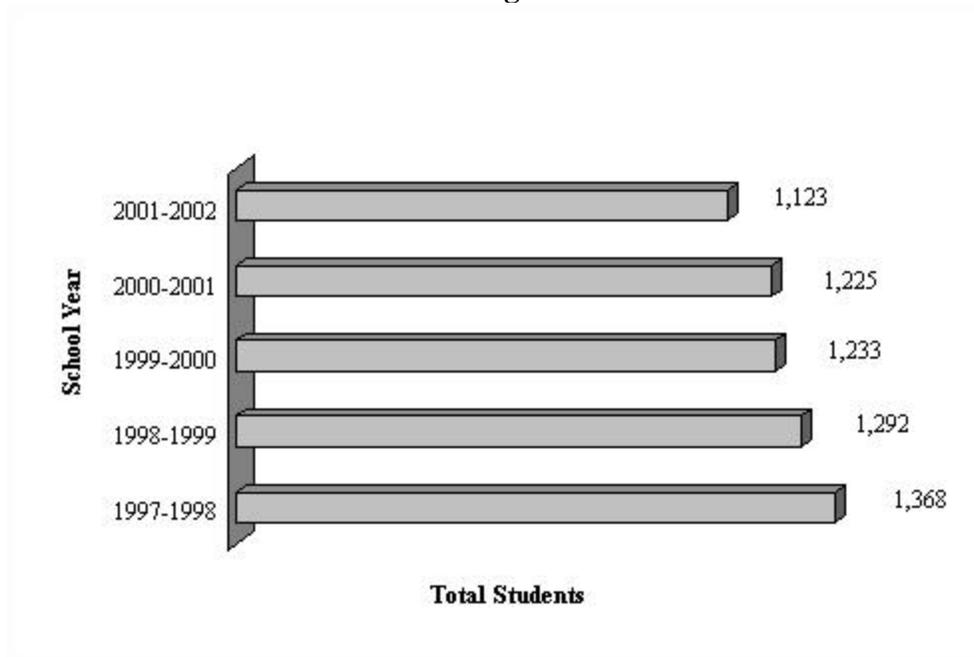
Annual Dropout Rate (1999-2000)	1.4%
Annual Dropout Rate (1998-1999)	4.5%
<b>TAAS Pass Rate Percents - All Tests, Grades 3-8 and 10 (2000)</b>	<b>71.3%</b>
- Anglo	80.5%
- African American	62.8%
- Hispanic	58.4%
- Other	0.0%
Student-Teacher Ratio	11.8
<b>Total Assessed Valuation</b>	<b>\$245,643,806</b>
<b>Assessed Value per Student</b>	<b>\$200,256</b>
<b>Tax Rate per \$100 value</b>	<b>1.71</b>
<b>Total Budgeted Expenditures</b>	<b>\$10,788.729</b>
<b>Total Budgeted Expenditures/Pupil</b>	<b>\$9,607</b>

*Source: Texas Education Agency (TEA), Public Education Information Management System (PEIMS), 2001-02.*

HISD has experienced a marked decline in enrollment over the past five years. Enrollment has decreased from 1,368 students in 1997-98 to 1,123 students in 2001-02-a 17.9 percent decrease. **Exhibit 1-2** illustrates HISD's decline in enrollment.

**Exhibit 1-2  
HISD Enrollment**

### 1997-98 through 2001-02



*Source: TEA, AEIS, 1997-98 through 2000-01 and PEIMS, 2001-02.*

HISD recently experienced a leadership change after almost 20 years with the same superintendent. The board was said to have "pushed for the change." The previous superintendent was scrutinized for passivity in implementing programs to enhance passing rates, lower drop-out rates and raise standardized test scores among minority students.

# Chapter 1

## DISTRICT ORGANIZATION AND MANAGEMENT

### A. Governance

The Texas Education Code (TEC) Section 11.151 delineates the specific powers and duties of a Board of Trustees for Texas schools. Those duties specifically include the following:

- Govern and oversee the management of the district's public schools;
- Adopt such rules, regulations and bylaws as the board may deem proper;
- Approve a district-developed plan for site-based decision-making and provide for its implementation;
- Levy and collect taxes and issue bonds;
- Select tax officials appropriate to the district's needs;
- Prepare, adopt and file a budget for the next succeeding fiscal year and file a report of disbursements and receipts for the preceding fiscal year;
- Have district fiscal accounts audited at district expense by a Texas certified public accountant holding a permit from the Texas State Board of Public Accountancy following the close of each fiscal year;
- Publish an annual report describing the district's educational performance, including school performance objectives and the progress of each school toward these objectives;
- Receive bequests and donations or other money coming legally into its hands in the name of the district;
- Select a depository for district funds;
- Order elections, canvass the returns, declare results and issue certificates of election as required by law;
- Dispose of property no longer necessary to operate the school district;
- Acquire and hold real and personal property in the name of the district; and
- Hold all powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or the State Board of Education.

The HISD Board of Trustees consists of seven members elected from single-member districts, defined as specific geographic areas, and serving alternating three-year terms. School board elections are held annually with either two or three members being elected for three-year terms. This is in keeping with a resolution the Board of Trustees adopted on January 15,

1992 in settlement of a lawsuit dealing with representation of certain populations on the board.

The average tenure of the board members serving on HISD board exceeds seven years. Board members interviewed told the review team that the single member district method of elections is largely responsible for the long tenure for board members, but that in many cases they stay on because no one else from a particular district will run. As a result of this arrangement, a board member normally stays on the board as long as he or she desires.

In May 2002 the member for District five did not seek re-election and only one citizen from that district filed for that position. The incumbent board member for District three chose to run for re-election and was unopposed. At its April 9, 2002 meeting, the board passed a resolution canceling the May 4, 2002 election and declaring these two members as elected to the board since neither had an opponent. The new board member was sworn in at the board's May 2002 meeting as the member for District five. The current board is listed in **Exhibit 1-3**.

**Exhibit 1-3  
HISD Board of Trustees  
2001-02**

<b>Name</b>	<b>District</b>	<b>Title</b>	<b>Term Expires</b>	<b>Length of Service as of May 2002</b>	<b>Occupation</b>
Josie M. Orr	7	President	2003	17 years	Administrator
Ron Meier	5	Vice President	2005	9 years	Foreman
Doris Scurry-Kennedy	1	Secretary	2004	10 years	Retired
Pat Turner	3	Member	2005	9 years	Postal Worker
Rochelle Kaye Randel	2	Member	2004	1 years	Sales Clerk
Ricky Bond	4	Member	2003	4 years	Foreman
Shawn Kadlecek	6	Member	2003	2 years	Plant Operator
Mark Morgan	5	Member	2005	Elected May 2002	Fireman

*Source: HISD Board Secretary, May 2002.*

Regular meetings are held on the second Tuesday of each month beginning at 7:00 p.m. in the Hitchcock ISD Boardroom/Conference Facility, 8004 N. Railroad, Hitchcock, Texas. The board schedules special meetings and workshops as needed.

## **FINDING**

HISD's board used a low-cost, broad-based input model in 2001 to conduct the search for the new superintendent. HISD's previous superintendent retired in June 2001 and the board began to search for a new superintendent by creating a search team made up of one elementary school principal, the high school principal, the athletic director, a businesswoman, seven parents, an auxiliary staff person, three teachers, the superintendent, the chief financial officer and the curriculum officer. The role of this team was to evaluate applicants and determine a pool of finalists for the board to interview.

Candidates applied for the job after viewing the job posting advertised in various professional association vacancy lists. The applicant pool consisted of 31 applicants, which the search team narrowed to a field of 12 that were granted interviews. The search team recommended six candidates to be interviewed by the board before making a final selection. This localized approach was a low-cost model that possibly saved the district around \$15,000-the typical cost of a superintendent search for a district the size of HISD. Additionally, this approach was helpful in finding a good organizational fit with the school district.

## **COMMENDATION**

**The superintendent search model involved a broad constituency of stakeholders and saved the district \$15,000 in employment search fees.**

## **FINDING**

HISD's board does not follow a code of conduct or standard operating procedures to guide board behavior. In spite of significant hours of training and significant experience on the board, some board members do not conduct themselves according to standards established by a code of conduct. Additionally, the board does not follow a set of board operating procedures that include a self-policing structure. During the field visit, TSPR asked if HISD had board-operating procedures and was told no. Later the superintendent's secretary found a 1998 copy on her computer,

but reported that it has not been disseminated and used. The superintendent was unaware of the 1998 operating procedures but had given the board an example of operating procedures from the Dickinson ISD, a school district near HISD. Board members can recite the textbook definition of their roles and responsibilities; however, some of them routinely attempt to individually participate in management activities. These activities include, but are not limited to the following:

- Dropping in on campuses on a regular basis.
- Enrolling relatives in the district using their address when the parents actually live in another district.
- Going to campuses as advocates for some parents in discipline or other meetings.
- Leaving the board table during board meetings to sit and collaborate individually with members of the audience and then sometimes returning to the board table and sometimes not.
- Attempting to sit in on meetings between parents and administrators.
- Some board members have failed to reconcile travel advances and expenses for meetings after repeated reminders of the necessity of do so.
- Making decisions based on complaints from staff that are not shared with the superintendent except anonymously so there is no opportunity for the superintendent to address the concern.
- Involving themselves in student discipline issues including attempting to attend a level II complaint conference and personally bringing a suspended student back onto a campus to have the student apologize to the teacher.

Since 1992, HISD has elected its school board by single member districts. Its previous superintendent came to the district as superintendent in 1982 and retired after almost 20 years service. In the later years of his tenure, tensions between some board members and the superintendent escalated. Although the tenure of the board and the superintendent is very stable, this governance team finds itself embroiled in frequent open conflict.

The Navarro ISD Board of Trustees created a code of conduct that each member agreed to and signed. **Exhibit 1-4** shows the Navarro Code of Conduct.

**Exhibit 1-4**  
**Navarro ISD Board of Trustees**  
**Code of Conduct**

As members of the Navarro Independent School District Board of Trustees, we realize that to be the most effective advocates for children, we, as a Board, must
--

function as a team and at all times treat each other and the people we serve with the utmost courtesy, dignity, respect and professionalism. Should we, for whatever reason, fail to follow these guidelines, we ask that our fellow Board members call it to our attention. When that happens we pledge to accept the feedback without anger or finger pointing, and to renew our efforts to follow this code of conduct. We shall promote the best interests of the school district as a whole, and, to that end, we shall adhere to the following educational and ethical standards.

### **Governance**

- Bring about desired changes through legal and ethical procedures, upholding and enforcing all laws, State Board of Education rules, court orders pertaining to schools and district policies and procedures.
- Make decisions in terms of the educational welfare of all children in the District, regardless of ability, race, creed, sex, or social standing. These decisions will place the needs of children above the wants of adults.
- Recognize that the Board must make decisions as a whole and make no personal promise or take private action that may compromise the Board. All action should take place in an official Board meeting.
- Focus Board action on policymaking, goal setting, planning, and evaluation and insist on regular and impartial evaluation of all staff.
- Vote to appoint the best-qualified personnel available after consideration of recommendations by the Superintendent.
- Delegate authority for the administration of the school to the Superintendent. Board members will not engage in micromanagement.

### **Conduct**

- Hold confidential all matters that, if disclosed, may have an impact on the District. Respect the confidentiality of information that is privileged under applicable law, including closed session agenda items.
- Attend all regularly scheduled Board meetings, arrive on time, and become informed concerning the issues to be considered at those meetings.
- Make policy decisions only after full discussion at publicly held board meetings, render all decisions based on the available facts, and refuse to surrender that judgment to individuals or special groups.
- Refrain from using our Board position for personal or partisan gain.
- Disagree in an agreeable manner. We will not hold grudges or question another Board member's vote on an issue, but will respect other views and opinions.
- Be firm, fair, just and impartial in all decisions and actions.

### **Communication**

- Encourage the free expression of opinion by all Board members. Make a good faith effort to understand and to accommodate the views of others.
- Seek communication between the Board and students, staff, and all elements of the community.
- Communicate to fellow Board members and the Superintendent, at appropriate times, expression of public concerns.
- The Board President shall make sure that persons addressing the board follow established guidelines.

### **Board Preparation**

- Become informed about current educational issues and seek continuing education opportunities such as those sponsored by state and national school board associations.
- Disseminate pertinent information gained at training workshops and conventions with the Superintendent and fellow Board members.
- We will remember always that our first and greatest concern must be the overall welfare of all the students attending our schools.
- We hereby pledge to abide by this Code of Conduct: (Signed by Board and witnessed by Board Secretary.)

*Source: Navarro ISD Board of Trustees Code of Conduct.*

In addition, the NISD board developed standard operating procedures that each board member agreed to. These procedures outline how members would handle media contracts, complaints from constituents and other events that required diplomacy.

### **Recommendation 1:**

#### **Develop a board members' code of conduct and board operating procedures.**

The board should develop and adopt a code of conduct for board members. The board should establish standard operating procedures that give specific examples of how members will handle day-to-day inquiries, requests for information from staff, the public and the media, direct contact with principals, teachers or district administrators. Board members should not perform any district related actions individually; instead, they should act as a corporate body during regular board meetings.

HISD's board should also develop a formal self-policing structure to address instances in which board members do not comply with board rules

or conform to acceptable board decorum. The structure should be incorporated in board policy and accompanying procedures and should outline specific prohibited actions and related sanctions. Repeated violations should be reported to the TEA.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The board president appoints an ad hoc committee of the board to develop a board members' code of conduct and board operating procedures that includes related sanctions for noncompliance.	September 2002
2.	The ad hoc committee develops a board members' code of conduct and board operating procedures complete with related sanctions for noncompliance.	October 2002
3.	The board approves the board members' code of conduct and board operating procedures.	November 2002
4.	The board implements a self-monitoring structure whereby noncompliance with the board members' code of conduct or operating procedures are immediately addressed with appropriate sanctions.	November 2002
5.	Each board members functions within the guidelines of the board members code of conduct and operating procedures	Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

Three out of seven HISD board members have not completed the required three hours per year of teambuilding training commonly referred to as the "team of eight" training. Section 61.1 (b) of the Texas Administrative Code (TAC) indicates, "The continuing education required under the TEC, § 11.159, applies to each member of an independent school district's board of trustees. The continuing education requirement consists of orientation sessions, an annual team building session with the local board and the superintendent and specified hours of continuing education based on identified needs. The superintendent's participation in teambuilding sessions as part of the continuing education for board members shall represent one component of the superintendent's ongoing professional development."

All current HISD board members have completed at least the minimum number of training hours necessary to comply with TAC section 61.1, but

the training log of board members indicates that all have not completed their required teambuilding training and three out of seven have not completed the required training to evaluate the superintendent. **Exhibit 1-5** shows the continuing education requirements for school board members.

**Exhibit 1-5  
Continuing Education Training Requirements for School Board Members**

Board Service Years	Categories of Required Training and Hours			
	Minimum Total Hours	Local Orientation Hours	Teambuilding Hours	SBOE Governance Framework Hours
First Year	10	1	3	7
Succeeding Years	5	0	3	2

*Source: Texas Administrative Code, Section 61.1.*

According to TSPR survey results, only 18 percent of the teachers surveyed agree or strongly agree that the school board members work well with the superintendent. **Exhibit 1-6** reflects the sentiment of teachers who responded to TSPR's survey.

**Exhibit 1-6  
HISD District Organization and Management  
Teachers Survey Results**

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
School board members work well with the superintendent.	3%	15%	59%	20%	3%

*Source: TSPR Surveys, April 2002.*

The superintendent is the chief authority of the district when the board is not in session. The board is the chief authority of the district when the board is in session. This reciprocal sharing of power can best be done when there is a spirit of cooperation and understanding of the respective roles, responsibilities and authority. Training on teambuilding helps ensure that the board and superintendent are working together towards the same goals.

**Recommendation 2:**

**Schedule and attend "team of eight" teambuilding training.**

All board members and the superintendent should attend the required "team of eight" teambuilding training as a group. This training will enhance the board and superintendent's ability to work together as a team to provide effective governance and leadership for the district.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent collects information related to teambuilding training opportunities.	September 2002
2.	The superintendent communicates to the board president information on teambuilding training opportunities available for board members and the superintendent.	October 2002
3.	The board president and superintendent, in conjunction with the other members of the board, schedule the required teambuilding training at a time all members can attend the training.	October 2002
4.	Board members and superintendent attend teambuilding training together.	Annually

**FISCAL IMPACT**

The cost of \$500 annually to implement this recommendation is based on Region 4 conducting the training at district facilities.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Schedule and attend "team of eight" teambuilding training.	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)

**FINDING**

The HISD board and superintendent have not developed a cooperative working relationship. The current superintendent came to the district within the last year following a superintendent that had been in the district for more than 20 years. When she was hired, the board said they expected her to implement needed changes, pointing to the previous superintendents passive approach to management. Yet, the superintendent's proposals for change have been met with some resistance from the board. For example, in response to financial pressures, the board and superintendent agreed to cut a program with low-enrollment. However, when the final vote was taken, the board decided to retain the teaching position, effectively

negating much of the financial saving from cutting the program. In this instance, the board's expectations were not fully understood, resulting in additional strain on the board/superintendent relationship.

Most recently, the board voted not to extend the superintendent's contract at the July board meeting.

During a July 1998 performance review of the Hamilton ISD, TSPR found that tension between the board and superintendent had resulted in the superintendent's resignation. Following the resignation, the board members, collectively indicated that they were looking for an aggressive, dynamic superintendent who would analyze the district's needs and make the recommendations necessary to move the district to greater levels of achievement. While the board members generally agreed on the basic skills and personality traits of a new superintendent they varied widely on the key issues and expected performance measures associated with the superintendent position. TSPR noted that in the absence of written performance expectation and a set of written, district priority objectives, a new superintendent would have a difficult time succeeding. TSPR's recommendation was for the board to agree first to their long-term objectives for the district, such as raising student performance, improving facilities or tightening internal financial controls. Then, and only then, would the board be able to hire the superintendent with the skill sets to address the need. For example, improving academics requires different skills than better management of operations or large construction contracts. Hamilton board members and the community established their objectives and then conducted a superintendent search that resulted in the hiring of a person that knew exactly what the board expected of him and was able to then meet those expectations.

Many times the relationship between board members and between board members and the superintendent is due to not having established a set of specific expectations for board members and the superintendent.

### **Recommendation 3:**

#### **Define board expectations for the superintendent.**

All board members should attend a retreat as a group to define their roles and responsibilities and establish their expectations for the superintendent that clearly defines the superintendent's roles and responsibilities. This retreat is in addition to the team-of-eight training that is required annually. Once these expectations are established the board should strive to develop a relationship that facilitates conducting the operations of the district in a supporting and efficient manner.

## **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The board and superintendent schedule a retreat to discuss the roles and responsibilities of the board as a whole and individually, and the responsibilities and the role of the superintendent.	September 2002
2.	The board and the superintendent attend and participate in the retreat to discuss and clarify their respective roles and responsibilities.	November 2002
3.	The board furnishes a set of written expectations to the superintendent for a smooth and harmonious working relationship.	December 2002

## **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## **FINDING**

The board does not use a calendar to identify its activities and some members do not fulfill their obligations to their constituents by attending and appropriately participating in board meetings. The board has had to repeatedly cancel and reschedule workshops for teambuilding and policy review because of the absence of a quorum. In other instances only a few board members attend special or called meetings, even when all members previously agreed on the meeting schedule.

The board re-scheduled a teambuilding retreat three times before a quorum was available. When a meeting was finally held, only four of the seven board members attended. The board-recording secretary estimates that about 60 percent of the time, less than a full number of board members attend meetings. This makes it difficult to accomplish the work of the board, such as setting annual goals.

When board members do not attend and participate in board meetings the community that elected them is not represented when important educational and district operational issues are discussed and decisions made. HISD board members are elected from seven individual districts and none are elected at-large. Board members elected from these districts are not fulfilling their commitment to the citizens of these districts when they do not place the work of the board at a high priority and make every effort to attend meetings.

Some independent school boards establish an annual calendar of board activities in addition to their regular meeting schedule to assist board

members with their individual calendars and allow them to attend most, if not all board meetings. A calendaring system assists the board in making sure that, in addition to regular meetings; other important meetings of the board are scheduled for the board's attention. **Exhibit 1-7** is an example of an annual board calendar.

**Exhibit 1-7  
Board Major Activities and Retreat Calendar**

January	Consider Superintendent's Contract
February	Consider Administrative Contracts Board Retreat for budget input
March	Consider Teaching Contracts
April	Consider adoption of instructional budget
May	Annual Board Election
June	Board Retreat for Teambuilding and Goal Setting
July	Budget Workshops
August	Adopt Complete Budget
September	Texas Association of School Boards (TASB) Convention
October	Adopt Tax Rate
November	Board Retreat for Self Appraisal
December	Superintendent Appraisal

*Source: Texas Association of School Boards.*

**Recommendation 4:**

**Develop an annual calendar of board activities and keep it updated.**

Due to board member's private work commitments, frequently fewer than a full compliment of board members is available for meetings, making it difficult to assemble the board. The annual calendar set by the board, however, should allow them to notify their employers far enough in advance to arrange work schedules that will allow their attendance at these important meetings.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent and board president develop and	September
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	recommend a board calendar for board approval.	2002
2.	The board adopts an annual calendar.	September 2002
3.	A full complement of board members attends meetings as scheduled and acts upon items according to the adopted calendar.	Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 1

## DISTRICT ORGANIZATION AND MANAGEMENT

### **B. Planning, School Management and Site-Based Decision-Making**

TEC 11.251(c) establishes the responsibility of the Board of Trustees to ensure that a district improvement plan and campus improvement plans for each school are developed, reviewed and revised annually for the purpose of improving the performance of all students. Section 11.252 of the TEC describes the requirements for district-level planning and decision-making. These are also reflected in the Texas Association of School Board's policy series.

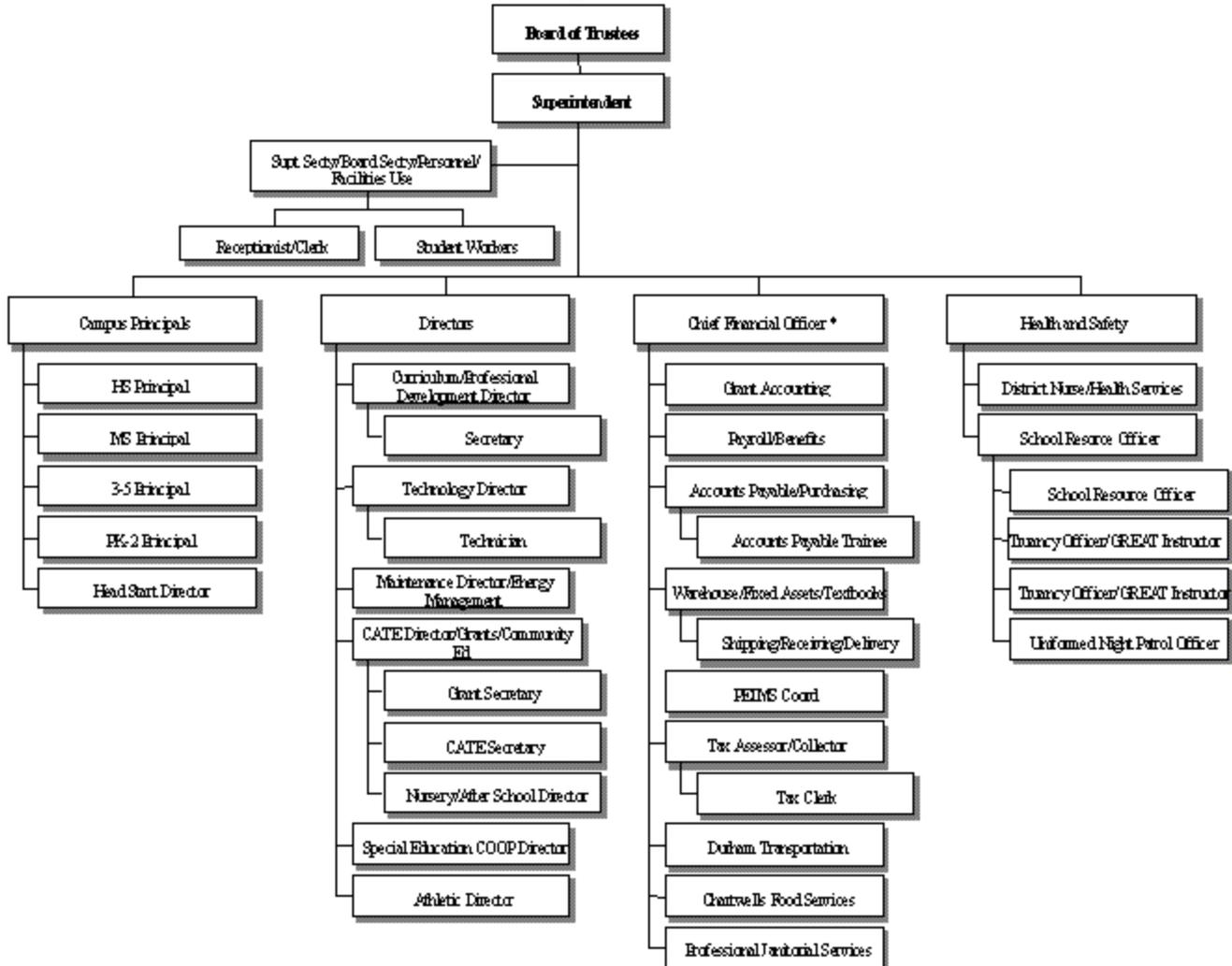
A well-developed system of district strategic planning and school planning will serve the district well in improving its performance and therefore improving its image in the minds of the public it serves.

### **FINDING**

HISD's organization chart does not provide for the proper assignment of personnel and does not clarify staff responsibilities. Many employees perform their daily duties in isolation with only a vague feeling of connectivity to the overall district. While members of the central office feel they are a part of a team and indicated a willingness to work together, a lack of coordination of duties hinders teamwork.

The superintendent has made progress in improving the focus and coordination of the staff, however the organization is not complete. The staff still lacks a clear sense of direction and mission. This causes administrators to see their roles as ones of clerical and informational, in which they are responsible for preparing actual paperwork, thus they have not been able to work as a leadership team to develop and fulfill the primary mission of the district. **Exhibit 1-8** shows HISD's organization structure.

## Exhibit 1-8 HISD Organization Chart



Source: HISD Superintendent's office.

\* Prior to April 11, 2002, the title of this position was Business Official.

Organization charts have both line and staff positions. Line positions fulfill the driving mission of the organization with appropriate help from staff positions. The superintendent and principals are line positions responsible for reaching the student achievement and development goals of the district and are to receive maximum help from the supporting staff positions. When the organization chart depicts this proper relationship, it helps focus the entire organization and all towards the accomplishment of its core mission. An effective organization chart has principals in the direct line position under the superintendent to the board. The chief financial officer is many times responsible for all auxiliary functions that support the direct line functions with regard to physical needs. The directors who report directly to the superintendent serve in staff capacities to support the mission of the district in data, leadership, training, monitoring, compliance, planning and program needs. Health and safety needs are more closely aligned with the athletic department since that department, by nature of its work, attends to physical health and safety and depends upon grades and attendance for student eligibility for

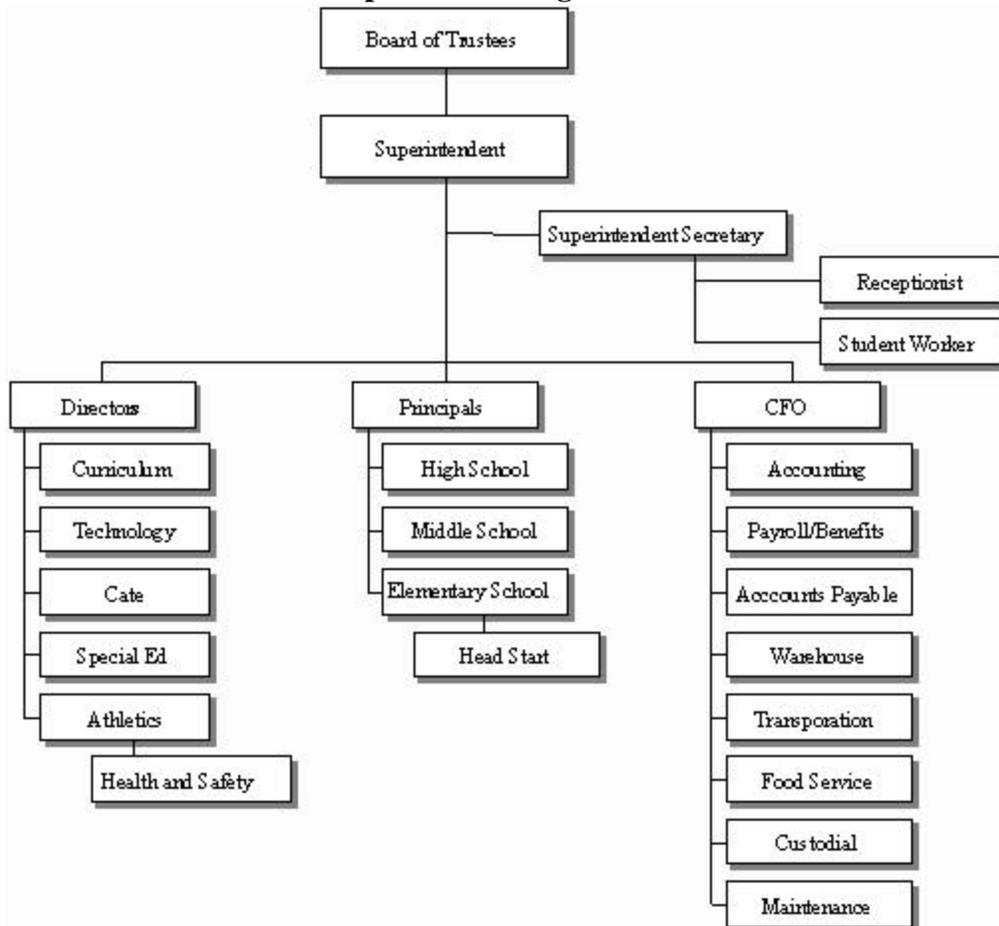
participation. Organization charts with proper alignment of line and staff positions allow for more efficient use of staff, curriculum and materials.

**Recommendation 5:**

**Restructure HISD's organization and update job responsibilities to more appropriately group administrative and operational positions.**

The district should restructure its organization to more appropriately align administrative and operational positions. Job descriptions should be updated to ensure that clerical staff perform clerical activities in order for administrative staff to have time to perform the management and leadership duties for the district. Each administrative and clerical position's duties and responsibilities should be distributed to district employees so that all staff knows the responsibilities of each position. **Exhibit 1-9** depicts a recommended organization.

**Exhibit 1-9  
HISD Proposed New Organization Chart**



Source: TSPR.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent develops a revised organization chart.	September 2002
2.	The superintendent recommends to the board the reorganization of district personnel.	October 2002
3.	The board approves the reorganization.	October 2002
4.	The superintendent reassigns personnel.	November 2002
5.	Principals, directors and the chief financial officer revise job descriptions to properly reflect job duties and responsibilities of all positions..	December 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD does not have a formal strategic planning process. HISD's district improvement and campus improvement planning documents do not provide sufficient guidance to enable the district to achieve stated goals. The documents were prepared without broad based involvement and do not contain action plans or statements that define the action needed to affect the overall goals. For example, Goal 2 of the district improvement plan entitled "equity" has a strategy 2.1, Compensatory, Intensive, and Accelerated Instruction. The first activity listed under this goal is "allocate funds to schools." While fund allocation must indeed occur, it is not a strategy, it is an event that naturally occurs. Strategy 2.2, Parent Participation, has listed "parent out-reach in the community" as an activity. Effective action plans sufficiently describe activities with enough detail in order to assist in the implementation of strategies. The lack of such detail prevents the plans from being a guiding force in the work of the district or the school.

**Exhibit 1-10** shows expectations outlined in the TEC for school planning.

**Exhibit 1-10  
School Improvement Plan Components**

<b>Required by the Texas Education Code</b>
<ol style="list-style-type: none"> <li>1. Assess the academic achievement for each student in the school using the Academic Excellence Indicator System.</li> <li>2. Set the school performance objectives based on the Academic Excellence Indicator System, including objectives for special needs populations, including students in (Section 504 and) special education programs under TEC Chapter29, Subchapter A.</li> <li>3. Identify how the school goals will be met for each student.</li> <li>4. Determine the resources needed to implement the plan (be specific in budget amount and funding source, i.e. Title 1, Compensatory Education, grant, local).</li> <li>5. Identify staff needed to implement the plan.</li> </ol>

6. Guided by the strategies and activities of the school improvement plan, the school committee shall identify staff development needs for teachers and administrators. Staff development training shall include technology, conflict resolution, discipline strategies, and promote learning and collaborating with colleagues. Staff development shall be predominately school based, related to achieving school performance objectives, and developed and approved by the school level committee (CLC). Staff development activities may include study teams, individual research, peer coaching, workshops, seminars, conferences, and other reasonable methods that have the potential to improve student achievement TEC 21.451; 19 TAC 153.1011(b)
7. Set time lines for reaching the goals.
8. Measure progress toward the performance objectives periodically to ensure that the plan is resulting in academic improvement.
9. Provide for a program to encourage parental involvement at the school.
10. Include goals and methods for violence prevention and intervention on (?) school (including information about your school safety, security and crisis management plan). TEC 11.253(c)(d)

*Source: TEC Subchapter F.*

Strategic planning ensures that all facets of the organization are coordinated and are moving in the same direction to accomplish the organizational goals. When district and school improvement plans lack strategic intent they become random acts of improvement that are not tied to the organization's improvement as a whole, causing the overall improvement of the district to be less cohesive.

**Recommendation 6:**

**Develop a comprehensive strategic planning process that focuses on the strategic goals, objectives and needs of the community.**

HISD should develop a strategic planning process that links the various existing plans and ties them to the budget. HISD should develop a strategic planning process and undertake a comprehensive strategic planning initiative that includes participation of the board, superintendent, administration staff, principals, teachers, students and community members. Beginning with a board strategic planning retreat, complete with a facilitator, this initiative should be a collaborative effort designed to develop agreement on the district's vision, long-term goals, objectives, implementation initiatives, timelines and responsibility assignments. Moreover, performance measures should be defined to measure the district's accomplishment of objectives, and priorities should be established and linked to the district's budget.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent schedules a retreat for the board and superintendent to develop a shared vision and values, evaluate the district's mission and develop strategic goals for the district.	September 2002
2.	The board president requests the names of potential members for a strategic planning steering committee from board members and the superintendent.	October 2002

3.	The board reviews the names recommended for the committee and ensures that the district and all segments of the HISD community are represented including board members, central administrators, principals, teachers, parents, members of School Educational Improvement Committees, members of the community at large and business people.	October 2002
4.	The board approves the composition of the district's strategic planning steering committee.	November 2002
5.	The steering committee elects a chairperson (preferably a member of the community) and co-chairperson (preferably a district administrator).	November 2002
6.	The board president gives the committee its charge and outlines the goals agreed upon during the strategic planning session.	November 2002
7.	The strategic planning steering committee uses surveys, interviews and public meetings to gather perceptions and information necessary to develop a comprehensive strategic plan.	November 2002 - January 2003
8.	The strategic planning steering committee creates subcommittees by functional area and groups the results of surveys, interviews and public meetings by each area.	January 2003
9.	The subcommittees develop district wide priorities, recommended action plans, timelines and performance measures and prepare an initial draft of the strategic plan.	January - March 2003
10.	The strategic planning steering committee presents the initial draft of the strategic plan to the board for review and comments.	April 2003
11.	The subcommittees revise the initial draft to include the board's comments.	May 2003
12.	The board approves the strategic plan.	June 2003
13.	The superintendent and board monitor and update the strategic plan.	August 2003 and each year thereafter

## FISCAL IMPACT

A facilitator for the strategic planning process will cost the district approximately \$1,000 per day. The facilitator needs to spend approximately two days leading the envisioning session and another five days summarizing the input received during the session, for a total of seven days or \$7,000.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a comprehensive strategic planning process that focuses on the strategic goals, objectives and needs of the community.	(\$7,000)	\$0	\$0	\$0	\$0

# Chapter 1

## DISTRICT ORGANIZATION AND MANAGEMENT

### **C. Policies and Procedures**

HISD has a contract for policy development with TASB. Any policy designated in the policy manual as "Legal" has been developed by TASB to comply with state and local laws. Local policies developed by or for the district to reflect decisions of the board are designated as "Local." Policy updates are issued by TASB on a regular basis for local review and adoption to ensure that the district's policies remain current. TASB also assists districts with the development of administrative regulations and procedures and issues regular updates of those regulations and procedures for adoption.

### **FINDING**

The district has not compiled various financial, administrative and managerial policies and procedures into an organized, indexed manual. The district has an extensive set of policies and procedures governing payroll, student activity funds and non-financial issues, such as cancellation of board meetings, bus transportation for field trips, student discipline and herbicides and pesticides. This information was developed over the years and consists of policy memos issued by the former superintendent, as well as the current superintendent. Together, they represent the district's operating policies and procedures, but they have not been compiled, organized or recognized as such.

Operating policies and procedures work best when they are compiled indexed and organized into useful manuals. Such manuals provide staff with detailed procedures for performing critical accounting, reporting and other functions. Procedure manuals also provide directions on the correct way to process specific transactions, and they serve as a training tool for new employees. In addition, procedure manuals provide a source of continuity and a basis for uniform processes and procedures. This is very important, particularly when there is turnover among staff.

### **Recommendation 7:**

**Compile existing policy and procedure memorandums into an organized, indexed policies and procedures manual.**

The district should adopt a systematic approach to policy and procedure development. Each directive the superintendent or board issues should be considered part of a body of information that is organized, indexed and

constantly updated. HISD's ultimate goal should be to publish comprehensive district policies and procedures on an intranet site, which has yet to be developed.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent's secretary assembles all of the district's policy and procedure memorandums that have been issued over the years that are still valid.	September 2002
2.	The superintendent's secretary devises a classification and numbering scheme to organize and index the policy and procedure memorandums.	September 2002
3.	The superintendent and district secretary establish protocols for initiating new policy directives as well as procedures for revising existing ones.	October 2002
4.	The superintendent 's secretary places the memorandums into a manual that can be disseminated throughout the district.	October 2002
5.	The superintendent issues the policies and procedures manual to appropriate district employees with a memo introducing the manual and explaining its purpose and how it will be updated periodically.	October 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD lacks a comprehensive plan for following up on and implementing recommendations made during the April 2000 TEA on-site accreditation visit or other reports and audits. Interviews with board members and administrators reveal they were aware of a TEA accountability visit in January 2000, but were not aware of the current status. Also, there is no formally adopted process to keep the superintendent and board informed of the progress of implementing recommendations made in reports such as the TEA accountability review.

Cited in the executive summary of the TEA report is a statement that reflects an overall attitude by some individuals in the district that is detrimental to student performance. It describes factors impacting student performance as a lack of high expectations, lack of focus on the targeted population, failure to implement district initiatives and school to home communication.

Follow-up plans ensure that appropriate district personnel address the report and implement the recommendations provided in the report. Some districts also include the implementation of the recommendations given in such reports in their school and district improvement plans thus ensuring that they do not neglect their implementation.

**Recommendation 8:**

**Develop reports for the board providing the implementation status of recommendations contained in reports and audits.**

The superintendent should institute a reporting mechanism to report progress on the TEA Accountability Report received by the district on April 28, 2000. The superintendent should institute this same concept of planning, reporting and tracking of progress on the action plans contained in the HISD District and Campus Improvement Plans, HISD Five-Year Technology Plan, School Accountability Progress Reports and all other reports such as the annual financial audit. The key to a follow-up plan is to make a specific staff member responsible for implementing recommendations and to prepare reports tracking progress for all recommendations contained in a report until all are complete. **Exhibit 1-11** is an example of a sample follow-up plan format that can assist districts in tracking and implementing recommendations made by any accreditation site visit, audit or plan.

**Exhibit 1-11  
Sample Follow-up Plan  
TEA Accreditation Site Visit**

<b>Follow-up Plan TEA Accreditation Site Visit</b>				
<b>Recommendation 1</b>	<b>Activity</b>	<b>Staff Responsible</b>	<b>Date of Board Authorization</b>	<b>Priority/Start year</b>
Strategy 1.1				
Strategy 1.2				

*Source: TSPR.*

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent, chief financial officer and curriculum director meet to discuss requirements for a tracking system for implementing recommendations contained in audit and other reports on district operations.	September 2002
2.	The chief financial officer and the curriculum director develop a system to track progress on implementing audit and other report recommendations.	October 2002
3.	The superintendent reviews and approves the tracking system.	October 2002
4.	The superintendent presents the recommended tracking system to the board for approval.	November 2002
5.	The superintendent sends a memo to all professional personnel explaining the tracking system and requiring strict compliance.	November 2002
6.	The superintendent directs the curriculum director to develop a comprehensive implementation plan for the April 2000 TEA on-site accreditation visit report.	November 2002
7.	The curriculum director implements the plan and prepares quarterly reports to the board.	December 2002 and Ongoing
8.	District management tracks future audit and review recommendations and issues quarterly progress reports to the board.	Ongoing

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

### **FINDING**

The HISD board does have an approved appraisal instrument or a timeline for the superintendent's performance. Local policy BJCD indicates the board should provide the superintendent a written evaluation at annual or more frequent intervals based upon the superintendent's job description. The board did meet in January 2002 to discuss the superintendent's performance, but did not appraise the superintendent and decided to conduct the appraisal in June 2002 at the end of the superintendent's first year.

TASB policy BJCD (LEGAL) cites TEC section 21.354(d) indicating that the board must annually appraise the superintendent. According to TEC section 21.354(c) the board may use the commissioner's recommended appraisal process and criteria, or it may develop one locally in consultation

with the District -and school-level committees. HISD does not have an appropriately developed appraisal instrument to use when conducting the superintendent's appraisal.

Established objective measures for evaluating the superintendent's performance prevent highly subjective appraisals. For instance, if one or more members of the board feel that the superintendent is not performing up to expectations by letting the instructional focus slide, there will be an objective target against which progress can be measured. Consequently, evaluations serve as a tool for guiding educational progress in the district by the board providing clear direction and setting specific priorities and goals for the superintendent. Performance expectations are intended to provide guidance and direction to an employee, and performance evaluations are designed to measure the employee's progress in meeting these goals.

**Recommendation 9:**

**Develop a superintendent's appraisal instrument and establish timelines for the appraisal.**

The board should comply with district policy by developing an appraisal instrument for the superintendent's annual evaluation and establish timelines for the review.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent obtains examples of appraisal documents from TASB that meet TEA requirements and are appropriate for a district the size of HISD.	September 2002
2.	The superintendent develops an appraisal instrument along with timelines for the appraisal process and submits to the board for approval.	October 2002
3.	The board conducts the superintendent's appraisal using the approved appraisal instrument and in according with timelines.	As Adopted

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 1

## DISTRICT ORGANIZATION AND MANAGEMENT

### **D. Community Involvement Initiatives**

A high level of community involvement is instrumental in ensuring school districts are able to partner with the community to accurately and efficiently gain public input from all resident stakeholders. If properly functioning, this relationship results in outcomes beneficial to both community members and the school district. By providing input on the quality of service provided by the district, the community ultimately benefits from a district that will produce more educated citizens and a more capable workforce. The district in turn can better focus its services to more precisely reflect community desires and deepen its resource capacity by linking with civic, religious and business interests.

As a result, maintaining a systematic and effective means of two-way communication with the community is an integral component to the overall success of a school district. Effective communication is typified by: accessible and ample opportunities for citizens to contribute ideas or criticism; dedicated and consistent use of print and electronic media for the purpose of disseminating information; and the inclusion of diverse community groups representative of the whole community.

The superintendent has undertaken an ambitious and comprehensive agenda to achieve four goals: achievement, equity, marketability and responsibility, all of which are intended to make Hitchcock "a district of choice." To accomplish these goals, the district is in the midst of re-energizing a community relationship described by all parties as delicate but nonetheless hopeful of prospect for change.

As a result of eliminating a public information officer position in 1999-2000, the district does not currently have an office or person dedicated solely to the task of community involvement. The superintendent now serves as the single point of contact for all media requests, public information requests, public relations and community involvement functions in addition to her duties as superintendent. Additional administrators and staff are involved in the function on an as-needed basis.

The challenge of building momentum in the area of community involvement is compounded by prevailing sentiments of distrust, apathy and misperception. The TSPR team conducted interviews, a public forum and focus group sessions with parents, teachers, principals, the superintendent, civic leaders, minority representatives and the local clergy. Some common comments surfaced:

- "People think that the schools are not that good and that they are mostly black."
- "For years minority opinions have not been sought. Now that they are, many African-Americans in the community don't want to give them. There is a lot of mistrust."
- "We cannot get parents to come to the school or school board meetings to talk about issues. The only time they are interested is if their child is performing or involved."
- "I don't know what is going on in the district. It is difficult to be informed."
- "The superintendent is doing a good job of trying to get people involved and going to where they live to do so."

## FINDING

HISD is making a concerted effort to reach residents by holding community forums at various locations around the community. Particular attention is being given to obtaining feedback from residents who in the past have been difficult to obtain input from, such as minorities and the economically disadvantaged. **Exhibit 1-12** shows the dates, attendance and locations of the eight community forums held since their inception in September 2001.

**Exhibit 1-12**  
**HISD Community Forums**  
**September 2001 through May 2002**

Location	Attendance	Date
Crosby Middle School	3	4-24-02
Hitchcock Public Library	20	3-27-02
Stewart Elementary School	15	2-26-02
Stewart Elementary	15	1-23-02
Crosby Middle School	15	12-18-01
Stewart Elementary School	30	10-29-01
Missionary Village Community Room	35	10-10-01
Hitchcock High School	20	9-18-01
<b>Total</b>	<b>153</b>	

*Source: HISD Superintendent's Office.*

Additionally, the superintendent sends newsletters to area churches so that information can be included about important school events in the church's bulletin announcements. She also participates in community-wide activities such as the Good Old Days Festival and parades. Copies of news articles show the local news media is cooperating with the superintendent in this effort.

HISD provides service to a student body in which 64.2 percent of the students (2000-01) are economically disadvantaged. **Exhibit 1-13** shows the percentage of economically disadvantaged students in HISD compared with their peer districts. Only Royal ISD has a larger percentage of economically disadvantaged students than HISD.

**Exhibit 1-13**  
**Percentage of Economically Disadvantaged Students in HISD and Peers**  
**2000-01**

<b>District</b>	<b>Percentage of Economically Disadvantaged Students</b>
Anahuac	43.7
Boling	48.7
East Chambers	42.4
<b>Hitchcock</b>	<b>64.2</b>
La Marque	49.0
Hempstead	59.9
Royal	69.2

*Source: TEA, AEIS, 2000-01.*

The forums allow residents the opportunity to criticize, commend or ask questions of the superintendent directly in their own residential or community environment. As a result, the superintendent is not only in direct contact with the people the district serves, but the district also gets the benefit of direct public input.

**COMMENDATION**

**HISD's superintendent is seeking innovative ways to solicit input from the community and improve the district's image.**

## FINDING

HISD has recognized the necessity of creating partnerships and coalitions with religious organizations, civic groups, higher education institutions and businesses. Like all districts, HISD has limited resources to allocate over a wide range of services and needs. The district has had to seek new ways to leverage its ability to promote the district and improve service.

One of the ways the district is attempting to leverage resource is by entering into mutually beneficial partnerships with various organizations in the Hitchcock area. This is exemplified by the district's relationship with the public library in conducting the Summer Literacy Program. This program combines summer school and summer camp in an effort to make education programs more interesting. The district is able to make use of library facilities and staff in delivering this service. **Exhibit 1-14** is a summary of the existing community relationships and their benefit to the district.

### **Exhibit 1-14 Summary of Existing Relationships and their Benefit to the District**

<b>Organization</b>	<b>Benefit</b>
College of the Mainland	Concurrent enrollment and technology classes offered to HISD students. Also conducts Alternative Teacher Certification Program.
Hitchcock Public Library	Conducts summer reading program and special library programs for students of Northside and Stewart Elementary Schools and Crosby Middle School. Community forums have been conducted at this facility.
Hitchcock Ministerial Alliance	Posts school news and announcements in their church bulletins and has committed to work with the schools on an as-needed basis.
Black Ministerial Alliance	Post school news and announcements in their church bulletins and has committed to work with the schools on an as-needed basis.
Missionary Village (Subsidized Housing Project)	Property Manager works with school counselors, principals and truancy officers to make sure that children are in school or that the school has been made aware of family circumstances that may be affecting the child's behavior. School community forums have been conducted at this facility.
Hitchcock	Co-sponsor of the school supply drive in 2001. Will also

Chamber of Commerce	sponsor 2002 drive.
Rotary of Santa Fe/Hitchcock	Students of Hitchcock and Santa Fe high schools are given two annual scholarships to graduating seniors.
Galveston County Fair and Rodeo	Members of HISD's 4H club compete for scholarships.
Galveston Community College	Concurrent courses for HISD students and Alternative Teacher Certification Program.
University of Texas Medical Branch	Teachers attend Biotechnology Workshop for Secondary Science Teachers. Teachers earn 3 hours of graduate school credit, \$520 stipend and \$2,800 worth of supplies.
McDaniel Foundation	Grants of \$23,500 since 2000 for Ninth Grade Success Initiative
Mark Kilroy Foundation	Grant of \$30,500 for drug -free programs and activities with HISD students
City of Hitchcock	HISD works closely with the city on Tax Foreclosure properties, use of equipment, easements and zoning. Mayor is a member of the HISD crisis management team and has approved co-sponsorship of the 2002 school supply drive.
City of Hitchcock Police Department	Contract School Resource Officers at Crosby Middle School and Hitchcock High School. Contract for the provision of drug sniffing dog. Chief is a member of the HISD crisis management team.

*Source: Interviews and HISD Central Office.*

These partnerships may allow the district to provide new services, lessen the cost of existing services or more efficiently disseminate information.

## **COMMENDATION**

**The district uses partnerships with the community to strengthen service delivery and community relations.**

## **FINDING**

The residents of Hitchcock have become very comfortable using informal channels of communication to relay thoughts and concerns on district performance or receive information. Many of the people told TSPR that the most commonly used method of meeting a teacher or administrator

was to discuss issues with them in the grocery store or school related athletic event or church.

The importance of these informal channels of communication is highlighted by the fact that with the loss of the public information officer the district has few formal channels of communication that are regularly used by residents. As a result, documentation and verification of the desires of the residents is difficult to produce. Formal channels, such as PTA's (Parent Teacher Association), PTO's (Parent Teacher Organization), booster clubs and board meetings, have been poorly attended. In fact, despite their efforts, the district has not been able to gather the required quorum to begin an operational PTA with the exception of the elementary schools, which have created a PTA via consolidation of the Northside and Stewart PTA campus efforts. All of the district's principals note that schools have struggled to get parents to participate in events other than those in which their children are directly involved such as a play or recital. **Exhibit 1-15** shows the membership of the district's school affiliated community organizations.

**Exhibit 1-15**  
**Membership for School-Affiliated Community Organizations**

<b>Organization</b>	<b>Membership</b>
<b>District Advisory Committee</b>	17 (6 non-district employees)
<b>Hitchcock High School</b>	
PTA	Unable to get quorum
DECA	26
Project Graduation	14
Athletic Booster Club	13
Band Booster Club	6
Vocational Adjustment Class (VAC)	4
Campus Advisory Committee	1
Parent Volunteers	0
Thursday Night Tutorials	No data
<b>Crosby Middle School</b>	
PTA	Unable to get quorum to create bylaws
Cheerleader Moms	Disbanded

Campus Advisory Committee	2
Parent Volunteers	0
Thursday Night Tutorials	No data
<b>Organization</b>	<b>Membership</b>
<b>Stewart Elementary</b>	
Thursday Night Tutorial	20 per session
PTA	35
Parent Planned Class Parties	32
Discovery Cluster	20
Parent Volunteers	5
Campus Advisory Council	2
Parent Educators	1
<b>Northside Elementary</b>	
PTA	Unable to get quorum. Combined with Stewart
Parent Planned Class Parties	75 (5 per 15 classes)
Parent Training	30 average attendance
Parent Volunteers	10
Campus Advisory Committee	3
Parent Educators	2

*Source: HISD, School-Affiliated Organization.*

In addition, 52 percent of the parents surveyed either disagreed or strongly disagreed with the statement that the district regularly communicates with parents by way of formal communication channels. Furthering this problem is the fact the majority of community members in the focus groups felt that the existing avenues of communication, such as school board meetings, are not receptive or conducive to community input. This necessitates greater reliance upon informal channels of communication. In recognition of this reliance, previous administrations have always had an open-door policy, and the current superintendent continues this policy for residents wishing to speak with her on matters regarding the district or students.

Not only is the superintendent's office easily accessible for those passing by, the superintendent has attempted to maximize her availability by printing her home telephone number on business cards. This has allowed her to speed up the process by which she familiarizes herself to the community, while maintaining a system of informal communication channels that community members are growing increasingly comfortable with after not having this type of access to the superintendent for a number of years.

While this sometimes results in the superintendent being pulled away from other administrative duties, residents from all sectors of the community said that they felt it was a positive change and made them feel the district was making an effort to capture their input.

## **COMMENDATION**

**The superintendent has continued an open-door policy of communication with members of the community.**

## **FINDING**

The district has not formally distributed the duties previously performed by the public information officer. The public information officer's position was eliminated in 1999-2000 due to budgetary constraints. Participants in the parent, civic and student focus groups all said they felt much more informed and that the district received more publicity when the district had a public relations officer. Without this position, the superintendent, principals and faculty have each had to become more involved in public and community involvement issues in addition to their regular duties. The superintendent has been especially taxed by this responsibility. Principals stated in interviews that the superintendent was the single point of contact for the district regarding, media relations and requests, public inquiries and public relations.

The district lacks a means of formal two-way communication with residents, civic organizations, businesses and churches. None of the groups feel as though there was a place or forum whereby good ideas could be systematically captured. In addition, the district's Web site is not being used to transmit news, board minutes, upcoming events or opportunities to volunteer.

Almost every person interviewed by TSPR commented they felt the place to take ideas was to the superintendent, which again underscores the good job she has done in making herself available to the general public and communicating to them that she is receptive to their ideas. However, this also highlights the fact that the job of initiating and maintaining

community involvement activities are overly reliant upon the efforts of the superintendent, which in turn leave her with less time to accomplish other administrative functions.

An overwhelming majority of residents interviewed also felt the mechanisms for keeping up with the district and school events were inadequate. Many parents felt the decisions of the school board were not publicized enough before or after the vote. They also contended that news of school events was poorly distributed and in an untimely manner, thus inhibiting them from participating.

Effective elements of a system that provides communication between a district and the community include:

- Regular updates to the district's Web site with news of events, programs, board minutes and opportunities to volunteer and become involved;
- Links from the district website to the websites for the public library, police, city council, chamber of commerce and area colleges;
- Works to support and establish a PTA and Citizen's Advisory Council;
- Partners with the city council, chamber of commerce, colleges and the public library to produce a bi-weekly newsletter;
- Regularly publishes and distributes the high school newspaper; and
- Establishes a Web based and traditional method for the capture of public input.

Districts that typify effective communications strategies identify specific positions to perform the following functions:

- Serve as the single point of contact for citizens, parents, media and students;
- Coordinate events, press releases and information dissemination;
- Manage and update current channels of communication and create new opportunities to capture and document public input; and
- Relieve key administrators from performing certain public relation duties, thereby allowing them to focus more upon their own function.

#### **Recommendation 10:**

**Formally distribute the duties and functions previously performed by the public information officer among current staff.**

#### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent identifies duties to be assigned to current staff.	September 2002
2.	The superintendent revises job descriptions to include the public relations duties assigned to each position impacted.	October 2002
3.	The superintendent distributes a memo to district staff and a flyer to the community explaining public relations duty assignments.	November 2002
4.	The assigned staff begins performing the assigned duties.	November 2002

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

### **FINDING**

The district does not have a means of tracking successes in the area of community involvement. Although the district is improving its efforts to involve the community in the decision-making processes of the district, there are no mechanisms in place to ensure or measure progress toward that goal. For example, the district does not measure the effectiveness of any of its programs in addressing the needs of the parents against any baseline assessment data.

Measuring the success of strategies allow districts to determine where to focus its efforts and how specific programs are most effective in accomplishing the district's goals. The elements of a well- working performance measurement system include:

- Tracking media coverage of the district and maintaining statistics on the quantity and nature of positive and negative coverage;
- Conducting a baseline needs assessment of community member's perceptions and opinions on the district. Re-administer the survey one year after initial assessment to discern trends, areas of improvement, and areas of commendation;
- Measuring and tracking the number of volunteer hours per school;
- Track the number of resident participants in booster clubs, school board meetings, PTO meetings, PTA meetings, open-house, and school sponsored programs; and
- Monitor and maintain the publication of district newsletters and newspapers.

### **Recommendation 11:**

**Establish performance measures to evaluate the effectiveness of community involvement strategies.**

Establishing performance measures and evaluating them will provide the district with a point of reference for future community involvement initiatives.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent's secretary develops a set of performance measures to use in evaluating the effectiveness of community involvement strategies.	November 2002
2.	The superintendent's secretary presents the set of performance measures to the superintendent for approval.	January 2003
3.	The superintendent's secretary prepares a report for the superintendent with performance measures data on a quarterly basis.	March 2003
4.	The superintendent distributes the quarterly reports to all staff responsible for community involvement strategies.	May 2003
5.	The superintendent and staff involved in community involvement strategies use the performance measures data to adjust strategies.	August 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 2

## EDUCATIONAL SERVICE DELIVERY

This chapter reviews the educational service delivery of the Hitchcock Independent School District (HISD) in the following five areas:

- A. Instructional Program Delivery
- B. Student Performance
- C. Special Programs
- D. Educational Technology
- E. Safety and Security

School districts must provide high quality educational services in the most effective and efficient manner. Doing this requires three things: (1) having adequate processes in place to identify student educational needs, (2) providing programs to meet those needs and (3) measuring performance as a result of these programs represents the most vital mission for every school district. Effective delivery of educational services requires a school district to make optimum use of its human and financial resources. School districts also must adopt relevant, up-to-date board policies that direct the management of the instructional process; the design and ongoing maintenance of appropriate curricular programs and they must provide adequate resources to support the programs that are implemented. Moreover, assessment data must be used to evaluate and monitor programs.

### BACKGROUND

HISD is located approximately 40 miles south of downtown Houston, in Galveston County. In 2001-02, HISD served 1,123 students at four locations including two elementary schools, one middle school and one high school. A Head Start center is housed in portable buildings on the Northside Elementary School campus. **Exhibit 2-1** indicates the number of schools in HISD by level and the grades served.

**Exhibit 2-1**  
**HISD Schools by Level and Grades**  
**2001-02**

Level	Grades Served	Number of Schools
Head Start/Elementary	PreK and K-5	2
Middle Schools	6-8	1

High Schools	9-12	1
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Source: HISD's Web site.

During 2001-02, HISD employed 91 teachers, eight school administrators, two central administrators, 17 professional support employees, 31 educational aides and 30 auxiliary personnel. **Exhibit 2-2** provides data on HISD staffing compared to state averages.

**Exhibit 2-2  
HISD and State Staffing Information  
2001-02**

Category	Percentage	
	HISD	State
<b>Staff</b>		
Teachers	50.9%	50.8%
Professional Support	9.5%	7.8%
School Administration	4.5%	2.6%
Central Administration	1.1%	0.8%
Educational Aides	17.3%	10.2%
Auxiliary Staff	16.8%	27.8%
Total Minority	25.1%	38.2%
Turnover Rate (Teachers)	23.2%	16%
<b>Race/Ethnicity (Teachers)</b>		
African American	12.0%	8.8%
Hispanic	3.3%	17.1%
White	83.6%	73.2%
Other	1.1%	0.9%
<b>Degree Status (Teachers)</b>		
No Degree	1.1%	1.3%
Bachelors Degree Only	84.5%	74.7%
Masters Degree	14.4%	23.4%
Doctorate Degree	0.0%	0.5%
<b>Experience (Teachers)</b>		

0 Years Experience	2.2%	7.8%
1-5 Years Experience	22.4%	27.4%
6-10 Years Experience	18.6%	18.1%
11-20 Years Experience	37.2%	25.3%
20+ Years Experience	19.7%	21.4%

*Source: Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS), 2000-01.*

HISD selected six Texas school districts to serve as peer districts for comparative purposes: Anahuac, Boling, East Chambers, La Marque, Hempstead and Royal ISDs. These districts share a number of similar characteristics such as enrollment and per pupil wealth. La Marque is larger in enrollment, but it is a neighboring school district, which many parents in HISD look to for comparison purposes.

The Texas Education Agency (TEA) conducted an on-site accreditation visit in the spring of 2000 because two schools-Stewart Elementary School and Northside Elementary School-were designated Low-Performing schools. These schools were rated by TEA as Low Performing, because only 36.4 percent of the African-American students at the Stewart Elementary School passed the Mathematics section of the Texas Assessment of Academic Skills (TAAS). While Northside Elementary School is EC-Grade 1 and its students do not take the TAAS, it was considered Low-Performing by virtue of the schools being combined with Stewart Elementary School for rating purposes.

**Exhibit 2-3** shows the property value per pupil and the percentage of students passing the TAAS in 2000-01 for HISD, peer districts and the state averages.

**Exhibit 2-3**  
**Property Value per Pupil and**  
**Percentage of Students Passing the TAAS**  
**HISD, Peer Districts and State**  
**2000-01**

<b>District Name</b>	<b>Enrollment</b>	<b>Property Value per Pupil</b>	<b>Rank by Value</b>	<b>Percentage of Students Passing TAAS</b>	<b>Rank by Performance</b>
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Boling	974	\$121,235	7	88.3%	1
Anahuac	1,421	\$153,527	5	84.0%	2
La Marque	4,063	\$297,873	1	78.0%	3
East Chambers	1,126	\$133,050	6	77.1%	4
Royal	1,469	\$208,901	2	73.5%	5
Hempstead	1,399	\$166,276	4	73.4%	6
<b>Hitchcock</b>	<b>1,225</b>	<b>\$200,526</b>	<b>3</b>	<b>71.3%</b>	<b>7</b>
<b>State</b>	<b>4,059,619</b>	<b>\$215,232</b>		<b>82.1%</b>	

Source: TEA, AEIS, 2000-01 and Texas School Directory, 2001-02.

While HISD ranks lowest among its selected peer group, HISD test scores on the TAAS have steadily improved. **Exhibit 2-4** shows improvement in TAAS scores for all tests taken from 1993-94 through 2000-01.

**Exhibit 2-4**  
**HISD TAAS Scores**  
**All Tests Taken 1993-94 through 2000-01**

<b>TAAS All Tests Taken</b>	<b>1993-94</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Percentage Increase 1993-94 through 2000-01</b>
All Students	28.7%	38.0%	50.3%	47.3%	57.8%	58.4%	63.8%	71.3%	42.6%
African American	19.4%	23.9%	36.2%	35.4%	44.4%	44.7%	53.4%	62.8%	43.4%
Hispanic	28.6%	34.0%	53.6%	44.9%	60.8%	58.8%	58.4%	67.6%	39.0%
White	38.4%	52.5%	63.1%	60.4%	69.3%	70.5%	75.0%	80.5%	42.1%
Economically Disadvantaged	22.7%	32.2%	45.0%	36.9%	54.2%	52.4%	58.5%	67.1%	44.4%

Source: TEA, AEIS, 2001 History Report.

# Chapter 2

## EDUCATIONAL SERVICE DELIVERY

### A. Instructional Program Delivery

A district that properly uses its resources can help students to achieve significant progress in their studies. The human resources necessary to create and maintain a healthy educational environment are vital to the success of any school district. **Exhibit 2-5** shows the responsibilities of HISD's central office personnel directly responsible for supporting the superintendent in providing instructional leadership for the district.

**Exhibit 2-5**  
**Responsibilities of HISD Central Office Personnel**

Position	Key Areas of Responsibility
Curriculum/Professional Development Director	Responsible for developing, implementing and monitoring all academic programs and supervising all programs for special student populations other than special education and CATE.
Special Education COOP Director	Responsible for supervising all special education programs and serves as liaison to the Special Education Cooperative for HISD, Danbury, Damon, Needville and Kendleton. ISDs.
Career and Technology Education (CATE) Director	Coordinates all communications with organizations and groups in the district on HISD vocational programs.

*Source: HISD job descriptions and TSPR interviews April 2002.*

### FINDING

The district uses federal Title I money to pay for one reading and one math curriculum specialist to help teachers at Northside Elementary address curriculum needs. Title I money is supplemental in nature and must be used to provide additional services to the regular program. These specialists attended curriculum meetings and training outside the district and using the "train the trainer" model came back to train their colleagues at their school. These specialists obtained copies of the Texas Essential Knowledge and Skills (TEKS)-the state-established lists of the knowledge and skills students are expected to learn at each grade level-for the school

and developed curriculum and assessment timelines for each grade level in preparation for the TAAS, the state assessment instrument to measure progress on student learning of the TEKS.

The specialists also aligned the curriculum of that school to the TEKS and initiated benchmark testing for all PreK-2 students. Pre-test information at the beginning of the year showed 66 percent of second graders were unable to reach mastery on grade level, but by the end of the year, 95 percent did so.

Thirty hours of training was provided each of the teachers at the Northside Elementary School. Teachers were trained in two-hour blocks throughout the school year in the afternoons. This training also qualifies them for the required training on Gifted/Talented (G/T) teaching strategies. The Texas Administrative Code (TAC) Chapter 89.2 (1) states "prior to assignment in the program (G/T), teachers who provide instruction and services that are a part of the program for gifted students have a minimum of 30 hours of staff development that includes nature and needs of gifted/talented students, assessing student needs and curriculum and instruction for gifted students."

## **COMMENDATION**

**The North Side Elementary School uses Title I money to fund curriculum specialists.**

## **FINDING**

HISD does not have a districtwide comprehensive curriculum development and management system. There is no coordination among subject areas and between grade levels, and the district lacks a curriculum plan to guide the district on how to use curriculum materials and how to measure students' progress in learning the TEKS.

The district has a designated curriculum leader to develop and define the district's curricula, but she told the review team that the assigned duties of doing paper work for federal programs prevents her from leading the effort to provide curriculum guides for the district. The 2000-01 district improvement plan does not identify the lack of curriculum guides as an area needing improvement. The superintendent is aware of this problem and said she plans to begin taking steps to improve the district's curriculum management plan.

The high school principal and staff members at the middle school and at one of the elementary schools each told TSPR that there is a lack of vertical alignment between elementary and middle school and between

middle and high school. Without this alignment, there is little curriculum connectivity for children as they move from one grade to the next.

The Texas Curriculum Management Audit Center (TCMAC) is a service offered within the Texas Association of School Administrators (TASA). According to TCMAC, as of April 2002, 51 Texas school districts have undergone a curriculum audit process to help them create the infrastructure necessary for ongoing curriculum development and management.

TASA describes curriculum auditing on its Web site.

"Curriculum auditing offers a focused approach to increasing student productivity. It is an all-encompassing management tool that gives administrators the impetus and means to improve their entire system for designing and delivering the curriculum."

"The curriculum management audit developed by [a] nationally recognized curriculum expert...offers the most comprehensive examination available of a school district's curriculum management system. Based on effective schools research and governed by the same principles and standards as a financial audit, the curriculum audit determines how effectively the school district designs and delivers its curriculum."

"School administrators across the country who are serious about school reform and restructuring know the tangible results of this proven process, which include improved productivity; clear and valid objectives for students; increased control of resources, programs and personnel; more effective design and delivery practices; and the transformation of curriculum guides into usable management tools. In addition to its proven ability to function as a catalyst for change, the curriculum audit is compatible with other reform efforts, including strategic planning..."

"TCMAC is designed to support and complement the work of Curriculum Management Audit Centers, Inc. (CMAC)...but is focused specifically to optimize curriculum audit services for Texas school districts in a cost-effective manner. TCMAC (specially tailors the curriculum audit process) for districts of fewer than 2,500 students."

**Exhibit 2-6** indicates the standards for curriculum management audits.

**Exhibit 2-6  
Standards for Curriculum Management Audits**

1. **Control** - School district is able to demonstrate control of resources, programs and personnel.
2. **Direction** - School district has established clear and valid objectives for students.
3. **Connectivity and Equity** - School district demonstrates internal consistency and rational equity in its program development and implementation.
4. **Feedback** - School district uses the results of district designed/adopted assessment to adjust, improve, or terminate ineffective practices or programs.
5. **Productivity** - School district has improved productivity.

*Source: Texas Association of School Administrators, Texas Center for Curriculum Management Audits, 2002.*

**Recommendation 12:**

**Conduct a comprehensive curriculum audit.**

Curriculum audit service providers, such as the Texas Curriculum Management Audit Center, can make special arrangements for small districts so that they may benefit from a reduced scope of work and at a reduced cost.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The Curriculum director contacts multiple curriculum audit service providers to determine the availability of services.	September 2002
2.	The Curriculum director secures copies of audit standards from service providers.	October 2002
3.	The superintendent provides a report on curriculum audit processes, procedures and costs to the board and obtains board approval to develop a request for proposals (RFP) for a curriculum audit.	November 2002
4.	The Curriculum director and the chief financial officer develop and publish a RFP for a curriculum audit.	December 2002

5.	The Curriculum director develops a plan to prepare for the curriculum audit and begins meeting with the superintendent and principals to align practices, policies and resources in preparation for the audit.	January 2003
6.	The superintendent, chief financial officer and Curriculum director examine responses to the RFP.	February 2003
7.	The superintendent recommends to the board for approval an agreement with a curriculum audit service provider.	March 2003
8.	The audit service provider completes the audit and presents report with recommendations to the district.	March 2003 - April 2003
9.	The Curriculum director develops a plan for implementing the recommendations and submits to the superintendent and board for approval.	May 2003

### **FISCAL IMPACT**

The cost of the audit depends upon the service provider. The Texas Curriculum Management Audit Center, however, charges a maximum of \$30,000 for a small district audit.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Conduct a comprehensive curriculum audit.	(\$30,000)	\$0	\$0	\$0	\$0

### **FINDING**

HISD does not have districtwide curriculum guides. Curriculum guides serve as guidelines to help teachers arrange daily planning and delivery of instruction that are aligned to the TEKS. Without formal curriculum guides, it is difficult for teachers to be certain that the state's content standards are being taught consistently in all courses at all grade levels. Every school district in Texas is required at a minimum to use the TEKS. Interviews with principals show the need for curriculum guides that are aligned vertically Kindergarten through the twelfth grade and with the TEKS and the Texas Assessment of Knowledge and Skills (TAKS) which will replace TAAS by 2002-03. The elementary campuses have worked to develop content scope and sequence and alignment to the state assessment. The secondary math teachers are scheduled to begin their first curriculum-writing project in summer of 2002.

The Regional Education Service Center V (Region 5) in Beaumont offers a Curriculum Leadership Cooperative (CLC) to any school district that

wishes to become a member. HISD is located in Regional Education Service Center IV (Region 4), but Region 4 does not offer this service. CLC curriculum documents, which are developed by master teachers, provide a vehicle for guiding students' instructional experiences toward successful transitions throughout the learning process. Ten staff development days per year are available to member districts. The curriculum for this cooperative has 10 goals. **Exhibit 2-7** shows the CLC goals for curriculum development.

### **Exhibit 2-7** **CLC Goals for Curriculum Development**

1. The curriculum development process will allow for the interaction of classroom teachers with those serving in developmental roles. This interaction will allow teachers to integrate ideas and materials into planning and teaching so that they will have ownership of the guides.
2. The development process will be open-ended so that curriculum documents can be refined and updated as needed and can become more comprehensive.  
Curriculum development will align the written, the taught and the tested curricula to insure a high percentage of learner outcomes.
3. The curriculum for a course or grade level subject will define that course in a finite set of objectives which will be few in number, broad in scope and aimed at developing in students an integrated understanding of that course or subject.
4. The curriculum documents (resource packets) will be a mechanism for collecting, organizing and sharing teachers' effective classroom practices and ideas related to accomplishing course objectives.
5. The curriculum documents will address the development of students' thinking skills. They will define the course or subject for teachers and students and will include the development of student thinking as a priority.
6. The curriculum documents will be designed to reduce teachers' paperwork in linking daily lesson plans, student instructional activities and performance assessments to instructional objectives and the Texas Essential Knowledge and Skills (TEKS) and in documenting mastery of curriculum objectives.
7. Curriculum documents will be as comprehensive as possible to provide teachers with quality information to help in the election of instructional activities, strategies, resources and assessment alternatives.
8. Curriculum documents will address the TEKS in a format that is easy for classroom teachers to use.
9. Curriculum documents will be differentiated to meet the needs of special population learners.

*Source: Region 5, Curriculum Leadership Cooperative 2002.*

### **Recommendation 13:**

#### **Develop a series of curriculum guides and keep them updated.**

HISD should obtain a detailed plan for developing and updating curriculum guides for all grade levels. The plan should include both regular instructional programs and all other educational programs, such as bilingual/ESL, gifted and talented instruction and career and technology courses.

#### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent, principals and site-based management teams discuss ways to obtain curriculum guides for the district.	September 2002
2.	The superintendent, principals and Curriculum director consider joining a curriculum cooperative to gain needed curriculum materials and training.	September 2002
3.	Principals and site-based management teams meet with the Curriculum director to develop a plan to develop curriculum and keep it updated.	October - November 2002
4.	The Curriculum director leads the process for developing the plan and oversees its implementation.	October - November 2002
5.	Principals and site-based management team present their plan to the superintendent and the board for approval.	November 2002
6.	The superintendent, curriculum director and principals supply teachers with the necessary curriculum guides.	December 2002

#### **FISCAL IMPACT**

The costs may vary depending on who helps the district develop curriculum guidelines. For example, Region 5 charges \$7,000 the first year and \$3,500 in each subsequent year for annual maintenance fees. The initial cost of \$7,000 includes the cost of printing documents and initial staff development costs, which are not duplicated in subsequent years.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a series of curriculum guides and keep them updated.	(\$7,000)	(\$3,500)	(\$3,500)	(\$3,500)	(\$3,500)

#### **FINDING**

HISD does not have a formal staff development plan that targets improving teacher skills and increasing student performance. Most staff development conducted since 2000-01 has been planned and conducted at the campus levels in order to qualify for discretionary grant funds. During the past two years, there has been a focus on reading professional development activities for Grades K-8 to meet the requirements of three reading grants: READ for Texas - Local Reading Improvement, Texas Reading Academics - Round III and Model Reading Interventions.

Since 2000-01, the district has contracted with an area mathematics consultant to conduct professional development for the secondary mathematics teachers. The consultant delivers the training by modeling best practices, observing the teachers and giving feedback. The instructional specialist has delivered the mathematics professional development on the K-2 campus.

On the districtwide level, HISD has engaged in a two-year collaborative partnership with Region 4. The project, using the trainer-of-trainer model, has linked professional development to improving student performance and to providing support to campus principals for implementation of project goals.

The project's five spring 2002 sessions covered the following topics: Examining the District/Campus Improvement Plans, Data Driven Decision Making for Instruction, Understanding and Implementing TEKS and Instructional Strategies and Accelerated Instruction. In the leadership component for district principals and directors, the content focused on examining a framework for connecting professional development and improved student performance and using data for planning and decision making.

While some of the district's training programs might address specific aspects of curriculum delivery, they are not a part of an overall plan. Consequently, funds spent on staff development may accomplish only a portion of the benefit that can be gained from a more targeted approach to training.

The Texas Education Code (TEC) Subchapter J, Staff Development, Section 21.451, prescribes certain criteria for staff development in a Texas school district. The key requirements are that staff development:

- Must include training in technology, conflict resolution strategies and discipline strategies;
- Must be predominantly school-based, related to achieving performance objectives; and

- Must be developed and approved by the school site-based decision-making committee.

School staff development may include activities that enable the school staff to plan together to enhance existing skills, to share effective strategies, to reflect on curricular and instructional issues, to analyze student achievement results, to reflect on means of student achievement, to study research, to practice new methods, to identify students' strengths and needs, to develop meaningful programs for students, to appropriately implement site-based decision making and to conduct action research.

According to TEA, an effective policy on staff development should include:

- How training needs will be identified;
- Specific training requirements;
- How school-level staff development operates;
- A focus on staff development for student achievement;
- Criteria for how school staff are to be reimbursed for attending training on their own time;
- Requirements for special programs training (for example, gifted and talented or students with disabilities); and
- Administrator training policy.

TEA allows districts to apply for waivers in its instructional calendar to allow staff development training for teachers to be conducted throughout the school year. Many districts take advantage of this practice to reach their staff development training goals.

Smithville ISD (SISD) provides cost-effective staff development targeted at improving teacher skills and improving student performance. The SISD staff development program uses four sources as the basis for its staff development program:

- The results of a 1998 study conducted by Georgia State University's Council for School Performance on the connection between staff development and student achievement;
- TAAS data, disaggregated and analyzed by school, classroom and student to foster individualized student learning strategies;
- Preparation of a District Improvement Plan through which, District Site-Based Decision-Making/Planning Committee members provided information on needed districtwide staff development; and
- School Improvement Plan preparation in which school staff identified staff development needs by school.

The study conducted by the Council for School Performance cited five guidelines in the form of questions. Associated with each guideline is a series of conditions that, if present, would likely lead to a yes answer to the question/guideline **Exhibit 2-8** reflects the guidelines.

**Exhibit 2-8**  
**Council for School Performance Staff Development Guidelines**

<b>Guideline</b>	<b>Associated Conditions</b>
Is leadership for staff development provided in the school?	<ul style="list-style-type: none"> <li>• School improvement plans and goals provide direction for staff development.</li> <li>• School administrators provide strong support for staff development.</li> <li>• Part- or full-time school staff members have multiple staff development responsibilities.</li> <li>• Sufficient resources, including time, funding and support staff development.</li> <li>• Staff development activities are integral to school operations and expectations at the school.</li> </ul>
Is the faculty collectively involved in staff development decisions and implementation?	<ul style="list-style-type: none"> <li>• Teams (grade level/leadership/department) have staff development responsibilities for planning decisions, delivery and implementation.</li> <li>• Training in adult collaborative skills occurs regularly for teachers in the school.</li> <li>• The school uses a collaborative process for staff development decisions.</li> <li>• The decision process emphasizes results measured by student and teacher changes.</li> <li>• Teachers see staff development participation as essential to being professional.</li> </ul>
Is staff development focused on improving student performance?	<ul style="list-style-type: none"> <li>• Desire to improve student performance drives selection of staff development.</li> <li>• Teachers participate in staff development in order to have an impact on students.</li> <li>• Data on student performance are used in planning staff development activities.</li> <li>• Results of staff development are monitored by changes in student</li> </ul>

	performance.
Is staff development focused on the classroom?	<ul style="list-style-type: none"> <li>• The desire to improve curriculum and instruction drives staff development selection.</li> <li>• The desire to incorporate technology in instruction influences staff development selection.</li> <li>• Classroom observations, lesson plan review and skill acquisition assess staff development results.</li> </ul>
Are training strategies that promote positive outcomes used in staff development activities?	<ul style="list-style-type: none"> <li>• The format for staff development is organized in an ongoing series of workshops.</li> <li>• The rationale and principles behind the new skills are explained.</li> <li>• New skills are demonstrated live or through videotape.</li> <li>• Sufficient guided practice is provided in the training.</li> <li>• Peer coaching/observation is part of the training.</li> <li>• Sufficient follow-up and support for implementing new skills are provided.</li> <li>• The change process is studied and used to guide innovation in the school.</li> </ul>

*Source: Council for School Performance, Atlanta, Georgia, 1998.*

**Recommendation 14:**

**Develop a comprehensive plan for teacher staff development.**

HISD should use TEA waivers and the design of the school year calendar, to implement effective staff development for teachers targeted to a plan to ensure student success.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent, principals and site-based management team discuss ways to organize a staff development plan for the district in a comprehensive and complete manner.	September 2002
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2.	Principals and site-based management teams meet to discuss staff development needs on both a school and district level.	October 2002 - December 2002
3.	Principals, Curriculum director and site-based management teams meet and develop a plan for the superintendent's for approval.	October 2002 - December 2002
4.	The superintendent submits the plan to the board for approval	December 2002
5.	The secretary to the superintendent implements the plan and then monitors it.	January 2003 and Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 2

## EDUCATIONAL SERVICE DELIVERY

### B. Student Performance

Student performance results are predictable depending upon the system under which the activities leading to those results occur. A key function of the leadership team of any school district is to design and implement a successful instructional delivery system. Texas students were already operating in an accountability system prior to the enactment of the federal No Child Left Behind Act of 2002. Now, every public school that receives federal funds is required to develop and implement an accountability system which measures and reports student achievement on tests.

Texas schools administer a series of criterion-referenced tests in which students must master 75 percent of the objectives for each criterion to be considered passing. This system is predicated on the premise of a statewide curriculum known as the TEKS. The tests, which are administered at various grade levels, are known as the TAAS. TAAS is soon to be replaced by a more advanced series of tests known as the TAKS.

Additional district and school testing may occur, but at a minimum, students are tested on the TAAS or TAKS at the time chosen by TEA. Results are reported to each district, school and to the general public, and an accreditation rating is assigned to each school as well as the district, based upon the achievement of the students on the statewide accountability test.

Since 1993, Texas has rated and accredited districts and schools based upon specific performance measures including the reading, writing and math portions of the TAAS, dropout rates and attendance rates. Districts are evaluated each year and since 1995-96, districts and schools have been rated as presented in **Exhibit 2-9**. HISD was rated Academically Acceptable in 2000-01.

**Exhibit 2-9**  
**TEA Accountability Ratings**  
**2000-01**

<b>Rating</b>	<b>Applicability/Explanation</b>
Exemplary	District and school
Recognized	District and school

Academically Acceptable	District
Acceptable	School
Academically Unacceptable	District
Low Performing	School
Alternative Education (AE): Acceptable, AE: Needs Peer Review, or AE: Not Rated	Schools that applied and were identified as eligible to be evaluated under alternative education procedures
Charter schools	At the district level, open-enrollment charter schools receive the label Charter School. At the school level, they are given one of the four-school rating categories listed above, based on the regular accountability system.
Not rated	These schools include those that do not serve students within the first through twelfth grade span, such as pre-Kindergarten centers and early education through Kindergarten schools.
Unacceptable: Special Accreditation Investigation	Districts have undergone an investigation as mandated in Chapter 39 of the TEC.
Unacceptable: Data Quality	District: serious errors in data reporting that affected one or more of the base indicators used for determining accountability ratings. The errors were of such magnitude that the results were deemed unsuitable for ratings purposes.
Unacceptable: Data Issues	School: serious errors in data reporting that affected one or more of the base indicators used for determining accountability ratings. The errors were of such magnitude that the results were deemed unsuitable for ratings purposes.

*Source: TEA, AEIS, 2000-01.*

HISD's ethnic breakdown and the 2000-01 accountability rating for each school are included in **Exhibit 2-10**. HISD had three schools rated Academically Acceptable (A) and its high school rated Recognized (R). In 2001, it had no schools rated as Low Performing (LP) even though in prior years, the district had a number of schools that received this rating.

**Exhibit 2-10**  
**HISD Schools and Accountability Ratings**  
**2000-01**

School	Grades Served	African American	Hispanic	Anglo	2001 Rating
Hitchcock High School	9-12	71.4%	90.9%	68.4%	R
Crosby Middle School	6-8	58.6%	65.0%	78.3%	A
Stewart Elementary School	3-5	63.5%	64.9%	85.4%	A
Northside Elementary School	PreK-2	63.5%	64.9%	85.4%	A

*Source: TEA, AEIS, 2000-01.*

**Exhibit 2-11** shows the individual school ratings from 1995-96 through 2000-01.

**Exhibit 2-11**  
**HISD Schools and Accountability Ratings Report**  
**1995-96 through 2000-01**

School	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
Hitchcock High School	LP	A	A	A	LP	R
Crosby Middle School	A	A	A	A	A	A
Stewart Elementary School	A	A	A	LP	A	A
Northside Elementary School	A	A	A	LP	A	A

*Source: TEA, AEIS, 1995-96 through 2000-01.*

**FINDING**

TAAS data are not used and shared throughout the district to improve student achievement. Interviews with clerical staff, as well as administrative staff, show that an abundance of data is available, such as reports on the TAAS reflecting student results on each criterion tested, but no one examines the information outside of meeting the minimum reporting functions as required by law. Such data enable teachers to see how well the students are doing in their classes. Adjusting teaching

strategies and materials based on TAAS results is a practice many successful teachers follow.

The district also lacks a process which holds principals and teachers accountable for student results. Effective districts hold teachers accountable for student performance by developing individual growth plans for teachers whose students fail to meet stated school goals for achievement. Additionally, Campus Improvement Plans (CIPs) should focus not only on achieving goals but also on strategies specific to the school that will help improve their students' performance. Finally, superintendents and boards hold principals responsible for reaching the desired objectives within a specified period of time through regular reports that are given to the board in a public meeting.

Regardless of size, all school districts receive the same TAAS reports. When used effectively by district staff, these reports can enable a district to improve student learning. HISD information management systems contain data that can enable teachers and administrators to make instructional decisions to improve student performance. **Exhibit 2-12** is an example of the data analysis that districts can follow to improve student performance.

#### **Exhibit 2-12 Example of Data Analysis**

1. Analyze TAAS scores and test data from the previous three years and project scores for the next two years by subject, ethnic groups and economically disadvantaged students for each school.
2. Prepare individual school profiles and distribute them to schools.
3. The principals and teachers review reports for their respective students.
4. The principals and teachers adjust teaching and curricula to address identified areas of weaknesses.
5. The principals monitor changes in student performance in areas of weakness.
6. The curriculum and instruction staff deals with instructional strategies, student performance and monitors the academic performance of schools for areas in need of improvement in each school.

*Source: TSPR.*

Corpus Christi ISD (CCISD) reports that by using individual school progress profiles and analyses that report TAAS scores, the district adjusted teaching techniques and curricula to address weak areas in the educational program. CCISD's system for tracking student performance collects, analyzes and makes projections about future student performance

for each school. The system is an excellent resource for strategic planning. The district creates individual school progress profiles and analyses that report TAAS scores for three previous years and project TAAS scores for the next two years.

The projections are based on TAAS passing rates and involve a comparison between projected passing rates and the district's objective, which is usually for 90 percent of students to score at the passing criterion of 70 or higher on each TAAS exam. The analysis is completed for all areas tested, for different ethnic groups and for economically disadvantaged students. The data and other information identified are then used by principals and teachers to adjust teaching techniques and curricula and to address areas of identified weaknesses. This system has been a major factor in the improving the district's TAAS scores.

**Recommendation 15:**

**Use TAAS data to identify student and teacher needs, to improve student performance and to hold principals and teachers accountable for improvement.**

Specific improvement plans and strategies should be developed for each at-risk or low-performing student. Principals and teachers should be held accountable for student performance. Individual growth plans should be developed for teachers whose students fail to meet stated school goals for achievement.

CIPs should not only focus on achievement goals, but also on strategies specific to each school that will help improve students' performance. Finally, the superintendent and board should hold principals responsible for achieving the desired achievement objectives within a specified period of time.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent reviews and analyzes TAAS data to identify areas by school that require improvement.	September 2002 - October 2002
2.	The superintendent meets with each principal, discusses the areas needing improvement to instructs each superintendent to review TAAS data by teacher and to develop an improvement plan for their school.	October 2002
3.	Each principal studies TAAS data by teacher to identify areas that require improvement.	November 2002

4.	Principals meet with individual teachers who have high failure rates on TAAS and develop an improvement plan that includes specific teaching strategies to improve student achievement.	December 2002
5.	The superintendent meets with principals every six weeks to discuss progress made and areas that should be targeted for further improvement	December 2002 and Ongoing
6.	Principals meet with teachers every six weeks to discuss school-level progress made and discuss areas that need further improvement.	December 2002 and Ongoing
7.	Teachers review student TAAS scores, benchmark scores and grades to identify overall curricular areas to improve and if needed, to re-teach subjects. Teachers also identify at-risk and low performing students and develop strategies to address individual student needs.	January 2003 and Ongoing
8.	The superintendent and principals look for ways to reward teachers and students for improvements in student achievement and develop specific goals for schools and teachers for continued improvement.	May 2003 and Ongoing

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 2

## EDUCATIONAL SERVICE DELIVERY

### **C. Special Programs**

Special education programs are designed to meet additional needs of children in schools. Texas school districts provide special educational programs such as gifted and talented education and bilingual and compensatory education to meet the requirements of students with special needs.

Public Law 94-142, better known as the federal Individuals with Disabilities Education Act (IDEA), requires districts to provide appropriate public education for all children with disabilities, regardless of the severity of their handicaps. This law, which is designed to protect children and parents in the educational decision-making process, requires districts to develop an Individualized Education Plan (IEP) for each child. The IEP should include the input of regular education teachers and be clearly linked with the education received by children in general classrooms. In Texas, an Admission Review and Dismissal (ARD) meeting is required to develop an IEP for each child.

TEA annually issues a Program Analysis System/Data Analysis System (PAS/DAS) report to each district as a part of the legislative requirement to develop a comprehensive monitoring system for special programs and for special education. This report is used to identify districts and charter schools for District Effectiveness Compliance (DEC) audits to be conducted by TEA.

Selection for a DEC visit is based upon a risk level four in any program. Risk factors are assigned based upon a number of items, such as the percentage of enrollment in special education programs. Risk factor levels of three or four on more than one item trigger DEC visits. DEC visits can trigger accreditation reviews for districts and are a sign that those districts need to examine their practices to avoid a reduction in their accreditation status.

HISD is the fiscal agent for the Greater Gulf Coast Special Education Coop (GGCC). The member schools in addition to HISD are Danbury ISD, Damon ISD, Needville ISD and Kendleton ISD.

### **FINDING**

HISD does not follow the GGCC Special Education Operational Guidelines for identifying students for enrollment in special education

programs, and the district exceeds both its peer group and its special education coop group in the percentage of enrollment for special education. **Exhibit 2-13** compares HISD with its coop members with regard to student enrollment and expenditures for special education.

**Exhibit 2-13**  
**HISD and Coop Districts**  
**Special Education Students and Expenditures**  
**2000-01**

District	Enrollment		Expenditure	
	Number	Percent	Amount	Percent
Damon	19	13.3%	\$49,935	10.2%
Danbury	71	9.6%	\$334,110	12.0%
Kendleton	8	7.3%	\$25,201	11.1%
Needville	342	14.0%	\$981,103	11.8%
<b>Hitchcock</b>	<b>215</b>	<b>17.6%</b>	<b>\$568,497</b>	<b>13.5%</b>

*Source: TEA, AEIS, 2000-01.*

HISD has a considerably higher percentage of students enrolled and a higher percentage of expenditures than any school district in the GGCC.

**Exhibit 2-14** compares HISD with its peer districts and Region 4 averages in student enrollment and expenditures for special education.

**Exhibit 2-14**  
**HISD, Peer Districts, Region 4 and State**  
**Special Education Students and Expenditures**  
**2000-01**

District	Enrollment		Expenditure	
	Number	Percent	Amount	Percent
Anahuac	183	12.9%	\$387,737	7.3%
Boling	117	12.0%	\$292,168	8.3%
Hempstead	179	12.8%	\$566,152	11.2%
La Marque	473	11.6%	\$1,457,021	11.1%
Royal	203	13.8%	\$648,232	13.7%

<b>Hitchcock</b>	<b>215</b>	<b>17.6%</b>	<b>\$568,497</b>	<b>13.5%</b>
<b>Region 4</b>	<b>89,864</b>	<b>10.2%</b>	<b>\$400,476,024</b>	<b>13.3%</b>
<b>State</b>	<b>483,442</b>	<b>11.9%</b>	<b>\$1,739,689,310</b>	<b>12.6%</b>

Source: TEA, AEIS, 2000-01.

With the exception of Royal ISD, HISD exceeds its coop group and peer group in percentage of expenditures for special education.

The GGCC director said at least one of HISD schools has not been following the GGCC Special Education Operational Guidelines for identifying students for enrollment in special education programs. The GGCC Special Education Operational Guidelines specify the proper way to identify students for referral into the special education program and suggest that referral into special education programs should not be the first choice for program referral unless other program considerations have also been examined.

**Recommendation 16:**

**Ensure that established procedures are followed in identification of students for special education programs.**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent meets with the director of the special education coop to discuss the district's procedures for identifying students for special education programs.	September 2002
2.	The superintendent requests the assistance of the special education coop to develop a plan to ensure that students are appropriately identified for special education services in HISD.	October 2002
3.	The superintendent develops a plan.	October 2002
4.	The superintendent implements the plan for HISD students and monitors compliance.	November 2002 and Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## Chapter 2

# EDUCATIONAL SERVICE DELIVERY

### **D. Educational Technology**

#### **FINDING**

HISD has implemented an aggressive strategy for credit recovery for its students and the general public by providing access to computer labs and the use of credit recovery software. Credit recovery allows an individual to obtain credits toward receiving a high school diploma at his or her own pace. The software uses course modules, which contain tutorials, drills, applications, problem solving activities, reviews and practice and mastery tests. The software program uses the following approach: 1) test, 2) track performance, 3) create lesson plans and 4) make curriculum recommendations.

Access to the district's labs are scheduled to begin at the start of 2002-03 and are tentatively planned to remain open from 6 am to 6 pm every day for students and the HISD community. HISD has obtained funding for the next three years, a grant for \$159,000 per year for three years, which provides \$46,605 for the purchase of the software and \$5,420 for training. The remaining funds will help provide computer lab staffing.

#### **COMMENDATION**

**Hitchcock High School plans to implement a software program accessible to students and the general public for credit recovery toward obtaining a high school diploma.**

# Chapter 2

## EDUCATIONAL SERVICE DELIVERY

### **E. Safety and Security**

Providing a safe and secure environment for students, teachers and other school district employees is a critical task in any district. Because of the priority placed on the safety and security of our children by parents, educators, taxpayers and the community, the 1995 Texas Legislature addressed school violence by establishing major safety and security-related revisions in the TEC.

According to the TEC, each school district must adopt a student code of conduct with the advice of a district-level committee. Additionally, students who engage in serious misconduct must be removed from regular education settings and placed in alternative education programs; specific information concerning the arrest or criminal conduct of students must be shared between law enforcement and local school districts.

To provide a safe and secure learning environment, safety and security programs must include elements of prevention, intervention and enforcement, as well as cooperation with municipal and county governments. Discipline management and alternative education programs are key tools in this process.

Maintaining a safe and secure educational environment requires comprehensive planning, policies and programs that address all students' needs. Under the provisions of the TEC, each Texas school district is required to adopt a student code of conduct that outlines standards for student behavior, categorized by level of offense. The code also outlines related disciplinary consequences, ranging from student-teacher conferences for minor offenses, to suspension or placement in an alternative education program (AEP) for more serious offenses.

HISD operates its discipline management program under its Student Code of Conduct, which is the result of collaboration among district and campus staff, parents and other community members. The Board of Trustees adopted the code on August 27, 2001. The code contains three sections including: Standards for Student Conduct, General Misconduct Violations and Removal from the Regular Educational Setting. Each section lists, in detail, behaviors and consequences. HISD requires each student and parent to sign the Student/Parent Receipt included in the code affirming they have received a copy of the document and understand that all students will be held accountable for their behavior and will be subject to the disciplinary consequences outlined in the code.

HISD has one AEP for students from Crosby Middle School and Hitchcock High School located in the Crosby Middle School Annex. Principals from the middle and high school refer students to the AEP based on criteria included in HISD's *Alternative Education Program Manual*.

## **FINDING**

HISD's student discipline policies did not consider the disparate effect on students' grades for having been disciplined for violations of the code of conduct as well as the dress code. Discipline policies related to In-School Suspension (ISS), unexcused absences and dress code violations historically penalized the students academically. If teachers placed students in ISS, grades they received for their assignments were reduced by 20 percent, which the superintendent perceived as an example of "double jeopardy." If students had unexcused absences, teachers reduced the total points students could receive for make-up work, and students received a zero for work missed for violations of the dress code.

HISD's superintendent encouraged the board to revise these student discipline policies to enable students with discipline problems to continue to maintain their respective academic standing despite being disciplined for violations of the code of conduct or the dress code.

The board revised its student discipline policies to best serve the academic interests of students disciplined for exhibiting prohibited behaviors included in the code. The policy revisions included eliminating the provision reducing grades by 20 percent for assignments completed by students placed in ISS; eliminating the reduction in points for make-up work if students had unexcused absences; and allowing students to receive credit for work made up as a result of time out of school for violations of the dress code.

## **COMMENDATION**

**HISD's student discipline policies provide students an incentive to improve academically.**

## **FINDING**

HISD does not use a comprehensive approach to student behavior management that addresses the root causes of student behavior problems. For example, teachers and administrators within the district use disciplinary measures to address behaviors included in the code of conduct and dress code, but do not use preventive measures or intervention techniques to allow students to take full responsibility for their actions.

Moreover, the district continues to use corporal punishment to discipline students, although some administrators question whether it results in changes to students' behavior.

HISD's superintendent told TSPR she prefers a comprehensive approach, but has not yet been able to implement a "holistic" behavior management program in HISD. Comprehensive, "holistic" behavior management programs are designed to address the root causes of behavior problems and provide student interventions, using guidance and counseling to help students take responsibility for their actions. Best practices in the area of comprehensive behavior management programs would include:

- Forming peer mediation teams of students at all three schools within the district to deal with conflicts before they lead to fights or disruption of the classroom environment;
- Establishing a Peer Assistance and Leadership (PAL) student mentor program at the high school and middle school;
- Implement an articulated, schoolwide behavior management program that combines character education and responsibility at the high school and middle school. This program would foster collaboration among students, teachers and administrators to address behavior management issues and implement intervention strategies; and
- Establishing cooperative relationships with city and county government to provide a variety of social services to students enrolled in the district's alternative education programs. Examples of these services include counseling and health services.

Killeen ISD and El Paso ISD have comprehensive behavior management programs that can serve as a resource for HISD's program. For example, Killeen ISD has a two-part Quest Program: Quest Skills for Growing for elementary children and Quest Skills for Adolescence for children in middle school. Both parts of the program have two main objectives: (1) helping young people develop positive social behaviors such as self-discipline, responsibility, good judgment and the ability to get along with others; and (2) helping young people develop positive commitments to their families, schools, peers and communities, including a commitment to lead healthy, drug-free lives.

El Paso ISD has a Student Assistance Program that focuses its efforts on middle and high school students; addresses stress management, anger management, coping skills, drug and violence education, character enhancement and relationships; and helps students conduct at least one community service project.

**Recommendation 17:**

## **Develop a comprehensive student behavior management program.**

HISD should contact other Texas school districts with comprehensive behavior management programs and draw upon the experiences of these districts to develop a comprehensive behavior management program that is tailored to its needs.

### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent contacts other school districts to inquire about their behavior management programs.	January 2003
2.	The superintendent, in conjunction with the curriculum officer and principals, identifies behavior management programs that can be successfully implemented in HISD.	February - May 2003
3.	The superintendent presents the behavior management programs to the board for approval.	July 2003
4.	The superintendent, in conjunction with the curriculum officer and principals, implements the new behavior management program.	August 2003

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

### **FINDING**

HISD's dress code is not consistently enforced throughout the district. According to HISD's *Student Handbook, 2001-2002*, "the district's Dress Code is established to teach grooming and hygiene, instill discipline, prevent disruption, avoid safety hazards and teach respect for authority." General guidelines included specifically state that "students will be dressed and groomed in a manner that is clean and neat and that will not be a health or safety hazard to themselves or others. The district prohibits any clothing or grooming that in the principal's judgment may be reasonably expected to cause disruption of or interference with normal school operations." The code contains specific guidelines for boys and girls clothing, make-up, hair, earrings and jewelry, chains, sunglasses, shoes, socks, hats, tattoos, purses, book bags and backpacks.

Although the code contains specific guidelines for a number of areas, some principals and teachers contend it is too restrictive. For example, it specifies, "shirts and blouses must be a solid color, either red or white." In this instance, some teachers and principals feel it places a burden on parents to keep the shirts clean, especially with elementary students.

Additionally, the code prohibits students from wearing T-shirts unless they are "school spirit" shirts that are acceptable only on designated days, which are Fridays during football season and Tuesday or Friday for home basketball, volleyball, track and baseball games."

The board and community favor the code, but some principals and teachers do not believe in it and routinely do not enforce it, resulting in inconsistent application of the policy throughout the district. The superintendent told the review team the policy contains no clear and consistent expectations for how principals and teachers enforce the policy. For example, one principal may allow students to wear shirts or blouses in a color other than red or white with impunity, while another may strictly enforce the policy. Consequently, this inconsistent enforcement of the Dress Code fuels the perception that student discipline is not equitable.

**Recommendation 18:**

**Revise HISD's dress code policy and communicate expectations to ensure consistent enforcement throughout the district.**

The superintendent should form a committee of teachers, assistant principals, principals, students and parents to review HISD's dress code policy and make recommendations for revision. Once the policy is revised and approved by the board, the superintendent should clearly communicate the board's expectations for consistent enforcement of the policy throughout the district. School administrators who do not consistently enforce the revised code should be cited for such in their annual performance evaluations.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent forms a districtwide committee to review HISD's dress code policy and appoints the Curriculum director to chair the committee.	January 2003
2.	The committee reviews HISD's dress code policy.	February - April 2003
3.	The committee recommends revisions to the dress code policy to the superintendent.	May 2003
4.	The superintendent approves the revisions to the policy and presents them to the board for approval.	June 2003
5.	The board approves the revised policy.	July 2003
6.	The superintendent includes the revised dress code policy in the student handbook for 2003-2004.	August 2003

7.	The president of the board and superintendent issue a memorandum, jointly signed, communicating expectations for consistent enforcement of the policy throughout the district and related sanctions for failure to consistently enforce the policy.	August 2003
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## **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## **FINDING**

HISD does not summarize districtwide incident statistics-the number of occurrences of misconduct, student violence and other violations of the code of conduct-and distribute them annually to board members, school administrators, teachers and parents. Individual campuses accumulate incident statistics, but the superintendent does not summarize these statistics on a districtwide basis. The review team requested incident statistics for 1998-99, 1999-2000 and 2000-01, but district officials could not provide the statistics because each school recorded the statistics manually for PEIMS in either annual Offense Summary Reports for 2000-01 or annual Conduct Reports for 2001-02, when the district implemented a new computerized student information system.

The review team examined the Offense Summary Reports for each school as well as the Conduct Reports for each school. The Offense Summary Reports listed the offense, level of offense and total number of incidents, by category of offense, for each school. The Conduct Reports listed incidents, totals for each incident, type of action taken including suspended, alternate education program referral, in-school suspension; the number of actions taken, number of incidents reported by teachers and number of incidents reported by administrators. Although the incident information in the reports is reported through PEIMS as required by law, it is not summarized for presentation to district stakeholders.

HISD implemented a new computerized student information system for 2001-02 that handles enrollment, grade reporting, student attendance, scheduling, PEIMS extraction and student discipline reporting. However, the district is not using the data provided by this system to develop summary districtwide incident statistics.

Texas school districts, such as Killeen ISD, Ysleta ISD and El Paso ISD, that summarize and report districtwide incident data typically analyze this data to determine trends and to create additional prevention and intervention programs to address student behavior problems, including student violence, drugs and gang involvement. Moreover, some Texas districts, such as Killeen ISD and El Paso ISD, share incident reports with

board members, teachers, parents and school administrators to obtain their input when developing prevention and intervention programs tailored to address the needs of specific schools.

In 1999, the Texas Legislature amended the TEC to require the Board of Trustees of each school district to publish in their annual district performance reports statistics about the number, rate and type of violent crime or criminal incidents that occurred on each campus.

**Recommendation 19:**

**Summarize, report and distribute incident statistics to board members, parents, teachers and school administrators, and develop additional prevention and intervention programs to improve student behavior.**

The superintendent should prepare comprehensive, summarized incident statistics in the form of management reports at least twice a year. The management reports should be distributed and discussed with board members, school administrators, teachers, parents and site-based committees at least once each year. This process would enable district administrators to obtain input from parents, teachers and school administrators to help implement additional prevention and intervention programs for all HISD students.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent summarizes, distributes and discusses the management report of incidents with board members, parents, teachers and school administrators at least once each year.	September 2002 and each September thereafter
2.	The superintendent and Curriculum director review input received from parents, teachers and school administrators and identify potential prevention and intervention programs.	October - November 2002
3.	The superintendent presents the model programs to the board for approval.	March 2003
4.	The superintendent select model programs to implement in HISD based on input received from stakeholders.	January 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## **FINDING**

HISD's use of the Hitchcock Police Department (HPD) to supplement its security program is not cost effective. The district employs two full-time School Resource Officers (SRO) and one full-time night officer that HPD provides to the district. HISD did not enter the SRO program as a result of excessive criminal activity. On the contrary, HISD entered the SRO program to prevent crime through education and promoting positive police and student relations.

Typically, SRO programs are designed to assist selected schools with student problems that go beyond traditional policing. The officers are equal partners with school faculty and staff and help students deal with conflict, resolve problems, handle peer pressure and avoid criminal activity. As law enforcement officers, SROs can take police action related to incidents on or around schools, but they are not responsible for security or the enforcement of district administrative policy. Accordingly, school districts usually do not use SROs to monitor or chaperone extra-curricular functions.

According to the agreement for 2001-02 between HISD and HPD, HISD pays HPD \$30,000 per officer, or \$90,000 annually for the three officers. HISD is currently negotiating an agreement for 2002-03 based on the same terms. The agreement language does not specifically state the percentage of HPD officers' salary and benefits that HISD pays versus the percentage HPD pays. As a result, the district does not know if the amount of money it is required to pay for the officers is an equitable cost-sharing arrangement for cooperative agreements with local law enforcement. In other Texas school districts, the agreement between the local police or sheriff's departments and the school district typically outline the percentage of SROs' salary the school district is paying and the percentage that the law enforcement agency is paying.

District officials told TSPR the night officer is under-used and provides only "drive-by" surveillance at school facilities. The night officer provides drive-by surveillance because security cameras at Hitchcock High School and Stewart Elementary School are no longer working. Before the security camera system failed, the assistant principal at both schools were responsible for reviewing surveillance video tapes. The surveillance activity performed by the part-time officer is typically performed by police patrols in other Texas cities.

### **Recommendation 20:**

**Revise the School Resource Officers agreement with the Hitchcock Police Department to include cost-sharing provisions and eliminate the full-time night officer.**

The superintendent should revise the SRO agreement with HPD to specifically delineate cost-sharing provisions, so that district officials will know exactly what percentage of SROs' salary and benefits the district is paying and whether the cost-sharing arrangement is equitable when compared to other districts. Additionally, the superintendent should eliminate the night officer's position and repair the surveillance cameras in all schools to provide added night security.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent revises the SRO agreement to specifically delineate cost sharing provisions and eliminate the night security officer's position.	August 2002
2.	The board approves the agreement.	August 2002
3.	The superintendent directs the chief financial officer to issue competitive bids to repair the surveillance cameras.	September 2002
4.	The chief financial officer issues competitive bids to repair surveillance cameras.	October 2002
5.	The chief financial officer selects a vendor to repair the surveillance cameras.	November 2002
6.	The superintendent and board approve the vendor selection.	November 2002
7.	The vendor repairs all inoperative surveillance cameras.	December 2002

**FISCAL IMPACT**

HISD pays \$30,000 annually for the night security officer under the existing agreement with HPD. Additionally, a conservative estimate of the cost of repairing the surveillance cameras is approximately \$20,000 to be incurred as a one-time investment in 2002-03. After repairs are made to surveillance cameras, assistant superintendents should again review video tapes.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Revise the School Resource Officers agreement with the	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000

Hitchcock Police Department to include cost-sharing provisions and eliminate the full-time night officer.					
One-time cost for repair surveillance cameras.	(\$20,000)	\$0	\$0	\$0	\$0
<b>Net Savings (Cost)</b>	<b>\$10,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>

## FINDING

HPD officers assigned to HISD's Gang Resistance Education Training (GREAT) grant are not accountable to school administrators. HISD has a GREAT grant that provides funding for one full-time and one half-time police officer, both provided by HPD, to serve as truant officers and provide ongoing GREAT training to students and teachers. GREAT is an educational program with a primary goal to end gang violence across the United States by equipping students to make better choices, set realistic goals, resist pressures to join gangs, learn how to resolve conflicts and become positive change agents.

Although HISD pays the officers' salaries with the proceeds from the grant, HPD supervises the officers, and school administrators do not hold them accountable for their performance. The absence of accountability to school principals is problematic for the superintendent, especially given that HISD funds both positions. In fact, the superintendent has not signed the contract for the 2002-03 year pending revisions she wants to make to enhance accountability for the officers and to include performance expectations.

TSPR reviewed the most recent agreement signed by the city of Hitchcock and HISD in June 2000, noting that the agreement specifically states "the two patrolmen assigned as a GREAT Instructor/Truancy Officer and part-time Truancy Officer for the school district shall be employed by the City and under the direction and control of the City police chief. The City Police Chief will assign the work schedule and location of the officers assigned to the school district pursuant to this Agreement." This language clearly shows HPD controls the officers although proceeds from HISD's GREAT grant fund the positions. The agreement contains no performance expectations, in-district reporting relationships or accountability measures.

### **Recommendation 21:**

**Revise the agreement with the Hitchcock Police Department to include performance expectations, clearly defined reporting**

**relationships and accountability for officers provided to HISD under the Gang Resistance Education Training grant.**

The superintendent should meet with HPD's police chief to renegotiate the agreement between the city of Hitchcock and HISD to include more accountability. The agreement should be specific about "in-district" reporting relationships and accountability for the manner in which the officers spend their time and discharge their responsibilities as GREAT instructors and truancy officers. At a minimum, the superintendent should insist upon an advisory reporting relationship to the principals of the respective schools to which the officers are assigned and performance expectations and related accountability mutually agreed to by the city and HISD.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent contacts the city of Hitchcock Police Chief to begin renegotiating the terms of the agreement.	September 2002
2.	The superintendent, in conjunction with principals of schools implementing the GREAT grant, develops performance expectations and accountability measures for the officers.	October 2002
3.	The superintendent presents the renegotiated agreement to the board for approval.	November 2002
4.	The board approves the agreement.	November 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD's Crisis Management Plan, which contains the district's plan of action to ensure the health, safety and well being of students and staff in the event of unforeseen emergencies or catastrophic disasters, has not been updated in three years. The district developed its initial crisis management plan in 1998-99. The superintendent formed a crisis management team to help revise the campus and districtwide campus management plan because only one school within the district responded to the superintendent's request to update its campus crisis management plans to be included in the districtwide plan. The crisis management team included teachers, principals, students and representatives from the Hitchcock Police and Fire Departments, Emergency Medical Services, the business community, school board, Transportation Department, Maintenance Department and

Food Service Department. The crisis management team provided the superintendent with findings and recommendations to include in the updated districtwide Crisis Management Plan.

Based on findings and recommendations the crisis management team provided, the superintendent personally assumed responsibility for revising updating the Crisis Management Plan; however, the plan had not been revised as of the date of the review team site visit.

**Recommendation 22:**

**Revise and update the districtwide crisis management plan.**

The superintendent should immediately revise and update the districtwide crisis management plan or consider contracting the update to an outside consultant. With the events of September 11, 2001, it is critical that HISD have an updated crisis management plan in the event of an emergency or major disaster.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent works with the chief financial officer to issue a Request for Proposal to update HISD's crisis management plan.	August 2002
2.	The superintendent selects a consultant to revise and update the plan from findings and recommendations provided by the crisis management team.	September 2002
3.	The superintendent selects the consultant and presents the contract to the board for approval.	September 2002
4.	The board approves the contract.	September 2002
5.	The consultant revises and updates HISD's districtwide crisis management plan.	October 2002

**FISCAL IMPACT**

The cost to implement this recommendation is based on an estimated 60 hours of effort at \$75 per hour, for a total of \$4,500.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
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Review and update the districtwide crisis management plan.	(\$4,500)	\$0	\$0	\$0	\$0
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# Chapter 3

## PERSONNEL MANAGEMENT

This chapter reviews the personnel management functions of the Hitchcock Independent School District (HISD) in three areas:

- A. Organization and Management
- B. Compensation and Staffing Patterns
- C. Personnel Policies and Procedures

The effective management of district personnel is critical to the success of the school district. A school district must have qualified and talented employees to facilitate and support the educational development of students. The typical school district spends about 80 percent of its budget on personnel costs; therefore, it is important the district has efficient and effective personnel policies, processes and practices. The key areas of personnel management for any school district are:

- Sound personnel policies and procedures;
- Effective recruitment and selection of qualified candidates for employment;
- Competitive pay to attract and retain skilled employees;
- Efficient processing of personnel actions and changes;
- Up-to-date record collection and maintenance procedures that comply with federal and state regulations; and
- Comprehensive staff development programs for teachers and administrators.

### BACKGROUND

HISD allocated almost 81 percent of its 2001-02 budget for payroll costs and professional and contracted services. **Exhibit 3-1** summarizes HISD's 2001-02 budgeted funds by expenditure category.

**Exhibit 3-1**  
**HISD Budgeted Expenditures**  
**2001-02**

Category	Dollar Amount	Percent of Budget
Payroll Costs	\$6,403,010	58.9%
Professional and Contracted Services	\$2,380,418	21.9%
Supplies and Materials	\$400,885	3.7%

Other Operating Costs	\$441,422	4.1%
Debt Service	\$1,178,795	10.8%
Capital Outlay	\$62,199	0.6%
<b>Total</b>	<b>\$10,866,729</b>	<b>100.0%</b>

*Source: Texas Education Agency (TEA), Public Education Information Management System (PEIMS), 2001-02.*

**Exhibit 3-2** shows budgeted expenditures for payroll costs and professional and contracted services for 1999-2000 through 2001-02.

**Exhibit 3-2**  
**HISD Budgeted Expenditures**  
**1999-2000 through 2001-02**

<b>Category</b>	<b>1999-2000</b>	<b>Percent of Budget</b>	<b>2000-01</b>	<b>Percent of Budget</b>	<b>2001-02</b>	<b>Percent of Budget</b>
Payroll Costs	\$5,804,480	56.6%	\$6,021,048	57.6%	\$6,403,010	58.9%
Professional and Contracted Services	\$2,178,670	21.3%	\$2,284,043	21.9%	\$2,380,418	21.9%
Subtotal - Payroll Costs and Professional and Contracted Services	\$7,983,428	77.9%	8,305,091	79.5%	\$8,783,428	80.8%
Supplies and Materials	\$409,312	4.0%	\$375,239	3.6%	\$400,885	3.7%
Other Operating Costs	\$407,345	4.0%	\$393,083	3.8%	\$441,422	4.1%

Debt Service	\$1,189,551	11.6%	\$1,182,753	11.3%	\$1,178,795	10.8%
Capital Outlay	\$262,399	2.6%	\$194,002	1.9%	\$62,199	0.6%
<b>Total</b>	<b>\$10,251,757</b>	<b>100.0%</b>	<b>\$10,450,168</b>	<b>100.0%</b>	<b>\$10,866,729</b>	<b>100.0%</b>

Source: TEA, PEIMS, 1999-2000 through 2001-02.

**Exhibit 3-3** compares HISD's budget for payroll and professional and contracted services to its peer districts. HISD has the third lowest percentage of its budget dedicated to payroll costs and professional and contracted services.

**Exhibit 3-3**  
**Budgeted Payroll Costs and Professional and Contracted Services**  
**Hitchcock ISD and Peer Districts**  
**2001-02**

District	Payroll Costs and Professional and Contracted Services	Total Budget	Percent of Budget
La Marque	\$24,908,849	\$28,317,115	88.0%
<b>Hitchcock</b>	<b>\$8,783,428</b>	<b>\$10,866,729</b>	<b>80.8%</b>
Royal	\$8,648,347	\$11,211,365	77.1%
Anahuac	\$8,502,039	\$10,079,855	84.4%
Hempstead	\$8,006,359	\$10,324,719	77.6%
Boling	\$5,893,505	\$7,228,025	81.5%
East Chambers	\$5,880,148	\$7,204,762	81.6%

Source: TEA, PEIMS, 2001-02.

# Chapter 3

## PERSONNEL MANAGEMENT

### A. Organization and Management

The superintendent functions as the chief personnel officer of the district and performs the following duties:

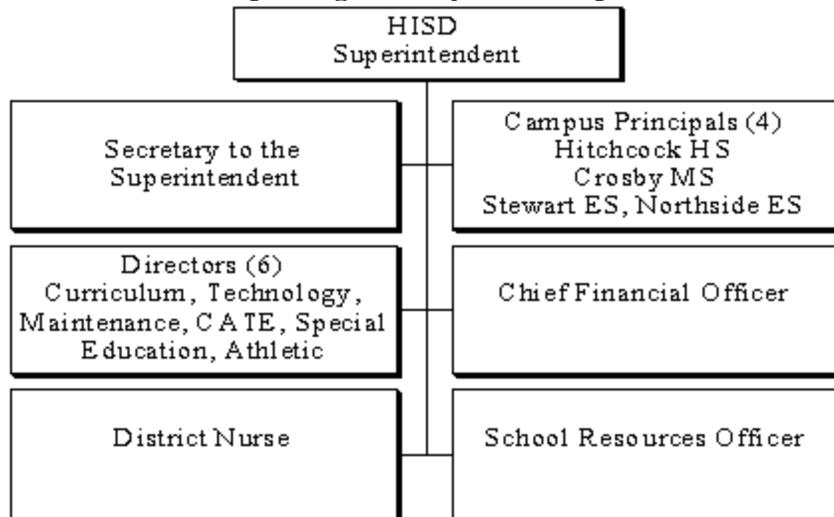
- Authorizes positions to be filled or eliminated;
- Recruits, selects and hires employees;
- Recommends employment contract approval and non-renewal;
- Terminates non-contractual personnel;
- Assigns and reassigns all personnel;
- Authorizes administrative leave;
- Develops and updates job descriptions;
- Develops and administers compensation plan; and
- Supports professional development activities for staff.

A secretary supports the superintendent and performs many of the administrative tasks associated with the personnel function. Principals participate in the recruiting and hiring activities for positions assigned to their schools. The board has final approval for the selection of contracted employees. Payroll and employee benefits enrollment functions are handled by the district's business office. The payroll/benefits supervisor reports to the chief financial officer and is responsible for inputting and updating employee information in the financial information system. HISD contracts with an external vendor, DCS Information Systems, to conduct criminal history and background checks.

As the chief executive officer, the superintendent has administrative responsibility and management oversight for all district operations. Fourteen positions report to the superintendent, including the four school principals, six directors, chief financial officer, district nurse, school resource officer and secretary. **Exhibit 3-4** shows the positions that report directly to the superintendent.

#### **Exhibit 3-4** **HISD Organization**

## Positions Reporting Directly to the Superintendent



Source: HISD Administrative Office.

### FINDING

There are no written, standard operating procedures for the human resources functions and processes, and a backup plan has not been developed to ensure that necessary work is accomplished during staff absences. Although the job description does not specify the duties, the secretary to the superintendent performs most of the administrative tasks related to personnel activities and operations. Some of her responsibilities include:

- Processes paperwork related to the assignment, reassignment and termination of employees;
- Posts job vacancies;
- Screens employment applications;
- Requests criminal history and background checks;
- Verifies certifications;
- Updates job descriptions;
- Sets up and maintains personnel files;
- Conducts exit interviews;
- Distributes and collects performance appraisals; and
- Updates professional growth records.

The secretary to the superintendent performs these duties with little instruction or direction from others. When the secretary to the superintendent is out of the office, the superintendent handles the pressing issues, and the remaining work is left unattended until her return. Inadequate arrangements to ensure these routine human resources duties

are performed may cause additional problems, especially during emergency situations.

These critical administrative tasks are important to the overall effectiveness of the human resource management functions. Standard operating procedures help prevent or minimize errors and compliance violations. A lack of documented procedures makes it difficult for the district to ensure that the tasks are handled appropriately and timely in the event that the secretary is on a long-term absence or unexpectedly vacates the position.

**Recommendation 23:**

**Develop an operating procedures manual for human resources functions and cross-train a staff member to perform human resources duties.**

The manual should include detailed procedures for carrying out the day-to-day human resources activities. These written procedures will help the district ensure continuity of work during absences or potential vacancy. The manual should be reviewed and updated regularly. Additionally, the district should train a staff member to perform the secretary to the superintendent's human resources duties.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The secretary to the superintendent documents day-to-day operating procedures and assembles them into a manual.	September 2002
2.	The secretary to the superintendent presents the manual to the superintendent for review and approval.	October 2002
3.	The superintendent identifies another staff member to be cross-trained in human resources duties.	October 2002
4.	The secretary to the superintendent trains the selected staff member to perform human resources duties using the operating procedures manual.	November 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 3

## PERSONNEL MANAGEMENT

### B. Compensation and Staffing Patterns

School districts require adequate staffing levels to provide quality education to its students. It is important for districts to implement effective recruitment strategies and competitive salary plans to attract and retain talented teachers and staff.

The Texas Education Agency (TEA) categorizes school district staff into three groups: (1) professional staff, which includes teachers, professional support staff, school administrators and central administrators; (2) educational aides; and (3) auxiliary staff. **Exhibit 3-5** summarizes the district's staffing levels from 1997-98 through 2001-02.

The state of Texas mandates the minimum base salary that school districts must pay classroom teachers, full-time librarians, full-time counselors and full-time nurses. There is no state minimum salary for any other position. **Exhibit 3-5** provides the state base salary schedule for 2001-02 for teachers, librarians, counselors and nurses.

**Exhibit 3-5**  
**State Minimum Salary Schedule**  
**2001-02**

<b>Years of Experience Credited</b>	<b>Monthly Salary</b>	<b>Annual Salary (10 month contract)</b>
0	\$2,424	\$24,240
1	\$2,481	\$24,810
2	\$2,539	\$25,390
3	\$2,596	\$25,960
4	\$2,717	\$27,170
5	\$2,838	\$28,380
6	\$2,959	\$29,590
7	\$3,072	\$30,720
8	\$3,178	\$31,780
9	\$3,279	\$32,790

10	\$3,373	\$33,730
11	\$3,464	\$34,640
12	\$3,549	\$35,490
13	\$3,628	\$36,280
14	\$3,705	\$37,050
15	\$3,776	\$37,760
16	\$3,844	\$38,440
17	\$3,908	\$39,080
18	\$3,968	\$39,680
19	\$4,026	\$40,260
20 and more	\$4,080	\$40,800

Source: TEA, Division of State Funding,  
[www.tea.state.tx.us/school.finance/salary](http://www.tea.state.tx.us/school.finance/salary).

**Exhibit 3-6** displays salary trends by type of employee for HISD.

**Exhibit 3-6**  
**HISD Average Actual Salaries (Regular Duties Only)**  
**1997-98 through 2000-01**

Classification	1997-98	1998-99	1999-2000	2000-01
Teachers	\$35,114	\$35,537	\$37,623	\$38,557
Professional Support	\$34,958	\$37,152	\$40,713	\$34,566
School Administration	\$50,996	\$54,326	\$53,225	\$54,720
Central Administration	\$70,926	\$70,976	\$73,104	\$77,747

Source: TEA, AEIS, 1997-98 through 2000-01.

**Exhibit 3-7** presents a comparison of HISD's average salaries for 2000-01 to its peer districts and the state. Both HISD teachers and central administrators earned more than all of its peers and the state average; those in professional support positions earned less than all peers and the state average. School administrator salaries were slightly above the average of its peers, and less than the state average.

**Exhibit 3-7**  
**HISD, Peer Districts and State Average Actual Salaries**  
**2000-01**

<b>District</b>	<b>Teachers</b>	<b>Professional Support</b>	<b>School Administration</b>	<b>Central Administration</b>
Anahuac	\$34,526	\$46,923	\$52,429	\$75,445
East Chambers	\$34,743	\$39,870	\$59,533	\$76,500
Hempstead	\$35,645	\$39,968	\$51,859	\$69,725
Boling	\$36,317	\$49,086	\$54,898	\$63,318
La Marque	\$36,436	\$42,062	\$56,334	\$75,665
Royal	\$37,350	\$42,308	\$50,552	\$56,653
<b>Hitchcock</b>	<b>\$38,557</b>	<b>\$34,566</b>	<b>\$54,720</b>	<b>\$77,747</b>
<b>State</b>	<b>\$38,361</b>	<b>\$45,562</b>	<b>\$58,081</b>	<b>\$69,916</b>

*Source: TEA, AEIS, 2000-01.*

**FINDING**

The district does not use staffing allocation formulas to ensure that staffing levels are adjusted proportionate to student enrollment. HISD continues to maintain high staffing levels even though student enrollment has declined.

Based on information reported by HISD to PEIMS, student enrollment decreased by 17.9 percent from 1997-98 to 2001-02, but staffing increased by 13.0 percent. HISD decreased the number of teachers by 3.6 percent from 1997-98 through 2001-02; however, the decrease is significantly less than the 17.9 percent decrease the district experienced in student enrollment.

**Exhibit 3-8** presents HISD's staffing and enrollment for 1997-98 through 2001-02 as reported to PEIMS.

**Exhibit 3-8**  
**HISD Staffing and Student Enrollment**  
**1997-98 through 2001-02**

<b>Staff/Enrollment Classification</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Percent Change 1997-98</b>
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						<b>through 2001-02</b>
Teachers	98.2	99.2	96.7	91.5	94.7	(3.6%)
Professional Support	19.9	14.1	16.4	17.0	13.4	32.7%
Campus Administrations	9.0	6.0	8.0	8.0	9.0	0%
Central Administrators	2.0	2.0	2.0	2.0	3.0	50.0%
Educational Aids	37.0	40.7	43.6	31.1	38.0	2.7%
Auxiliary	39.0	39.5	47.3	30.1	73.6	88.7%
<b>Total Staff</b>	<b>205.1</b>	<b>201.5</b>	<b>213.9</b>	<b>179.7</b>	<b>231.7</b>	<b>13.0%</b>
<b>Student Enrollment</b>	<b>1,368</b>	<b>1,292</b>	<b>1,233</b>	<b>1,225</b>	<b>1,123</b>	<b>(17.9%)</b>

*Source: TEA, AEIS, 1997-98 through 2000-01 and PEIMS 2001-02.*

While enrollment decreased between 1997-98 through 2000-01 by 10.4 percent, the district's expenditures paid by its general fund increased by 11.1 percent and its cost per student increased from \$5,686 to \$7,051.

**Exhibit 3-9** shows the district's general fund expenditures, enrollment and cost per student for 1997-98 through 2000-01.

**Exhibit 3-9  
HISD Actual General Fund Expenditures  
1997-98 and 2001-01**

<b>Year</b>	<b>Actual Expenditures</b>	<b>Percent Change From 1997-98</b>	<b>Enrollment</b>	<b>Cost Per Student</b>
1997-98	\$7,778,393	N/A	1,368	\$5,686
1998-99	\$8,837,275	(13.6%)	1,292	\$6,840
1999-2000	\$8,250,811	6.1%	1,233	\$6,692
2000-01	\$8,637,918	11.1%	1,225	\$7,051

*Source: HISD Audited Financial Statement and TEA, AEIS, 1997-98 through 2000-01.*

District staff stated that PEIMS does not reflect the accurate staffing numbers for 2000-01 and 2001-02 because HISD submitted inaccurate data to PEIMS. In several instances, the data was misreported and miscoded. For example, the district did not report positions funded by the

Kids First Head Start program until 2001-02. In another case, some clerical positions were reported as teachers. The superintendent stated that HISD misreported the career and technology director as a central office administrative position rather than coding the position under curriculum. The number of educational aides increased by 17.2 percent while auxiliary staff increased by 19.6 percent. Overall, HISD increased staff by 7.6 percent from 2000-01 to 2001-02. The district provided 2000-01 and 2001-02 staffing data as shown in **Exhibit 3-10**.

**Exhibit 3-10**  
**HISD Employee Count by Employee Classification**  
**2000-01 and 2001-02**

Employee Classification	2000-01	2001-02	Difference Increase (Decrease)	Percent Change
Teachers	95.0	94.0	(1.0)	(1.1%)
Professional Support	26.0	26.0	0.0	0.0%
School Administrators	7.0	8.0	1.0	14.3%
Central Office Administrators*	4.0	3.0	(1.0)	(1.1%)
Educational Aides	58.0	68.0	10.0	17.2%
Auxiliary	46.0	55.0	9.0	19.6%
<b>Total Employees</b>	<b>236.0</b>	<b>254.0</b>	<b>18.0</b>	<b>7.6%</b>

*Source: HISD Business Office.*

*\*Due to a PEIMS reporting error in 2000-01, the career and technology director position was inaccurately coded as a central office administrator rather than as professional support. Therefore, the number shown for 2001-02 does not represent a decrease but reflects a correction.*

HISD has a significant number of grant-funded positions. The superintendent stated that the district established 17 new grant-funded

positions in 2001-02. **Exhibit 3-11** compares the number of positions by funding code for 2000-01 and 2001-02.

**Exhibit 3-11**  
**Employee Count by Fund Code**  
**2000-01 and 2001-02**

<b>Fund Code</b>	<b>Code Description</b>	<b>2000-01 Count</b>	<b>Percent of Total</b>	<b>2001-02 Count</b>	<b>Percent of Total</b>
199	General Fund	150	63.5%	151	59.5%
162	HISD Nursery School	0	0.0%	2	0.8%
203	Child ARE Development	2	0.9%	0	0.0%
205	Kids First Head Start	43	18.2%	42	16.5%
211	ESEA Title I/Part A	11	4.7%	13	5.0%
237	SAFE/Drug-Free Schools Grant	0	0.0%	1	0.4%
244	Vocational Ed-Basic Grant	1	0.4%	1	0.4%
255	Title VI; Class Size Reduction	0	0.0%	1	0.4%
256	Comprehensive School Reform	0	0.0%	2	0.8%
257	Read for Texas	0	0.0%	9	3.5%
280	CACFP/Food Program	0	0.0%	1	0.4%
283	U.S. Department of Ed-Drug Prevention	0	0.0%	1	0.4%
284	Parents as Teachers	1	0.4%	0	0.0%
289	After School Program/Nursery	4	1.7%	2	0.8%
313	IDEA-B Formula-Special Ed.	5	2.1%	5	2.0%
314	IDEA-B Preschool; Special Ed. Coop	1	0.4%	1	0.4%
326	SAFE/Drug Free	2	0.9%	1	0.4%
375	U.S. Department of Justice-S.A.F.E.	0	0.0%	1	0.4%
379	SAFE Counselor	3	1.3%	0	0.0%
394	Pregnancy Ed and Parenting	4	1.7%	2	0.8%
409	Ninth Grade Success Initiative	1	0.4%	0	0.0%
414	Texas Reading Academies	1	0.4%	6	2.4%

415	Pre-K and Kindergarten Grant Programs-TEA	2	0.9%	3	1.2%
459	Special Coop	5	2.1%	9	3.5%
<b>Total</b>		<b>236</b>	<b>100.0%</b>	<b>254</b>	<b>100.0%</b>

Source: HISD Business Office.

**Exhibit 3-12** provides a further analysis of the 151 positions that are paid from the general fund in 2001-02.

**Exhibit 3-12  
HISD General Fund Positions  
2001-02**

<b>Employee Classification</b>	<b>Count</b>
Teachers	81.0
Professional Support	8.0
School Administrators	8.0
Central Office Administrators	3.0
Educational Aides	23.0
Auxiliary	28.0
<b>Total Employees</b>	<b>151.0</b>

Source: HISD Business Office.

**Exhibit 3-13** shows that student enrollment has declined at an average of 4.8 percent each year from 1997-98 through 2001-02.

**Exhibit 3-13  
HISD Annual Average Percent of Student Enrollment Decline  
1997-98 through 2001-02**

<b>School Year</b>	<b>Enrollment Count</b>	<b>Percent Change From Previous Year</b>
1997-98	1,368	--
1998-99	1,262	(5.6%)
1999-2000	1,233	(4.6%)

2000-01	1,225	(0.6%)
2001-02	1,123	(8.3%)
<b>Average</b>		<b>(4.8%)</b>

*Source: TEA, AEIS, 1997-98 through 2000-01 and PEIMS 2001-02.*

Actual comments from a series of surveys, focus groups and public forums suggest that there is a perception that HISD is overstaffed in administrative positions. Some of the comments provided by parents, residents, faculty and staff include:

- "It seems the administration is top-heavy with personnel. The new superintendent is making a very good effort to see that money is spent wisely! I like the idea that the superintendent is involved in all aspects of the operation of the school district."
- "As enrollment has declined, the staff at central office has drastically increased, [the] district is top-heavy."
- "There are way too many people in the central office."
- "It seems funny to me that the district is smaller than we have ever been but we have more people in administration than we have ever had. And if we have a teacher leave (for example, homemaking), they just shut down the program. But when someone from administration leaves they hire someone right away and it seems to me that you would hire a new teacher to keep a successful program going."
- "Hitchcock ISD has too many administrators and related support staff in central office for a class AA school. Administrative duties often overlap. You get approval from one and a negative from another."
- "There are too many positions in this district that have nothing to do with actually teaching children. Our central administration has grown in personnel, while our student population has declined. Jobs have been handed out to anyone who wanted one, especially in the form of aides."

School districts typically use staffing allocation formulas to project the number of teachers, administrators and other positions that are needed to operate the district. These formulas help the districts maintain control of staffing levels and staffing equity across the schools within the district. By looking at student enrollment projections, districts can develop competitive staffing formulas in comparison with other districts of similar size and demographics. Appropriate staffing levels allow districts to control payroll costs while delivering quality educational services to the students. Inequitable allocations of staff result in overstaffing, increased payroll costs and lower employee productivity. Overstaffing also leads to

duplication of work or the assignment of non-valued work to an employee to inflate the workload.

Eagle Pass ISD developed and began applying staffing formulas based on enrollment data to determine the required staffing levels for different personnel types at each school. The allocations form the basis of the salary portion of the budget each year. For example, the teacher-student ratio for pre-kindergarten teachers is 1:18; for grades K-4, the ratio is 1:22; for grades 5-12, the ratio is 1:25-30; and for elementary physical education, the ratio is 1:300. The ratio of counselors at all grade levels is 1:400.

**Recommendation 24:**

**Implement staffing allocation formulas and staff accordingly.**

The district should establish staffing allocation formulas, calculate the appropriate staffing levels for each school and department and identify the number of positions that should be eliminated. The superintendent and other key stakeholders, such as administrative managers and school principals, should then evaluate the roles and responsibilities of each position to determine which positions add the most value and are necessary to support HISD's instructional program and those that should be eliminated. The number of staff should always be appropriate for student enrollment levels.

The superintendent should implement a hiring freeze to diminish overstaffing and reduce the number of employees that will have to be terminated. Without accurate data it is difficult to make good management decisions or recommendations, but based on both PEIMS data and corrected data provided by the district, staff funded by the general fund should be reduced by a minimum of ten percent which calculates to 15 positions. Expenditure data shows that general fund expenditures have increased by 11.1 percent from 1997-98 to 2000-01 while enrollment decreased by 10.5 percent during this same period. The district should analyze these trends and prepare comparisons to peer districts and state and regional averages to determine the actual number of positions that is appropriate for the district enrollment numbers.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent implements a hiring freeze and directs principals and administrative managers to justify filling only critical positions.	September 2002
2.	The superintendent and the chief financial officer develop staffing allocations for each school and department based	October 2002 - November

	upon enrollment scenarios.	2002
3.	The superintendent and the chief financial officer present the staffing allocation recommendations to the board for approval.	December 2002
4.	The superintendent and chief financial officer provide each principal and director with their staffing allocation.	January 2003
5.	Principals and directors analyze their staffing allocations and identify recommended positions to be eliminated.	February 2003
6.	The superintendent presents recommended staffing levels to the board for approval.	March 2003
7.	The board reviews and approves the staffing levels and the positions that will be eliminated.	April 2003
8.	The superintendent makes every effort to fill positions that are on the recommended staffing should they become vacant with employees that hold positions that are targeted for elimination.	May 2003 - August 2003
9.	The superintendent notifies employees affected by the elimination of positions.	June 2003
10.	The superintendent uses the staffing allocation formulas and enrollment projections in the 2003-04 budget process.	June 2003

### **FISCAL IMPACT**

A reduction of 15 positions funded by the general fund will save the district \$496,020 annually beginning in 2003-04. A 17.9 percent decrease in student enrollment between 1997-98 to 2001-02 should not necessarily correlate to a 17.9 percent reduction in general fund staffing levels because every school district, regardless of student enrollment size, requires certain positions, such as the superintendent, chief financial officer and school principals. Given that certain positions must exist in a school district regardless of size and taking into account PEIMS reporting problems, the review team recommends a minimum 10 percent (15 positions) decrease in positions funded by the general fund. The \$496,020 annual savings for eliminating the 15 positions is calculated based on average salaries for district employees paid from the general fund times the district's benefit rate of 12 percent (15 positions x \$29,525 average salary + 12 percent benefits). Savings for 2002-03 of \$248,010, are based on achieving 50 percent of annual savings (\$496,020 x 50 percent)

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
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Implement staffing allocation formulas and eliminate staff accordingly.	\$248,010	\$496,020	\$496,020	\$496,020	\$496,020
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## FINDING

HISD's processes for verifying information submitted to TEA through the Public Education Information Management System (PEIMS) are ineffective for ensuring data accuracy and integrity. Accurate data submissions are vital both to the district and the Texas public school accountability system, which is based on regular assessments of academic skills and extensive data gathered from schools through PEIMS. Based on the reported data, public schools receive an annual accountability rating, ranging from exemplary to low-performing. Further, data collected through PEIMS is used in the formulas that determine state and federal revenues that flow to the district. The district's accountability rating and finances could be adversely affected if PEIMS data is not reported correctly.

The review team compiled personnel data from PEIMS to compare the number of employees by classification between years. However, HISD disputed the accuracy of the information. **Exhibit 14** presents a summary of the discrepancies noted for 2000-01 and 2001-02 data.

**Exhibit 3-14**  
**Summary of PEIMS Discrepancies**

Employee Classification	2000-01		2001-02	
	As Reported in PEIMS	As Provided by HISD	As Reported in PEIMS	As Provided by HISD
Teachers	91.5	95.0	94.7	94.0
Professional Support	17.0	26.0	13.4	25.0
School Administrators	8.0	7.0	9.0	8.0
Central Office Administrators	2.0	4.0	3.0	4.0
Educational Aides	31.1	58.0	38.0	68.0
Auxiliary	30.1	46.0	73.6	55.0
<b>Total Employees</b>	<b>179.7</b>	<b>236.0</b>	<b>231.7</b>	<b>254.0</b>

<b>Student Enrollment</b>	<b>1,225</b>	<b>1,123</b>
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*Source: TEA, AEIS, 2000-01 and PEIMS, 2001-02 and Data Provided by HISD Business Office.*

Upon further review, HISD determined that it had submitted incorrect data to PEIMS. Several specific errors were noted. First, HISD had not been reporting the tax-assessor collector as a central office administrator. Although the PEIMS reporting protocol was changed to include the tax collector as a central office administrator during 1996-97, HISD did not add the position as a central administrator until 2001-02. Second, the Career and Technology director was coded as a central office administrator when the position should have been coded under curriculum. Third, the Kids First Head Start program employees were not reported until 2001-02. Finally, a number of employees were not assigned a PEIMS role identification number and were improperly identified as auxiliary personnel. As a result, there is a significant difference in the number of auxiliary personnel between 2000-01 and 2001-02.

These errors occurred because the former PEIMS coordinator did not verify data received from the campuses. In October 2001, the superintendent reassigned the employee, who had been responsible for both PEIMS and Payroll, exclusively to Payroll and assigned another individual to PEIMS reporting. The district expects the reassignment to improve future PEIMS reporting.

School districts with effective controls over PEIMS data submissions periodically conduct a thorough review of data gathering controls and processes. In addition, employees involved in the process are required to take ownership of the data and adhere to the checks and balances in place to ensure accuracy. These employees also continually monitor the quality of the data being gathered and reported. Finally, these districts follow-up on the reported data to verify that it has been accurately entered and reported.

**Recommendation 25:**

**Examine the PEIMS data reporting process, and implement policies, procedures and controls to ensure the accuracy of data reported to the Texas Education Agency.**

HISD should accurately report data to TEA. A thorough internal review of all policies and procedures dealing with PEIMS data collection should be undertaken and steps implemented to ensure that employees take

ownership of the data and checks and balances are put in place to continually monitor the quality of the data being gathered and reported.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent directs the chief financial officer and the new PEIMS coordinator to review HISD's PEIMS reporting process and develop policies, procedures and controls to ensure accurate reporting.	September 2002
2.	The chief financial officer and the new PEIMS coordinator develop PEIMS reporting policies, procedures and controls for the superintendent's approval.	September 2002 - October 2002
3.	The chief financial officer and the new PEIMS coordinator train district staff involved in the PEIMS reporting process.	November 2002
4.	The chief financial officer reviews PEIMS data prior to it being submitted to TEA.	Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

Despite higher than average teacher salaries shown in **Exhibit 3-7**, HISD is experiencing higher than average teacher turnover rates. **Exhibit 3-15** compares HISD's teacher turnover rate to its peer districts and the state for 2000-01.

**Exhibit 3-15  
HISD, Peer Districts and State Teacher Turnover Rate  
2000-01**

<b>District</b>	<b>Turnover Rate</b>
East Chambers	11.4%
Boling	14.4%
La Marque	19.7%
Royal	20.8%
Hempstead	22.5%
<b>Hitchcock</b>	<b>23.2%</b>
Anahuac	29.7%

<b>State</b>	<b>16.0%</b>
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Source: TEA, AEIS, 2000-01.

Only one of its peer districts, Anahuac, is experiencing a higher teacher turnover rate and it also has the lowest teacher salaries of any of the peers or the state.

As part of its exit interview process, HISD requests employees to complete and return an exit interview form upon leaving the district. Not all former employees return the form, and of those who return the form, the reason for leaving the district is not always explained. The district does not follow up on missing turnover data to determine actual reasons for voluntary resignations. Therefore, HISD does not have complete information on the actual reasons employees leave the district. HISD compiles turnover data annually from the data that is collected from exit interview forms.

HISD's records show that out of the 41 employee separations from the district in 2000-01, more than half of the positions included teachers, principals and counselors. **Exhibit 3-16** provides the breakdown and reasons provided for the turnover.

**Exhibit 3-16  
HISD Turnover Report  
2000-01**

<b>Position</b>	<b>Count</b>	<b>Turnover Reason</b>
Principal	2	Resignation - another district Resignation - moved
Counselor	3	Retirement Resignation - another position Resignation - unknown
Teacher	21	Retirement (3) Resignation - in lieu of termination (1) Resignation - in lieu of non-renewal (4) Resignation - grant ended (1) Resignation - moved (3) Resignation - another district (3) Resignation - personal (4) Resignation - medical school (1) Resignation - unknown (1)
<b>Total</b>	<b>26</b>	

Source: HISD Superintendent's Office.

As **Exhibit 3-16** shows, leaving HISD for another school district is identified as the reason for only three teacher resignations. For another eight teacher resignations, the reasons cited for the separation included moving, personal and unknown. It is unclear whether these separations were related to a job offer in another district. The results of the teacher survey conducted by TSPR suggest possible reasons for teacher turnover. For example, a strong majority of teachers, 74 percent, either disagreed or disagreed strongly that teachers were rewarded for superior performance. Sixty-four percent of teachers expressed either disagreement or strong disagreement about having equal access to educational materials such as computers, television monitors, science labs or art classes. Sentiments such as these may also contribute to turnover issues. **Exhibit 3-17** shows some of the issues that received lower scores, indicating a level of discontent.

**Exhibit 3-17**  
**TSPR Teacher Survey Results**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
22. Teacher openings are filled quickly.	3%	15%	15%	49%	18%
23. Teachers are rewarded for superior performance.	3%	8%	15%	28%	46%
26. All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	8%	24%	3%	34%	31%
31. Temporary workers are rarely used.	3%	15%	25%	44%	13%
36. The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	3%	8%	25%	27%	37%
37. Employees who perform below the standard of expectation are counseled appropriately and timely.	3%	32%	22%	30%	13%

57. Purchasing processes are not cumbersome for the requestor.	3%	18%	3%	33%	43%
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*Source: TSPR Teacher Survey.*

Teacher turnover can contribute to poor academic performance because continuity of programs is interrupted while new teachers become familiar with the district's programs, goals and objectives.

**Recommendation 26:**

**Develop a strategic plan for reducing teacher turnover.**

The district should begin analyzing the reasons teachers are leaving the district. Personal interviews with departing teachers and discussions with teachers and teacher organizations also could provide useful information, which could help the district formulate plans for improving teacher satisfaction and morale.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent and principals analyze the reasons for teacher terminations over the last two years and hold meetings with teachers and teacher organizations.	September 2002
2.	The superintendent formulates a strategic plan in cooperation with principals to reduce the turnover rate, increase teacher satisfaction and improve teacher morale.	October 2002
3.	The board reviews, and provides input as appropriate on the proposed plan.	November 2002
4.	The superintendent and principals begin implementing the plan and tracking results.	December 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

The district does not have a structured salary schedule for non-certified positions. Non-certified positions include those positions in which a certification or license is not required. There are no administrative procedures for determining starting salaries of new employees in non-

certified positions; however, the superintendent reviews the salaries of employees in similar positions before determining an appropriate starting salary to offer a new employee. There are no salary ranges with minimum or maximum pay to serve as guidelines.

Board policy stipulates that the superintendent is responsible for recommending to the board pay structures and compensation plans for all district employees. The policy states that the superintendent is to assign positions to pay ranges that define the minimum and maximum base pay. Also, all employees are should be paid within their assigned pay ranges unless the board grants exceptions. Since pay ranges do not exist for non-certified positions, those positions cannot be assigned to pay ranges.

The employee handbook states that employees are paid in accordance with administrative guidelines and a pay structure established for each position. The district has a new hire salary schedule for certified positions, such as teachers, librarians, nurses and counselors. The schedule begins with a salary for no experience and expands to 20 or more years of experience. Contract employees who perform extracurricular or supplemental duties may be paid a stipend in addition to their salary according to the district's extra duty pay schedule.

A review of the salary data provided by the superintendent's office shows that salaries vary for employees in the same position. For example, the data reveal that seven teacher aides were hired in August 2001 and September 2001 for an employment period of 187 days. None of the employees have certification. The data shows that salaries range from \$8,823 to \$11,476.

The superintendent obtained a preliminary cost estimate of \$8,000 from Texas Association of School Boards (TASB) to develop a pay structure with salary ranges for non-certified positions. Review of salary data from peer districts is essential to developing a competitive pay structure. Peer district data are often obtained through contact and communication with the peer districts. The superintendent informed the review team that the new chief financial officer has some human resources experience that may be helpful in determining an appropriate course of action for developing pay ranges.

Compensation plans are designed and implemented to guide and control salary decisions for employees or groups of employees. An effective salary structure helps ensure equity, competitiveness and objectivity in the compensation practices of a district. Without established salary schedules or plans, pay inequities and disparities can develop among employees in comparable positions or classifications. The lack of minimum or maximum salary levels hinders the district in comparing to positions

within the district. Wide variances in pay tend to affect retention and employee morale.

To recruit and retain staff, Kingsville ISD participates in Texas Association of School Personnel Administrators (TASPA) annual salary surveys to determine the competitiveness of the district's pay with that offered by its peer districts. These surveys assist the district in evaluating the market and developing salary adjustments during the annual budget process. Kingsville ISD uses the TASPA surveys, published survey data and peer district data to maintain salary competitiveness.

**Recommendation 27:**

**Perform a salary comparison analysis using data from peer districts and establish salary schedules for non-certified positions.**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent and chief financial officer obtain salary survey data from peer districts.	January 2003
2.	The superintendent and chief financial officer perform a detailed analysis of the salary data.	February 2003
3.	The superintendent and chief financial officer develop a salary schedule for non-certified positions.	March 2003
4.	The superintendent presents the recommended salary schedule to the board for approval.	April 2003
5.	The board approves the recommendation and the superintendent implements the new salary schedule.	April 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 3

## PERSONNEL MANAGEMENT

### **C. Personnel Policies and Procedures**

The board establishes district policies and standards for employment, compensation, contracts, a grievance process, performance appraisals, terminations and employee conduct, in compliance with state laws and rules. HISD distributes two major publications to inform employees about district policies and procedures related to personnel issues - *HISD Board Policies 2001-02 School Year* and *HISD Employee Handbook*. Board policies are not available online for employees to review.

The board policies are mostly a reprint of certain provisions found in the TEC. The board policies manual does not have an index or table of contents, while the employee handbook is organized with a table of contents to help employees readily find information.

Written policies and procedures help employees understand the district's operations and administrative regulations and the district's expectations.

### **FINDING**

HISD uses a cost-efficient Internet-based service for processing criminal background checks on prospective employees. This system is less expensive and much quicker than the method previously used by the district. From 1994 to 2001, the district paid \$5 for each background check, with \$4 of that fee going to the TEA's Regional Education Service Center IV and \$1 to the Department of Public Safety. The district also had to mail the required forms, and it took from three to six weeks for processing before the district received the background check results.

In 2001, the district contracted with DCS Information Systems (DCS) for online criminal background check services. The district submits the inquiry online and receives immediate results that are printed and placed in the employee's personnel file. DCS charges 99 cents for each background check.

Based on the 2001-02 staffing report provided by the superintendent's office, HISD hired almost 50 new employees. The direct processing cost with the DCS system is one-fifth of the costs that would have been incurred under the previous system. Estimated savings, based on present compared to past rates for 50 background checks would cost roughly \$49.50, thereby savings 80 percent, or \$200 for the new method, versus

\$250 under the previous method. Also, the district realizes savings by reducing the manual labor necessary to prepare the forms for mail.

## **COMMENDATION**

**HISD contracts for online criminal background checks that are less expensive and completed more quickly.**

## **FINDING**

HISD does not have a standard format for non-teaching performance appraisals. The district uses 25 different performance appraisal instruments or forms. **Exhibit 3-18** lists the name of each appraisal form.

### **Exhibit 3-18 HISD Performance Appraisal Forms**

1. Administrative Assistant Performance Appraisal Summative Evaluation Report
2. Assistant Principal Evaluation Instrument and Job Description
3. Athletic Director Performance Appraisal Summative Evaluation
4. Auxiliary Performance Appraisal
5. Band Director Performance Appraisal Summative Evaluation
6. Business Official - Summative Evaluation Report
7. School Administrator Appraisal Form
8. Counselor Evaluation Instrument and Job Description
9. Curriculum Officer Evaluation Instrument and Job Description
10. Diagnostician Evaluation
11. Evaluation of Educational Diagnosticians
12. Head Start Director Performance Appraisal Summative Evaluation
13. Library Media Specialist Evaluation Instrument and Job Description
14. Licensed Specialist in School Psychology (LSSP) Appraisal
15. Maintenance Personnel Evaluation
16. Nurse Performance Appraisal - Summative Evaluation Report
17. Occupational Therapist Performance Evaluation
18. Performance Evaluation Record
19. Secretary Performance Appraisal
20. Speech Therapist Performance Evaluation
21. Associate School Psychologist Self-Evaluation
22. Special Education Director's Evaluation Instrument and Job Description
23. Commissioner-Recommended Student Performance Domain/Superintendent Appraisal
24. Teacher - (Visually Impaired) Summary Evaluation
25. Director of Vocational Education Performance Appraisal

*Source: HISD Superintendent's Office.*

There are noticeable differences in the layout and format of the many forms. Some forms evaluate performance according to a set number of domains, ranging from six to nine. The domains include:

- Instructional management;
- School/organizational climate;
- School/organizational improvement;
- Personnel management;
- Administration and fiscal/facilities management;
- Student management;
- School/community relations;
- Professional growth and development; and
- Academic excellence indicators/school performance indicators.

Some of the forms are outdated. For example, some of the forms contain a date field that reads "from 19\_\_ to 19\_\_" for showing the performance period. Many different forms with different formats increase the possibility that employees are not consistently evaluated by standard performance criteria. In addition, different formats make it difficult for an organization to regularly review, update and maintain the performance appraisal forms.

**Recommendation 28:**

**Develop a standardized format with common elements for performance appraisals of non-teaching staff.**

The district should develop a standard format for non-teaching staff for all performance appraisals based on employee classification.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent appoints a committee of school and central administrators to review the different appraisal forms being used by the district.	January 2003
2.	The committee reviews the forms for recommended format, content and procedures.	February 2003
3.	The committee presents the recommendations to the superintendent for approval.	March 2003
4.	The superintendent presents the recommendations to the board for approval.	April 2003
5.	The board approves the recommendations. and the superintendent	April 2003

implements the new appraisal form.	
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**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 4

## FACILITIES USE AND MANAGEMENT

This chapter reviews Hitchcock Independent School District (HISD) facilities use and management in the following three areas:

- A. Facilities Planning
- B. Maintenance and Custodial Operations
- C. Energy Management

Facilities must be planned adequately to create an environment that supports educational programs. Maintenance programs coordinate preventive maintenance and repairs to ensure that facilities are in working order to provide an atmosphere that is conducive for learning. Custodial operations provide for the general cleanliness and upkeep of facilities on a daily basis. An energy management program provides for the effective and efficient use of utilities by developing energy conservation practices and monitoring energy costs and usage. School safety and security programs are designed to protect students, staff and property and provide surroundings that are safe and secure.

# Chapter 4

## FACILITIES USE AND MANAGEMENT

### A. Facilities Planning

HISD has four schools and three support facilities that house its 1,123 students and 200 employees. The average age of HISD's facilities is 31 years. The district's oldest facility is the Board Complex, which was built in 1945, and the district's newest facilities are Hitchcock High School and Stewart Elementary Schools-both built in 1994. The Head Start program is housed in portable classrooms on the Northside Elementary School campus. **Exhibit 4-1** provides a profile of HISD's facilities.

**Exhibit 4-1**  
**HISD Facilities Profile**

<b>Building</b>	<b>Year Constructed</b>	<b>Grade Level</b>	<b>Building Capacity</b>	<b>Students Enrolled</b>	<b>Square Footage</b>
Hitchcock High School	1994	9-12	750	375	75,000
Crosby Middle School	1965	6-8	418	267	20,000
Stewart Elementary School	1994	3-5	255	299	45,000
Northside Elementary School	1963	K-2	505	284	10,118
Administration Building	1958	N/A	N/A	N/A	4,125
Board Complex	1945	N/A	N/A	N/A	2,500
Home of Superintendent	1981	N/A	N/A	N/A	1,600
<b>Total</b>	-	-	<b>1,928</b>	<b>1,225</b>	<b>158,343</b>

*Source: HISD Maintenance director.*

**Exhibit 4-2** presents a summary of the HISD's Maintenance Department budget for 2000-01 and 2001-02, which shows almost a 24 percent increase for 2001-02 above 2000-01. The majority of the increase was attributable to additional salary expenses for support personnel, the higher cost of the custodial services contract, increased building repair costs and significantly higher costs for building and automobile insurance.

**Exhibit 4-2**  
**Maintenance Department Budget Summary**  
**2000-01 and 2001-02**

Description	2000-01	2001-02	Percent Increase/ (Decrease)
Payroll Costs	\$239,196	\$289,965	21.2%
Professional and Contracted Services	459,650	503,650	9.6%
Supplies/ Materials	111,250	138,800	24.8%
Other Operating Expenses	99,500	178,947	79.8%
Capital Outlay	5,000	20,000	300.0%
<b>Total</b>	<b>\$914,596</b>	<b>\$1,131,362</b>	<b>23.7%</b>

*Source: HISD Business Office.*

**Exhibit 4-3** compares the actual and budgeted plant, maintenance and operations cost on a per-student basis for HISD, its peer districts and the state average for 1999-2000 through 2001-2002. For all three years compared, HISD had the highest actual and budgeted plant, maintenance and operations cost of its peers.

**Exhibit 4-3**  
**Plant Maintenance and Operations Cost per Student-All Funds**  
**HISD, Peer Districts and State Average**  
**1999-2000 through 2001-02**

District	Actual		Budgeted
	1999-2000	2000-01	2001-02
Boling	\$706	\$836	\$985
La Marque	\$725	\$870	\$872
Hempstead	\$812	\$772	\$851
Anahuac	\$766	\$749	\$804
Royal	\$651	\$710	\$799
East Chambers	\$704	\$753	\$668
<b>Hitchcock</b>	<b>\$1,112</b>	<b>\$1,253</b>	<b>\$1,376</b>
Peer Average	\$727	\$782	\$830

<b>State Average</b>	<b>\$641</b>	<b>\$687</b>	<b>\$699</b>
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Source: Texas Education Agency (TEA), Public Education Information Management System (PEIMS), 1999-2000 through 2001-02.

**Exhibit 4-4** compares actual and budgeted debt service cost for HISD, its peers and the state average. For all three years compared, HISD had the highest actual and budgeted debt service cost.

**Exhibit 4-4**  
**Debt Service Cost per Student -All Funds**  
**HISD, Peer Districts and State Average**  
**1999-2000 through 2001-02**

District	Actual		Budgeted
	1999-2000	2000-01	2001-02
Royal	\$59	\$555	\$833
Hempstead	\$419	\$978	\$773
La Marque	\$489	\$502	\$512
Anahuac	\$405	\$372	\$381
East Chambers	\$75	\$101	\$111
Boling	\$0	\$0	\$0
<b>Hitchcock</b>	<b>\$962</b>	<b>\$963</b>	<b>\$1,051</b>
Peer Average	\$241	\$418	\$435
State Average	\$516	\$581	\$599

Source: TEA, PEIMS, 1999-2000 through 2001-02.

**FINDING**

HISD has begun a long-range facilities planning process; however a formal facilities master plan has not yet been developed. Facilities' planning is critical to the overall success of school district operations, because it coordinates the district's educational programs, physical space and resources. Some essential components of a facilities master plan include:

- Identification of current and future needs of a district's facilities and educational programs;

- Analysis of facilities' condition;
- Development of student growth projections and community expansion plans;
- Analysis of cost and capital requirements; and
- Development of facilities program management and design guidelines.

During interviews with HISD management and tours of the district's facilities, the review team learned that Northside Elementary and Crosby Middle School are in dire need of renovation. HISD engaged a local architectural and engineering firm to perform a needs assessment to help the district with beginning its facilities planning process.

As part of the needs assessment, historical enrollment data from 1995-96 through 2000-01 was prepared along with enrollment projections for 2001-02 through 2005-06. Historical data for 1995-96 through 2000-01 revealed a decline in enrollment of 17.5 percent with a similar enrollment decline projected for 2001-02 through 2005-06. The needs assessment also included summary survey information completed by school administration on the educational programs administered at the schools and the condition of the buildings.

As a result, HISD began studying several options to maximize the capacity of its existing facilities, while minimizing renovation costs for its older facilities. The needs assessment contained three options and some additional considerations for maximizing the district's use of its facilities along with a planning process schedule and bond program schedule. The assessment is summarized in **Exhibit 4-5**.

**Exhibit 4-5**  
**HISD Facilities Needs Assessment and Bond Program Planning**  
**Schedule**  
**April 2002**

<b>Option 1</b>	<ul style="list-style-type: none"> <li>• Close Northside Elementary School and move students to Stewart Elementary</li> <li>• Close Crosby Middle School and move students to Hitchcock High School</li> <li>• Add a gymnasium at Hitchcock High School and expand the library to accommodate grades 6-8 and 9-12</li> <li>• Add four portables to Stewart Elementary School to accommodate grades PK-5</li> </ul>
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<p><b>Option 2</b></p>	<ul style="list-style-type: none"> <li>• Close Northside Elementary School and move students to Stewart Elementary</li> <li>• Renovate Crosby Middle School adding a new gymnasium, cafeteria and science laboratories</li> <li>• Add four portables to Stewart Elementary School to accommodate grades PK-5</li> </ul>
<p><b>Option 3</b></p>	<ul style="list-style-type: none"> <li>• Close Northside Elementary School and move students to Stewart Elementary</li> <li>• Build a new middle school adjacent to Hitchcock High School</li> <li>• Add four portables to Stewart Elementary School to accommodate grades PK-5</li> </ul>
<p><b>Additional Considerations</b></p>	<ul style="list-style-type: none"> <li>• If Crosby is closed, consolidate administration in existing classroom building and convert Mooney Gymnasium into Performing Arts Center and redo joint community use of athletic fields</li> <li>• Relocate bus barn to another site</li> <li>• Lease Northside for Head Start program, retain ownership for potential use in the future</li> </ul>
<p><b>Planning Process/Schedule and Bond Program Schedule</b></p>	<ul style="list-style-type: none"> <li>• Conduct complete construction (Third quarter 2003 through third quarter 2004) kick-off meeting with the board (January 2002)</li> <li>• Present renovation and school closure and consolidation options to the Planning Committee for consideration (March, April 2002)</li> <li>• Develop concepts, define project scope, project costs, schedules (April, May 2002)</li> <li>• Approve plan draft submitted to the Planning Committee (May, June 2002)</li> <li>• Promote bond election (June, July 2002)</li> <li>• Hold bond election (September 2002)</li> <li>• Complete design development (Third Quarter, 2002)</li> <li>• Complete contract documents (Fourth quarter 2002 and first quarter 2003)</li> <li>• Bid renovation projects (Second quarter 2003)</li> <li>• Begin and</li> </ul>

Source: SHW Group, April 2002.

All three options explored in **Exhibit 4-5** involve adding four portables and possibly relocating the temporary buildings from Northside Elementary School to the Stewart Elementary School campus. During the on-site visit at the district, the review team was told that portable buildings at Northside were potentially too old to move.

While on site, the review team was also told about severe roof leaks at both the old and new gymnasiums at Crosby Middle School because of the lack of a deferred maintenance program. The review team was told that the Head Start building, which was built in 1993, is in need of demolition because of a poor quality slab. The review team was told that when Hitchcock High and Stewart Elementary Schools were built, the district ran out of funds before completing priority items, such as technology-related wiring in many of the classrooms and in some areas of the schools, the quality of construction is poor. Teacher survey results show that 57 percent of the respondents said the quality of new construction is poor.

Additionally, even though HISD's superintendent holds regular community forums about topics of interest, survey results of parents, district administrators and teachers showed that parents and citizens believe they do not have sufficient input into facility planning. For example, 37 percent of the parents responding to the survey reported that input was insufficient. Forty-four percent of the responding district administrators said it was insufficient, and 65 percent of all teachers responding to the survey said it was insufficient.

Using The Texas Education Agency's (TEA's) recommended planning model as a guide, **Exhibit 4-6** shows those aspects of HISD's facilities planning process that have been partially completed and those that still require additional work.

**Exhibit 4-6  
Facilities Planning Process Recommended by TEA**

<b>Program Element</b>	<b>Mission</b>	<b>Responsibilities</b>	<b>TEA Deliverables</b>	<b>HISD Deliverables</b>
<b>Planning</b>	Needs Assessment	Identify current and future needs.	Demographics, facilities survey, boundary, funding, education program, market, staff capability, transportation	Partially complete

			analysis	
	Scope	Outline required building areas; develop schedules and costs.	Programming, cost estimating, scheduling, cost analysis	Partially complete
	Strategy	Identify structure.	Facilities project list, master schedule, budget plan, organizational plan, marketing plan	Incomplete
	Public Approval	Implement public relations campaign.	Public and media relations	Incomplete
<b>Approach</b>	Management Plan	Detail roles, responsibilities and procedures.	Program management plan and systems	Incomplete
	Program Strategy	Review and refine details.	Detailed delivery strategy	Incomplete
	Program Guidelines		Educational specifications, design guidelines, Computer Aided Design standards	Incomplete

*Source: TEA and HISD's facilities planning component(s) status.*

**Recommendation 29:**

**Develop a long -range facilities master plan.**

HISD should complete the formal facilities planning process recommended by TEA. A comprehensive facilities master plan will help to ensure the district makes cost-effective decisions about facility consolidations and renovation projects and that the appropriate documentation is maintained.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent, Maintenance director and the district's external architectural and engineering firm use the TEA model	September 2002
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	to assess HISD's status for the facility planning process.	
2.	The superintendent convenes a meeting with the district's external architectural and engineering firm and Maintenance director and assigns responsibilities for completing the district's facilities planning process.	November 2002 - May 2003
3.	The superintendent, chief financial officer and curriculum director design a method for obtaining additional community involvement in the facilities planning process.	June 2003
4.	The superintendent, chief financial officer, Maintenance director and the district's external architectural and engineering firm compile remaining components of the facilities master plan and develop a formal facilities master plan document.	July 2003
5.	The superintendent presents the facilities master plan to the board for review.	August 2003
6.	The board approves the final facilities master plan.	September 2003

### **FISCAL IMPACT**

The estimated cost for an external architect to conduct facilities assessments and help prepare estimates for capital budgets is \$15,000. The other facilities planning activities can be implemented with existing resources.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a long-range facilities master plan.	(\$15,000)	\$0	\$0	\$0	\$0

# Chapter 4

## FACILITIES USE AND MANAGEMENT

### B. Maintenance and Custodial Operations

An efficient and effective maintenance operation for a school district requires well-defined procedures and processes, which include:

- Adequate information to plan and manage daily maintenance operations;
- A good work order system that enables maintenance staff to respond to repair requests;
- A proactive system (preventive maintenance) that ensures maintenance staff regularly service equipment to minimize down time; and
- A process to monitor maintenance service levels and obtain periodic feedback on maintenance operations that need improvement.

HISD's Maintenance Department is staffed with a Maintenance director, four general maintenance workers and three groundskeepers. **Exhibit 4-7** shows that HISD's Maintenance Department staffing level is in line with peer districts.

**Exhibit 4-7**  
**Maintenance Department Staffing Comparisons for HISD and Peer Districts**  
**2000-01**

Variable	Hitchcock	Boling	Hempstead	La Marque
2000-01 Enrollment	1,225	960	984	4,018
Total Number of Schools	4	3	3	8
<b>Facilities-Related Positions</b>				
Management, Supervision & Foreman	1	1		4
Administrative and Clerical		1		2
General Maintenance	4	2	Outsourced	3
Painters				1
Carpenters				1

Plumbers and HVAC				3
Electricians		.5	.5	2
Grounds Keepers	3	2	3	2
Energy Management			1	1
Other		1		2
<b>Total Facilities-Related Positions</b>	<b>8</b>	7.5	4	21
<b>Ratio of Maintenance Staff to Schools</b>	<b>2</b>	1.66	1.3	2.6

*Source: HISD Maintenance director and Peer Survey Completed by Maintenance directors, April and May 2002.*

HISD's new superintendent contracted with the Regional Education Service Center IV (Region 4) and the Texas Association of School Business Officials (TASBO) to conduct a performance review of maintenance, grounds and custodial operations. **Exhibit 4-8** presents an extensive list of findings and recommendations about HISD's Maintenance Department prepared by Region 4 and TASBO in April 2002.

**Exhibit 4-8**  
**HISD Maintenance, Grounds and Custodial Operations Performance Review**  
**Region 4 and TASBO**  
**Summary of Findings and Recommendations**

<b>Finding</b>	<b>Recommendation</b>
Job descriptions were lacking for maintenance staff.	<ul style="list-style-type: none"> <li>Develop job descriptions that contain duties, responsibilities, working conditions, physical requirements, education requirements and credentials and license requirements.</li> </ul>
Standard pay scales were lacking for all auxiliary personnel.	<ul style="list-style-type: none"> <li>Place all auxiliary staff on a standard pay schedule.</li> </ul>
Maintenance workers have attended only a few professional development	<ul style="list-style-type: none"> <li>Send district personnel to job-skill improvement training</li> </ul>

workshops in the past two years.	courses.
The Asbestos Management Plan has not been updated since 1989.	<ul style="list-style-type: none"> <li>• Update asbestos management plan.</li> </ul>
The district lacks a refrigerant plan.	<ul style="list-style-type: none"> <li>• Design system and ensure all personnel servicing refrigerants are certified.</li> </ul>
The Maintenance Department has no policy or procedure manual in place.	<ul style="list-style-type: none"> <li>• Develop and implement policy and procedure guidelines.</li> </ul>
The district has not completed customer satisfaction surveys.	<ul style="list-style-type: none"> <li>• Complete customer satisfaction surveys on 10 percent of all completed jobs.</li> </ul>
District communication could be improved in the Maintenance Department.	<ul style="list-style-type: none"> <li>• Obtain two-way radios for maintenance staff.</li> </ul>
All maintenance staff was not dressed in district furnished uniforms.	<ul style="list-style-type: none"> <li>• Equipment maintenance staff with uniforms.</li> </ul>
Many schools had problems with roof leaks.	<ul style="list-style-type: none"> <li>• Repair roof leaks.</li> </ul>
Many principals and teachers complained of hot/cold problems with the heating, ventilation and air-conditioning (HVAC) system.	<ul style="list-style-type: none"> <li>• Improve preventive maintenance on HVAC systems.</li> </ul>
The Maintenance Department was not in compliance with the Hazard Communication Act nor has maintenance or contracted custodial staff been trained to ensure compliance.	<ul style="list-style-type: none"> <li>• Develop and implement an inventory storage plan for hazardous materials and properly train maintenance and contract custodial staff.</li> </ul>
The energy management system appears to be placed in manual override status as a standard operating procedure.	<ul style="list-style-type: none"> <li>• Consider contracting with an energy management system provider to conduct on-site training referencing HISD's specific software.</li> </ul>

<p>The Maintenance Department has not implemented an "after-hours" on-call procedure.</p>	<ul style="list-style-type: none"> <li>• Implement an "after-hours" on-call procedure.</li> </ul>
<p>Maintenance Department staff is used by the food service contractor to deliver food on a daily basis, as well as unload a commodity truck.</p>	<ul style="list-style-type: none"> <li>• Discontinue using maintenance staff to assist with food service operations.</li> </ul>
<p>Maintenance staff uses their personal tools to do district work.</p>	<ul style="list-style-type: none"> <li>• Develop a priority list of required tools and purchase them for maintenance staff.</li> </ul>
<p>The Maintenance Department does not have a support person to handle incoming telephone calls and assist with record keeping.</p>	<ul style="list-style-type: none"> <li>• Create a position to handle clerical tasks.</li> </ul>
<p>Work order requests are communicated via e-mail.</p>	<ul style="list-style-type: none"> <li>• Consider environmental scanning to maximize e-mail work order system.</li> </ul>
<p>The Maintenance director has the responsibility of picking up parts from supply houses and distributing parts to staff, keeping the director away from maintenance operations for an extended period of time.</p>	<ul style="list-style-type: none"> <li>• Consider establishing a small parts inventory schedule and training the district's supply center delivery employee to be the designated "parts person."</li> </ul>
<p>There is insufficient communication between the Maintenance director, the food service director and the custodial contractor. Food service and custodial contractors are operating "unchecked."</p>	<ul style="list-style-type: none"> <li>• The Maintenance director should be the overseer of all contracted services at the district.</li> </ul>
<p>School principals do not receive minimal weekly contact from the Maintenance director.</p>	<ul style="list-style-type: none"> <li>• The Maintenance director should conduct on-site visits with school principals on a regular basis.</li> </ul>
<p>The grounds crew does not have an established methodology for their cutting schedule.</p>	<ul style="list-style-type: none"> <li>• Develop and implement a cutting cycle for each school.</li> </ul>
<p>Insufficient grounds equipment is available to accomplish required task.</p>	<ul style="list-style-type: none"> <li>• Assess grounds equipment needs and develop a long-range plan to purchase</li> </ul>

	necessary equipment.
An athletic field maintenance program does not exist.	<ul style="list-style-type: none"> <li>• Develop and implement a written field maintenance program that covers fertilization, herbicides, aerates and seeding.</li> </ul>
Customer complaints about custodial operations are not consistently recorded.	<ul style="list-style-type: none"> <li>• Conduct weekly meetings between the Maintenance director and the custodial contract on-site manager.</li> </ul>
The "Pro-Team Backpack Vacuum" system has not been properly implemented throughout the system to assist with improving air quality.	<ul style="list-style-type: none"> <li>• Immediately implement the "Pro-Team Backpack Vacuum" system.</li> </ul>
HISD is transitioning from year-round schools to being closed during the summer months and the custodial contractor is not following detailed work procedures for daily, bi-weekly monthly or intervention periods, as required in the contract.	<ul style="list-style-type: none"> <li>• Reevaluate the custodial services contract to establish new standards and expectations for service taking into consideration the modified timeframes for operations.</li> </ul>

*Source: Region IV Education Service Center and Texas Association of School Business Officials, April 2002.*

## **FINDING**

HISD's Maintenance Department does not have an annual operating plan to help identify and prioritize the district's maintenance needs and establish an implementation schedule to ensure critical maintenance issues are addressed. There is no written document to help ensure that high quality work is completed, buildings are maintained at a comfortable temperature for students and staff and an adequate inventory of small parts regularly used by maintenance staff is available to complete jobs expeditiously. There is no plan that would help direct and monitor ongoing Maintenance Department operations, track progress or identify obstacles to tackling maintenance problems. As a result, HISD's Maintenance Department has not performed as well as it could to ensure that district facilities are adequately maintained.

HISD's Maintenance Department lacks many of the characteristics of a good maintenance operation. During interviews with the Maintenance director, focus group meetings with the maintenance staff and a review of operational data, the review team identified many Maintenance Department deficiencies similar to those identified by the performance review conducted by Region 4 and TASBO, which include the following:

- No administrative policy and operating procedure manual;
- Poor communication between the superintendent and Maintenance director, between the Maintenance director and maintenance staff and Maintenance director and school principals;
- No written job descriptions for maintenance staff;
- No staffing system and work plan to ensure efficient deployment of maintenance and grounds staff;
- No preventive maintenance program;
- Lack of fully automated work order system;
- No plan for ensuring facilities compliance with American Disabilities Act (ADA) and Asbestos requirements;
- Insufficient maintenance tools and grounds equipment to complete work efficiently;
- No maintenance staff with skilled trades designation;
- No uniform salary schedules for maintenance and grounds keeping staff;
- Insufficient training programs for maintenance staff;
- Inefficient process for ordering and obtaining supplies;
- Lack of follow-up on maintenance work quality;
- Lack of HISD management oversight of contracted custodial operations; and,
- Inadequate oversight and training for the district's energy management system.

A good maintenance department has the following characteristics:

- A skilled and dedicated staff;
- An operating plan to provide structure and direction for maintenance operations;
- Maintenance work teams that are well supervised throughout the duration of projects;
- A quality control inspection process that randomly selects completed work orders for inspection; and,
- A quality assurance program developed to provide school principals with a mechanism to give timely feedback on the quality of work completed at schools.

**Recommendation 30:**

**Develop and implement an annual operating plan to provide structure and direction and establish priorities for the Maintenance Department.**

The Maintenance director should meet with the superintendent and school principals to identify and prioritize administrative and operational service issues for the Maintenance Department. The findings and recommendations in the performance review prepared by the Region 4 and TASBO and the Maintenance Department deficiencies identified by the TSPR review team should be used as the basis for the analysis. Key issues should be prioritized, and an operating plan developed to address them.

The Maintenance director should develop a written schedule of priority projects and communicate a targeted schedule for completing the projects to the superintendent, maintenance staff and school principals. On a monthly basis, a written status report should be provided to the superintendent as a way to track progress and identify obstacles to addressing critical maintenance issues.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The Maintenance director meets with the superintendent, maintenance staff and the principal of each school, tours the facilities and identifies maintenance issues.	September 2002
2.	The Maintenance director prioritizes identified problems at each school and establishes a written priority list.	October 2002
3.	The Maintenance director develops an annual operating plan for the Maintenance Department.	November 2002
4.	The Maintenance director establishes a timeline to address priority maintenance needs for the superintendent's approval.	December 2002
5.	The superintendent approves the operating plan.	January 2003
6.	Each year the Maintenance director develops an operating plan to address the facility maintenance needs of the district.	Ongoing

**FISCAL IMPACT**

There recommendation can be implemented with existing resources.

**FINDING**

HISD has not implemented the majority of recommendations contained in a recent evaluation of the district's safety and security program conducted

by Southwest Texas State University (SWTSU). Due to a limited maintenance staff, the Maintenance Department has only concentrated on regular and emergency repairs.

SWTSU's Texas School Safety Center conducted a "walkabout" evaluation of HISD's schools on October 29-30, 2001 and cited serious safety and security concerns at the Northside Elementary School and Crosby Middle Schools. The evaluation focused on four major areas:

- The physical interior and exterior of buildings and condition of grounds;
- Storage of any chemicals (acids, combustibles, etc.);
- Records (student code of conduct, discipline policies, school plans, etc.); and
- The faculty and student culture of each school.

The overall results of the evaluation were positive, but the report cited serious safety and security issues including standing water at Crosby Middle School and mold and structural concerns at Northside Elementary School. Household mold spores detected in the Northside Elementary School that affected indoor air quality forced the superintendent to close the classrooms and move the students to the Crosby Middle School Annex. Standing water, mold spores and hazardous structures can result in health problems and/or injuries to students.

The evaluation also cited unsafe playground equipment and conditions at Northside Elementary and the absence of a fence around the playground area to block the children from the street at Stewart Elementary. The Maintenance director told the review team that the district replaced all faulty and old playground equipment at both elementary schools. However, as of the date of the review, a fence had not been erected around the playground at Stewart Elementary.

### **Recommendation 31:**

#### **Develop a prioritized plan to implement recommendations in the Texas School Safety Center's evaluation of HISD's schools.**

The district should prioritize the recommendations included in the Texas School Safety Center's evaluation and identify those projects that can be funded with current funds and those that will require future funding. This plan should prioritize the facilities-related safety deficiencies to be corrected, and available budget resources should be allocated to these prioritized projects.

The district's facility master plan should include a plan for implementing the recommendations that cannot be funded with existing resources.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer works with the superintendent and Maintenance director to prioritize recommendations cited in the study.	September 2002
2.	The chief financial officer, working with the Maintenance director, separates facilities-related safety deficiencies from those that cannot be corrected with available resources.	October 2002
3.	The Maintenance director works with the chief financial officer to issue requests for proposals (RFP) and invitations for bid (IFB) for the safety deficiencies that can be corrected with available resources.	November 2002 - December 2002
4.	The superintendent and board approve contractors selected to complete projects.	January 2003
5.	The superintendent includes the facilities-related deficiencies in the district's facility master plan that cannot be funded with existing resources.	February 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD does not have a formal training program for its maintenance and grounds staff and opportunities to attend maintenance-related classes occur infrequently. According to several central administrators and teachers, HISD's maintenance staff is not adequately trained to perform preventive and emergency maintenance repairs, which impairs the staff's ability to properly maintain the district's facilities.

Periodically, general maintenance workers are deployed to perform grounds work and grounds staff are used to perform general maintenance work. During on-site interviews, maintenance staff told the review team that since no employee in the department has a skilled trade background, it is sometimes difficult to know the most efficient process for completing maintenance jobs assigned.

An effective maintenance-training program would include instruction in the following topical areas:

- Technical maintenance techniques;
- Effective work scheduling;
- Interdepartmental communication skills;
- Customer communication skills;
- Professional skill development for each trade;
- Work habits;
- Time management;
- Quality control; and
- Safety initiatives.

**Recommendation 32:**

**Develop and implement a regular training program for maintenance staff to improve effectiveness and productivity.**

The Maintenance director should develop a training program for all maintenance staff. The program should have annual goals and objectives and include sufficient funding so each employee can attend at least one course annually.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The Maintenance director develops a training program curriculum, schedule and budget for the superintendent's approval.	September 2002
2.	The superintendent submits the training program and budget to the board for approval.	October 2002
3.	The Maintenance director initiates the training program.	November 2002

**FISCAL IMPACT**

The cost to implement this recommendation would require fees for seminars and trainers. An average annual cost of \$500 per staff member would require \$4,000 annually (8 staff x \$500 = \$4,000).

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop and implement a regular training program for maintenance staff to improve effectiveness and productivity.	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)

**FINDING**

The Maintenance Department does not have a comprehensive automated work order system. HISD's director of Technology has begun developing a computer spreadsheet that contains a description of work order requests, location and date the request was made. The spreadsheet, as designed, will not fulfill the purpose of an automated work order system, because it does not provide labor and material cost data, which are necessary components of a useful work order system.

In January 2002, central administration and school personnel began e-mailing work order requests to the Maintenance Department creating an automated record of requests. Prior to that time, all requests were manual, and the Maintenance Department did not track the number of requests received or the status of the requests. The Maintenance Department also does not track the material costs associated with the repairs, the time spent completing each job or the name of the maintenance employee assigned.

Without an automated work order system, it is difficult to track status of work orders, to monitor the productivity of staff, document the costs of individual repairs and prioritize work assignments.

The accumulation of data, such as material cost, employee productivity and the number of days to complete work enable maintenance directors to establish performance standards for all maintenance operations. Performance standards define and document the time required to complete various jobs, expected quality levels and the cost of completed jobs.

**Recommendation 33:**

**Develop an automated work order system and use labor and cost data to monitor productivity and track costs.**

HISD's director of Technology should continue refining the computer spreadsheet as a work order system. This system will enable HISD's Maintenance Department to automate work order logs to facilitate prioritizing, tracking and preparing cost estimates for maintenance requests. The automated log will enable the Maintenance director to establish performance standards and assess thresholds for contracting specific projects such as large paint, carpentry and plumbing projects to outside contractors.

Once the system is fully implemented, management will be able to establish performance standards for jobs such as replacing air-conditioning filters, installing flooring or completing roofing jobs. With predetermined performance standards, the work of Maintenance employees can be monitored to ensure that, quality and cost-effective services are delivered.

## IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Maintenance director works with the director of Technology to refine the design of the spreadsheet format already under development for automating work order requests.	September 2002
2.	The director of Technology completes the refinement of the work order system.	November 2002
3.	The Maintenance director uses management reports from the automated work order logs to analyze data, such as labor and material cost and work backlog.	December 2002
4.	The Maintenance director develops and monitors Maintenance Department performance standards in order to improve the department's productivity.	February 2003 and Ongoing
5.	The Maintenance director provides the superintendent with quality reports detailing the Maintenance Department's operations.	February 2003 and quarterly thereafter

## FISCAL IMPACT

This recommendation can be implemented with existing resources.

## FINDING

HISD does not have a preventive maintenance program. Maintenance staff respond when requests for maintenance are received from central and campus administrators and teachers. Regularly scheduled maintenance activity is not performed on district facilities and equipment. Tours of the district's four schools revealed peeling paint on school interiors and exteriors, patched roofs, ceiling stains from leaks and missing floor tiles.

Interviews with parents, central administrators, principals, and teachers revealed dissatisfaction with the quality of maintenance services. Survey results from district stakeholders were as follows:

Parents - 50 percent of the survey respondents believed buildings were properly maintained in a timely manner, and 32 percent did not.

Central administrators - 33 percent of the survey respondents thought buildings were properly maintained in a timely manner, while 61 percent did not agree.

Principals - 67 percent of survey respondents reported buildings were timely maintained, while 67 percent said repairs are not made in a timely manner.

Teachers - 25 percent of survey respondents said buildings were properly maintained in a timely manner, but 65 percent of respondents said they were not. Twenty-seven percent of the respondents said repairs were made in a timely manner, and 63 percent thought repairs were not made in a timely manner.

Facilities maintenance best practices show that a widely used strategy to contain maintenance operations cost is the implementation of a preventive maintenance program. Preventive maintenance is a planned approach designed to avoid building and equipment breakdowns and prevent small problems from escalating into major ones.

**Exhibit 4-9** presents a sample preventive maintenance program.

**Exhibit 4-9**  
**A Sample Preventive Maintenance Program**

<b>Area</b>	<b>Component</b>	<b>Inspection and Repair (3-6 Month Intervals)</b>	<b>Inspection and Repair Annually</b>	<b>Inspection and Repair (2-5 Year Intervals)</b>	<b>Inspection and Replacement (7-10 Year Intervals)</b>	<b>Inspection and Replacement (12-15 Years)</b>
Exterior	Roof		X			X
	Roof Drainage		X			
	Windows and Glass		X			
	Masonry		X			
	Foundations		X			
	Joints and Sealants		X		X	
Equipment	Belts and Filters	X				
	Motors and Fans	X				

	Pipes and Fittings	X				
	Ductwork		X			
	Electrical Controls		X			
	Heating Equip.	X				
	Air-conditioning Equip.	X				
Interior	Doors and Hardware		X			
	Wall Finishes		X		X	
	Floor Finishes		X		X	
Site	Parking and Walks		X			
	Drainage		X			
	Landscaping	X				
	Play Equipment	X				

*Source: Developed by TSPR.*

Effective preventive maintenance programs contain the following characteristics:

- A list of equipment and maintenance requirements;
- A timeline schedule for completion of projects; and
- Inspection and maintenance procedures.

**Recommendation 34:**

**Implement a preventive maintenance program that provides regularly scheduled reviews and repairs on all facilities and equipment.**

The Maintenance Department should develop the preventive maintenance program along with a detailed preventive maintenance schedule for all

facilities and equipment. A timeline for completing preventive maintenance projects should also be established.

The district should develop reports that provide district administrators with data pertaining to the preventive maintenance program. The superintendent should use these reports to make management decisions on whether to increase the preventive maintenance efforts.

**IMPLEMENTATION STRATEGIES AND SCHEDULE**

1.	The Maintenance director develops and submits a preventive maintenance program that targets all HISD facilities and equipment to the superintendent for approval.	September 2002
2.	Upon the superintendent's approval, the Maintenance director implements the preventive maintenance program.	October 2002
3.	The Maintenance director provides the superintendent with reports detailing preventive maintenance activities.	November 2002 and quarterly thereafter
4.	The Maintenance director and superintendent use the reports to determine when adjustments to programs are needed.	Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources and should achieve significant savings over time. As preventive maintenance is conducted, costs for major repairs should decline.

**FINDING**

HISD does not have a process in place or a position assigned to oversee the quality and cost-effectiveness of its outsourced custodial services contract. The contractor has a project manager that is on site, in an office at the rear of the cafeteria at the Stewart Elementary School, but no regular monitoring activities take place between the contractor's project manager and HISD management. The contractor's project manager's job description requires daily meetings with HISD management to clarify requests and schedules. Nearly all interaction is between the contractor's project manager and school principals and is limited to discussions about the cleanliness of schools.

HISD initially outsourced custodial services in 1990, and Professional Janitorial Services (PJS) won the bid. Since the original contract in 1990,

HISD management has re-bid the contract three times-in 1994, 1996 and 1999. The district has the option to extend the contract for a one-year period for the years when the contract is not formally taken out for bid. HISD has exercised these one-year extension options each time. The contract value has increased moderately at each renewal, and there is a provision in the contract that allows the custodial services contractor to request an increase in the contract value at the time the district exercises a one-year contract extension.

The annual contract value for 1999-2000 was \$308,400 and the staffing levels called for an on-site project manager, seven full-time custodians and 13 part-time custodians who service the buildings at night. PJS obtained approval to increase the contract price to \$334,800 to change staffing levels to six full-time and 17 part-time custodians for 2001-02.

Survey results show that many district stakeholders are dissatisfied with the custodial services. For example, 59 percent of the central administrators surveyed responded that schools are not clean and 52 percent of teachers that responded agreed. Custodial cleaning standards are not consistent from building to building and cleaning-related performance standards are vague. According to school principals, cleaning standards seem to be good at the high school and poor at the elementary and middle schools.

**Exhibit 4-10** provides suggested facilities support performance criteria for outsourced custodial services operations.

**Exhibit 4-10  
Suggested Facilities Support Performance Criteria**

Category	Performance Criteria
Custodial	<ul style="list-style-type: none"> <li>• Custodial contract cost per student</li> <li>• Average square feet of space maintained per custodian</li> <li>• Quality of service delivered</li> <li>• Quality of training for supervision and employees</li> <li>• Overall cost of service delivered</li> </ul>

*Source: American School and University (ASU) Publication, April 1999.*

**Recommendation 35:**

**Assign contract monitoring of the custodial contract to the chief financial officer and track performance of the custodial contractor.**

HISD should implement a formal program to monitor and track the performance of the custodial contractor. The monitoring should consist of written reports from principals about the quality of custodial services at schools and written reports from designated central office staff about the quality of custodial services at administrative facilities. The district's chief financial officer should be assigned the responsibility for monitoring service levels each month and for determining the cost-effectiveness of the contract annually based on established performance standards.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent formally assigns the responsibility of monitoring the custodial contract to the chief financial officer.	September 2002
2.	The chief financial officer identifies the types and frequency of monitoring reports needed to effectively evaluate the custodial services contractor's performance.	October 2002
3.	The chief financial officer begins to formally log and compile complaints each month through the district's secretary.	November 2002
4.	The chief financial officer prepares reports to track the custodial contractor's performance.	November 2002
5.	The chief financial officer meets with the custodial contractor and discusses the status of the performance measures.	December 2002 and Ongoing
6.	Performance reports are used annually to determine if the custodial services contract should be re-bid or renewal options exercised.	Annually

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD's director of Maintenance has had no formal safety training, yet serves as the district's chief safety coordinator. As director of Maintenance, he is also responsible for districtwide maintenance, pest management and energy management. Additionally, the director has no clerical support and his current responsibilities make it almost impossible to also perform all activities related to safety training and inspection for the district. HISD contracted with Innovative Risk Management to

conduct safety inspections and verify that the district maintained the appropriate documentation for workers' compensation claims.

In addition to the director of Maintenance's absence of formal safety training, HISD does not have a process or procedure in place to effectively deliver and monitor safety training. Consequently, in prior years, the director did not provide safety training for principals. However, Innovative Risk Management delivered a safety training session for principals and directors in February 2002.

In some Texas school districts, like Texarkana ISD and Tyler ISD, the responsibility for risk management and coordinating safety training rests with the business officer, whose counterpart in HISD is the chief financial officer. The risk management function is often placed under the supervision of district business officers because of the relationship between safety and workers' compensation claims.

**Recommendation 36:**

**Contract safety training and reallocate responsibilities for coordinating districtwide safety and safety inspections between the director of Maintenance and the chief financial officer.**

HISD should contract its safety training to an outside vendor and relieve the director of Maintenance of this responsibility. Additionally, the district should assign the chief financial officer the responsibility for coordinating safety training and assign the director of Maintenance the responsibility for coordinating safety inspections. With this division of responsibility, the chief financial officer can focus on areas that affect workers' compensation claims and the director of Maintenance can focus on duties that compliment his maintenance responsibilities.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent reassigns the responsibility of coordinating districtwide safety training to the chief financial officer and coordinating safety inspections to the director of Maintenance.	September 2002
2.	The superintendent revises the job descriptions for the chief financial officer and the director of Maintenance.	October 2002
3.	The chief financial officer issues a request for proposal (RFP) to conduct safety training.	November 2002
4.	The chief financial officer reviews the responses to the RFP and selects a vendor to provide the training.	November - December

		2002
5.	The superintendent and board approve the selection of the safety-training vendor and subsequent contract.	January 2003

**FISCAL IMPACT**

The cost to implement this recommendation provides for a safety-training vendor to conduct four safety-training sessions each year; one session in August, November, February and May. Each session would run a maximum of four hours at an estimated hourly rate \$100 per hour. Assuming two consultants conduct the sessions, the annual fiscal impact is \$3,200 (16 hours x 2 consultants x \$100 per hour). During the first year only two session will be conducted in February and May.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Contract safety training and reallocate responsibilities for coordinating districtwide safety and safety inspections between the director of Maintenance and the chief financial officer.	(\$1,600)	(\$3,200)	(\$3,200)	(\$3,200)	(\$3,200)

# Chapter 4

## FACILITIES USE AND MANAGEMENT

### **C. Energy Management**

Energy costs across the state and nation have increased to levels that require close monitoring and management. Energy management is a vital tool to ensure the cost-effective operation of the district's utilities. Energy audits and other sources of data are essential to controlling costs. Management uses data gathered from energy audits to determine district priorities and to monitor and evaluate the success of an energy conservation program. While the purpose of an energy management program is to minimize waste, the program should also ensure comfort in occupied spaces and encourage energy awareness across the district.

### **FINDING**

In June 1999, HISD contracted with Control Systems International (CSI), which later changed its name to TAC Control Systems International (TAC), to install controls for heating, ventilation and air conditioning systems at schools and the administration building and to retrofit lighting with high efficiency lamps and ballasts as a way to control energy usage and ensure temperature comfort at district facilities. The overall cost of the contract was \$703,241, and CSI guaranteed HISD would save \$93,061 annually, during the 10-year guarantee term.

Energy management reports, which were provided by TAC for the period between October 1999 and February 2000 show partial-year estimated savings of \$69,491. Energy management reports provided by TAC dated March 2000 through February 2001 show an annual savings of \$138,391. No energy management reports from TAC were available after February 2001.

As with most energy management contracts of this type, HISD also had responsibilities for ensuring the success of the district's energy management effort. For example, HISD was responsible for performing preventive maintenance on the system and contracted for that service with an outside firm. In spring 2001, actuators, which stroke the valves of the system and work to turn the system on and off, were failing at Hitchcock High School. According to the Maintenance director, a \$5,400 purchase order for the required parts to repair the actuators was denied because of lack of funds. As the actuators continued to fail, manual overrides of the system became necessary to control the temperature at the high school.

In May 2002, after a meeting between HISD management and a TAC representative, TAC asked to terminate its contract and for the return of its performance bond because the company believed it was no longer liable for contract performance because HISD did not fulfill its contractual obligations. According to HISD management, the contract termination agreement between the district and TAC contained provisions whereby the contract could be reactivated at some later time. HISD's management told the review team that it is making an effort to reinstate the contract. Without reinstating the contract, the district stands to lose the \$93,061 guaranteed annual savings.

HISD's accounts payable clerk has developed a spreadsheet to record monthly energy cost by facility. School administrators often manually operate temperature controls at schools, diminishing much of the effectiveness of the automated energy management system. Annual energy bills for the district for 2001-02 are estimated to be \$271,391.

**Recommendation 37:**

**Pursue reactivating the energy management contract and comply with contract terms.**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent directs the chief financial officer and the district's legal counsel to examine the contract with TAC Control Systems International and identify steps required to reactivate the contract.	September 2002
2.	The Maintenance director prepares a purchase request for the actuators and ensures the proper repairs are completed.	September 2002
3.	The chief financial officer negotiates reactivation of the contract.	October 2002
4.	The superintendent approves the contract and submits it to the board for approval.	November 2002
5.	The chief financial officer uses the spreadsheet prepared by the accounts payable clerk to monitor energy costs.	February 2003

**FISCAL IMPACT**

This recommendation will require \$4,500 for the purchase of actuators necessary to repair the district's existing energy management equipment.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
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Pursue reactivating the energy management contract and comply with contract terms.	(\$4,500)	\$0	\$0	\$0	\$0
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## FINDING

HISD does not have an energy conservation plan to lower utility costs while extending equipment life and increasing the comfort of building occupants. HISD has not developed energy management strategies that involve students and administrators at individual schools in the energy conservation process.

Sound procedures significantly improve annual utility costs, equipment life and occupant comfort. The State Energy Conservation Office (SECO), a part of the Comptroller's office, recommends that most facilities implement the maintenance and operation items that can provide energy savings, as follows:

- *Publicize Energy Conservation.* Promote energy awareness at regular staff meetings, on bulletin boards, and through any school publications. Publicize energy cost reports showing up trends and downtrends. Establish participation in *Watt Watchers* and other programs, which involve students and staff directly in energy conservation activities.
- *Improve Control Of Interior & Exterior Lighting.* Establish procedures to monitor the use of lighting and reduce unnecessary usage, such as in classrooms at lunchtime and parking lots during daylight hours. One or two friendly reminders for minor infractions usually will result in lower electric bills.
- *Pre-Identify Premium Efficiency Motor (PEM) Replacements.* The advance identification of supply sources and stock numbers for all HVAC fan and pump motors can allow the district to replace these units with PEMs quickly and efficiently as failures occur. As funding allows, the district should pre-stock PEM replacements according to anticipated demand, i.e., motors in service more than 10 years, motors in stressful service and particular motor types which are in service at several locations.
- *Control Outside Air Infiltration.* Conduct periodic inspections of door and window weather-stripping and schedule repairs as needed. Additionally, ensure that doors and windows are closed when heating or cooling systems are in operation. Poor insulation from outside air contributes to higher energy consumption, shorter equipment life and occupant discomfort.
- *Establish Heating, Ventilating and Air-Conditioner Unit Service Schedules.* Document schedules and review requirements for replacing filters and cleaning condensers and evaporators. Include

particulars such as filter sizes, crew scheduling, contract availability, if needed, etc. Generally, appropriate service frequencies are as follows: filters - monthly; condensers - annually; evaporators - every five years.

Spring ISD implemented a successful school energy conservation program designed to promote and reward student and staff participation in energy conservation. The district implemented a rebate program that rewards each school for efficient energy use by sharing savings with any school that reduces its usage below the budgeted amount. The school that reduces its usage below the budgeted amount receives a check for 50 percent of the savings amount.

SECO provides free energy management audits to public sector entities such as school districts. The energy management audits provide detailed recommendations on equipment and procedures that can supplement an energy management plan. SECO also provides an estimate of investment cost, time and payback of annual energy savings.

**Recommendation 38:**

**Request an energy management audit and develop an energy conservation plan.**

The energy management audit should provide the foundation for the district's energy conservation plan. The Maintenance director should monitor the controls and utility bills and implement a districtwide conservation program to ensure energy savings are maximized.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The Maintenance director contacts State Energy Conservation Office (SECO) and requests an audit.	October 2002
2.	SECO completes the audit and provides HISD with a report.	November 2002 - January 2003
3.	The Maintenance director reviews the report with the superintendent and prepares an energy conservation plan for the superintendent's approval.	February 2003
4.	The superintendent approves the plan and submits it to the board for approval.	March 2003
5.	The board approves the plan and directs the superintendent to move forward with implementation.	April 2003

**FISCAL IMPACT**

Assuming utility bills could be reduced by 10 percent after the energy audit, HISD could save \$27,139 annually ( $\$271,391 \times .10 = \$27,139$ ). Savings are not estimated for 2002-03 to provide time to complete the audit and implement the recommendations.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Request an energy management audit and develop an energy conservation plan.	\$0	\$27,139	\$27,139	\$27,139	\$27,139

# Chapter 5

## FINANCIAL MANAGEMENT

This chapter of the report reviews the financial operations of the Hitchcock ISD (HISD) in the following 10 areas:

- A. Organization and Management
- B. Budgeting and Planning
- C. Accounting Operations
- D. Tax Collections
- E. Cash and Investments
- F. Insurance
- G. Fixed Assets
- H. Purchasing
- I. Warehousing
- J. Textbooks

School districts play a critical role in educating children and preparing them to become productive members of society. Strong, cost-effective financial operations are required to support school districts if they are to succeed in their educational role. These financial operations include financial management, asset and risk management, purchasing, warehousing and textbooks.

Financial management involves budgeting and planning, accounting operations, tax collections, student activity funds and internal and external auditing. Effective financial management ensures that monetary resources are properly managed, recorded, controlled and safeguarded.

Asset and risk management enables school districts to protect and preserve their most precious resources: cash, people and buildings and equipment. Effective asset and risk management achieves optimum return on invested cash; safeguards physical assets; and uses techniques such as insurance and safety programs to reduce, transfer or eliminate financial losses from unforeseen events.

Purchasing, warehousing and textbooks are administrative support functions that ensure a school district has the supplies and materials it needs to fulfill its educational responsibilities. Effective purchasing, warehousing and textbook functions ensure that a district has what it needs, when it needs it, where it needs it, how it needs it, all at optimum cost and in accordance with state and local laws.

A district's size, location and available financial resources influence financial management processes. Financial management in small, rural,

poor districts is often characterized by individuals who wear many hats - some of which are incompatible. These districts often lack technology and long-range planning, inadequately use existing technology and have limited access to products and services that larger, more prosperous districts take for granted. HISD is no exception. Located in Galveston County, approximately 40 miles south of Houston off Interstate 45, HISD is considered a rural district. With four schools, a 2001-02 enrollment of 1,123 students and a 2001-02 budget of about \$10.8 million, HISD is small and poor. Sixty-four percent of its students are economically disadvantaged compared to an average of 49 percent statewide.

HISD receives support from three general sources: state, local and federal funds. State revenues are determined by complex state funding formulas designed to equalize funding across the state after taking into consideration local property values and tax rates, student populations, average daily attendance and other factors. Local revenues consist primarily of local property taxes, which are based on local property values and the district's tax rate. Revenues from intermediate sources consist of revenues realized from administrative units or political subdivisions (i.e., counties, municipalities, utility districts, etc.) excluding state and federal governmental entities. Federal revenues come primarily from grants.

Considering all funds, HISD received approximately 33 cents of every dollar from state sources, 30 cents from local and intermediate sources and 36 cents from federal sources during 2000-01. The district accounts for most federal revenues in the Special Revenue Fund.

The Texas Education Agency's (TEA's) *Financial Accountability System Resource Guide* requires general, food service and debt service fund budgets to be included in the official district budget. Special revenue funds are not included in the official budget. **Exhibit 5-1** presents an overview of HISD's actual revenues for 2000-01 and budgeted revenues for 2001-02.

**Exhibit 5-1**  
**Actual and Budgeted Revenues**  
**2000-01 through 2001-02**  
**(Amounts are in Thousands)**

Description	Actual 2000-01	Percent of Total	Budgeted 2001-02	Percent of Total
Local	\$5,019	30.2%	\$4,846	46.9%
State	5,544	33.4%	4,958	48.0%

Federal	6,055	36.4%	520	5.0%
<b>Total Revenues</b>	<b>\$16,618</b>	<b>100.0%</b>	<b>\$10,324</b>	<b>100.0%</b>

*Source: Audited Financial Statements, 2000-01 and Texas Education Agency (TEA), Public Education Information Management System (PEIMS), 2001-02. Note: Percentages may not equal 100 due to rounding.*

**Exhibit 5-2** compares HISD and state budgeted expenditures for 2000-01. The exhibit shows that HISD's Instruction expenditures comprised 40.7 percent of budgeted expenditures compared to 51.0 percent for the state, a 10.3 percent difference. Instruction expenditures include teacher and teachers' aide salaries, classroom equipment, supplies and other costs directly related to instruction, whether conducted inside or outside the classroom, such as a home or hospital.

**Exhibit 5-2**  
**HISD and State Total Budgeted Expenditures by Function**  
**2001-02**

<b>Function (Code)</b>	<b>HISD</b>	<b>Percent of Total</b>	<b>State</b>	<b>Percent of Total</b>
Instruction (11,95)	\$4,386,307	40.7%	\$14,631,391,287	51.0%
Instructional-Related Services (12,13)	258,630	2.4%	772,796,991	2.7%
Instructional Leadership (21)	90,466	0.8%	341,727,512	1.2%
School Leadership (23)	686,106	6.4%	1,503,316,728	5.2%
Support Services-Student (31,32,33)	373,522	3.5%	1,152,017,531	4.0%
Student Transportation (34)	360,207	3.3%	745,071,107	2.6%
Food Services (35)	615,950	5.7%	1,379,203,124	4.8%
Cocurricular/ Extracurricular Activities (36)	346,693	3.2%	642,534,523	2.2%
Central Administration (41,92)	512,729	4.8%	1,006,076,850	3.5%
Plant Maintenance and Operations (51)	1,544,207	14.3%	2,899,134,508	10.1%

Security and Monitoring Services (52)	118,920	1.1%	171,833,951	0.6%
Data Processing Services (53)	215,998	2.0%	314,553,149	1.1%
Other*	1,278,994	11.9%	3,108,461,039	10.8%
<b>Total Budgeted Expenditures</b>	<b>\$10,788,729</b>	<b>100.0%</b>	<b>\$28,668,118,300</b>	<b>100.0%</b>

*Source: TEA, PEIMS, 2001-02.*

*\*Other includes any operating expenditures not listed above and all non-operational expenditures such as debt services, capital outlay and community and parental involvement services.*

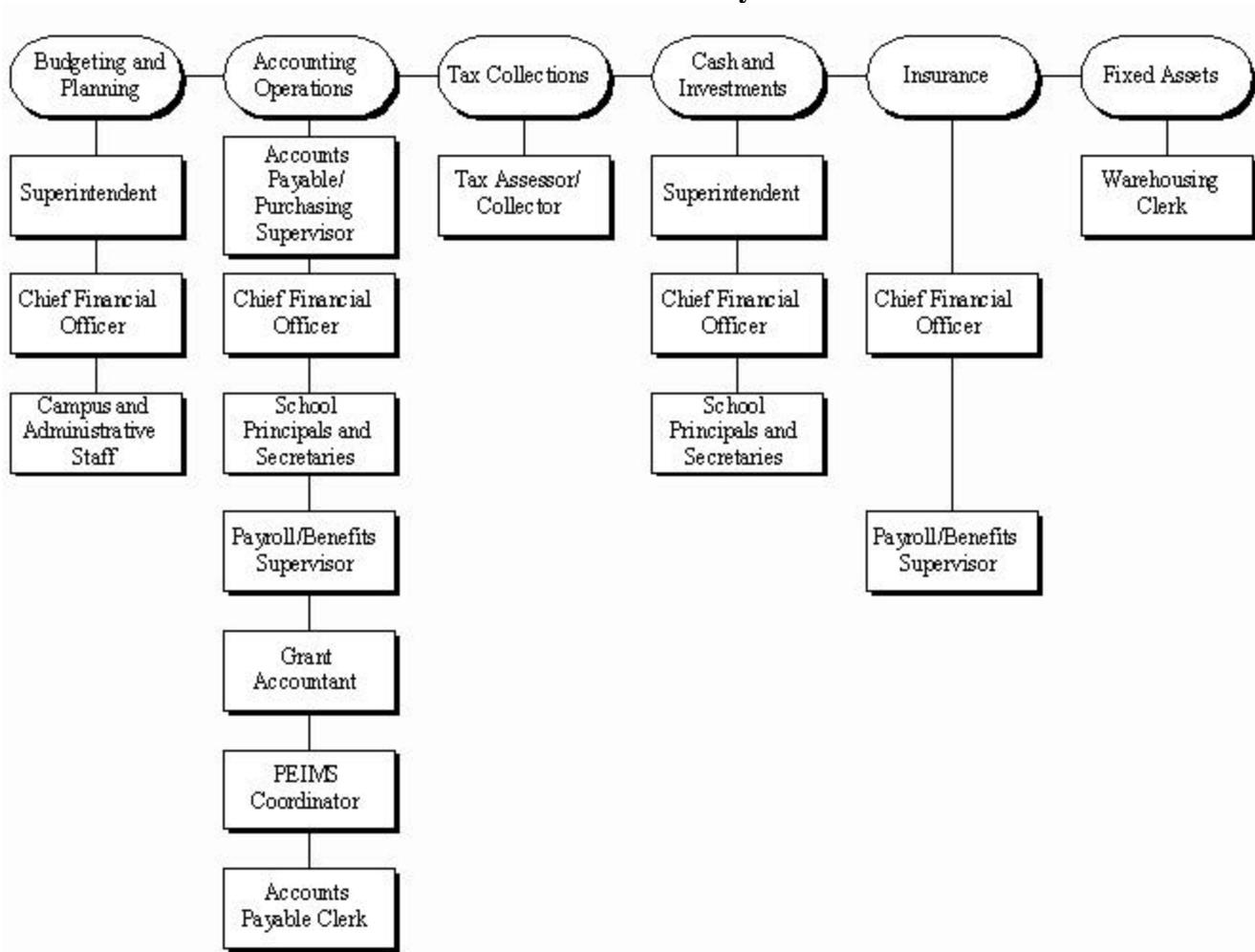
*Note: Percentages may not equal 100 due to rounding.*

# Chapter 5 FINANCIAL MANAGEMENT

## A. Organization and Management

The chief financial officer reports to the superintendent and is primarily responsible for the district's financial management functions. In April 2002, the individual who had been HISD's chief financial officer for six years retired. The current chief financial officer has been in the position since late April 2002. **Exhibit 5-3** presents HISD's reporting relationships as that pertain to Business Office functions.

**Exhibit 5-3  
HISD Business Processes by Function**

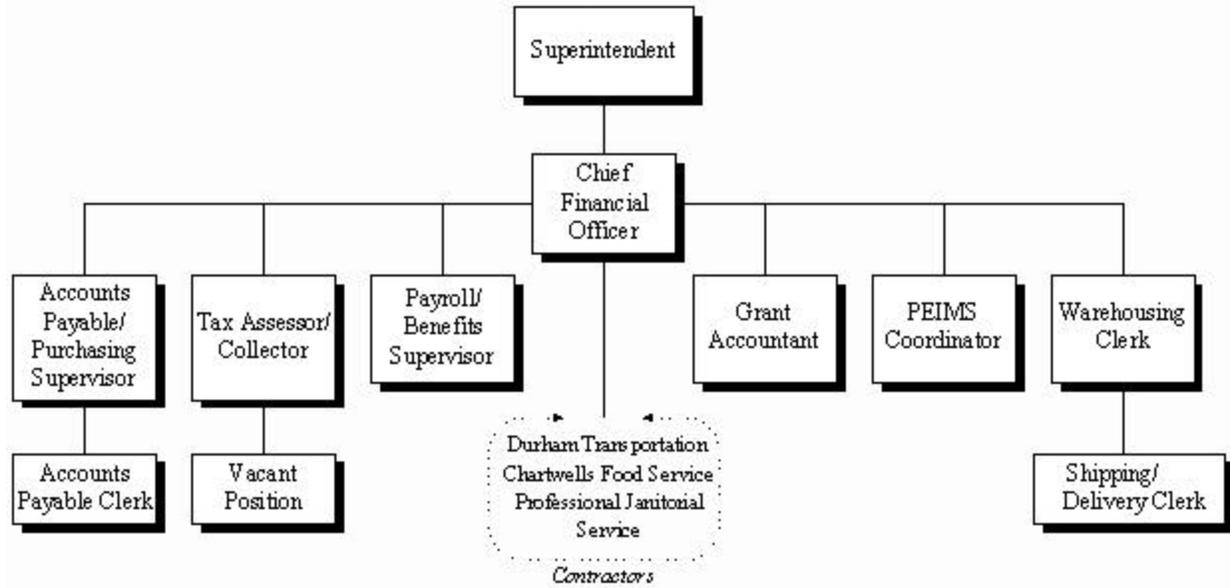


Source: HISD Business Office.

Nine positions assist the chief financial officer in conducting the daily affairs of the Business Office.

Exhibit 5-4 illustrates the current organizational structure of the Business Office.

**Exhibit 5-4**  
**HISD Financial Management Organization by Reporting Relationships**



Source: HISD Business Office.

## FINDING

Business Office staff's job duties are misaligned, requiring the chief financial officer position to perform many tedious, detailed tasks. As a result, the chief financial officer's time is not leveraged effectively. With the position performing routine tasks, there is little time for strategic planning, training or oversight to ensure that business and accounting processes are operating most effectively.

Typically, employees of small school districts perform many duties simply because there are fewer staff available to perform the work. Yet, the same functions performed in large school districts - employees and vendors must be paid and state reporting requirement must be met - are also performed in small districts, though the volume of work is less. Consequently, the challenge for small school districts is to effectively distribute workloads while accomplishing the dual objectives of efficiently assigning job responsibilities and maintaining effective internal controls by properly segregating duties.

According to the job description, the chief financial officer position's primary purpose is to, "Direct and manage the operation of all financial and business affairs of the district including accounting, payroll, purchasing, risk management and tax collection. Serve as the chief financial adviser to the superintendent and board of trustees." It is clear from this general description that the chief financial officer's role should be to direct, manage and advise. These activities are best performed when individuals do not spend their time performing detailed tasks that could be performed by support staff. For example, the chief financial officer performs the following tasks:

- prepares and enters all budget adjustments, additions and deletions;

- enters monthly journal entries into the accounting system;
- prepares bids and bid specifications; and
- receives and opens bids, tabulates results and prepares written buy recommendations.

**Recommendation 39:**

**Evaluate job assignments of Business Office staff and realign job duties.**

The new chief financial officer will face many challenges at HISD. This period of transition provides an excellent opportunity to step back, gain fresh perspectives and reevaluate how work gets done in the Business Office. The new chief financial officer should identify tasks that could and should be performed by staff members in the Business Office. Routing tasks currently performed by the chief financial officer should be assigned to other staff to free up the chief financial officer to set a strategic direction for HISD's financial affairs.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer reviews all job assignments of Business Office staff.	September 2002
2.	The chief financial officer prepares revised job assignments for all Business Office staff to equitably balance workloads and to assign tasks to appropriate staff.	October 2002
3.	The chief financial officer presents the revised workload assignments to the superintendent for approval.	October 2002
4.	The chief financial officer updates job descriptions as needed.	November 2002
5.	The chief financial officer discusses the revised job assignments with staff and ensures each staff members understands their responsibilities	December 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

A weakness in internal controls exists because the accounts payable/purchasing supervisor performs both purchasing and accounts payable functions, even though the district has an accounts payable clerk. The accounts payable clerk was in training during the time the review team was in the district. As a result, the separation of purchasing and accounts payable duties is unclear. This blurring of purchasing and accounts payable tasks and responsibilities creates an internal control weakness by violating the principle of separation of duties, which requires distinct duties to be performed by different individuals.

The accounts payable clerk performs limited accounts payable duties, then turns paperwork over to the accounts payable/purchasing supervisor for further accounts payable processing. The accounts

payable/purchasing supervisor initiates and completes the accounts payable process while the accounts payable clerk primarily matches invoices, purchase orders and receiving documents. Once checks are run, the accounts payable clerk prepares them for mailing and files the payment vouchers.

The accounts payable/purchasing supervisor, who enters new vendors on the accounts payable system, should not also be responsible for processing payments to those vendors. The risk of misappropriation of funds is low given other controls, such as reviews of printed checks by another individual in the Business Office, budget control over expenditure categories and review of the checks run by the chief financial officer.

**Recommendation 40:**

**Strengthen internal controls by assigning all appropriate accounts payable tasks and responsibilities to the accounts payable clerk.**

Reassigning the purchasing supervisor's accounts payable tasks to the accounts payable clerk not only corrects the separation of duties problem, it has the added benefit of freeing up the accounts payable/purchasing supervisor to perform other tasks that are not incompatible.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The accounts payable/purchasing supervisor completes training the account payable clerk to perform all accounts payable duties.	September 2002
2.	The chief financial officer assigns all accounts payable duties to the accounts payable clerk.	September 2002
3.	The chief financial officer assigns other duties to the accounts payable/purchasing supervisor that will not violate separation of duties principles.	September 2002

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 5

## FINANCIAL MANAGEMENT

### **B. Budgeting and Planning**

A budget shows anticipated revenues and expenditures for a given period, usually a year. An effective budget links spending plans to strategic goals, priorities and initiatives established by the governing body. School district budget development is a collaborative effort requiring the input, participation and cooperation of various individuals across the organizational spectrum. Moreover, a school district budget reflects the financial stewardship of the administration, the Board of Trustees and the local community.

HISD's chief financial officer is primarily responsible for compiling the district's budget in cooperation with the superintendent and school principals. The budget development begins with the superintendent, principals and campus staff developing staffing needs based on enrollment projections. The chief financial officer projects student enrollment using a pupil projection template developed by the Texas Association of School Business Officials (TASBO). The template provides four methods to project student enrollment. Each method relies on a slightly different pattern that can be observed in past enrollment and attendance to predict future attendance. The methods are:

- Enrollment Conversion Method-projects average daily attendance (ADA) and other student counts from known or estimated enrollment.
- Ratio Projection Method-assumes enrollment at a consistent time in the school year has a very high correlation to total ADA at the end of the year.
- Cohort Projection Method-divides the populations to be predicted into sub groupings, discovers the pattern of change for each of the groups and predicts the future behavior of the sub group separately.
- Trend Projection Method-combines features of the Ratio and Cohort methods in projecting ADA and adds the rate of change in the other student counts.

HISD uses the Cohort method to project student enrollment, which is then used to estimate state revenues. Local revenues are estimated based on projected property values and tax rates. The superintendent and chief financial officer review these projected revenue estimates, and the chief financial officer prepares a budget package for the campuses to estimate their expenditures. In keeping with site-based management philosophy,

campuses may transfer resources among budget categories that they control, with certain restrictions, to reflect individual campus priorities and initiatives.

Several principles drive the campus budget process:

- School Improvement Plans provide the basis for the school's budget;
- Schools receive funds based on a per-student allocation;
- Schools appropriate funds in Instruction, Library, Professional Development, Guidance and Counseling, and extra-curricular and co-curricular activities at the secondary level;
- School principals are accountable for all school resources; and
- Funds for students enrolled in special programs (Bilingual/ESL, Gifted and Talented, Special Education and Compensatory Education) are included in the basic per student allocation.

**Exhibit 5-5** presents an overview of HISD's budget process.

**Exhibit 5-5  
HISD Budget Process**

<b>Month</b>	<b>Activities</b>	<b>Parties Involved</b>
February	Process approved; review staffing and salary schedules; project enrollment; develop revenue estimates; initiate campus budget preparation.	Superintendent; chief financial officer; principals, staff; Campus Advisory Council (CAC);
March	Prepare organization chart; employee list by job; minimum staffing requirements by job description; obtain input from District Advisory Council (DAC); adopt salary schedule; review initial campus budgets; obtain community input.	Superintendent; chief financial officer; principals, staff; District Advisory Council (DAC); Board of Trustees; community forum.
April	Submit final campus and program budgets to central office for review and approval. Obtain additional community input.	Superintendent; chief financial officer; principals, staff; Campus Advisory Council (CAC); District Advisory Council (DAC); Board of Trustees; community forum.
May	Conduct first budget workshop with the board; complete second budget draft; conduct second board	Superintendent; chief financial officer; principals, staff; Campus Advisory Council

	workshop; obtain final DAC and community input; complete third draft; conduct third board workshop.	(CAC); District Advisory Council (DAC); Board of Trustees; community forum.
June	Complete final budget draft; official public budget hearing and adoption of budget.	Superintendent, Board of Trustees, chief financial officer

*Source: HISD Business Office.*

## **FINDING**

HISD's budget document contains numbers but no narrative. The budget document does not have an executive summary or overview, such as a discussion of district goals, priorities or objectives. A school district's budget is most effective when it is useful to both district staff and the community at-large in understanding the district's inner workings. A budget document has three major purposes: a communications device, a policy document and a financial plan.

The Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA) are two national organizations that promote excellence in the form, content and presentation of budget documents. The following is a list of sample criteria for ASBO-certified budget documents:

- Table of contents that identifies major budget sections;
- Executive summary that presents an overview of key initiatives and financial priorities;
- Background and current information about the district, its mission and its goals;
- Organization chart;
- Overview of the budget process; and
- Graphs and charts to facilitate understanding and illustrate key financial information.

Many school districts across the country use the criteria to apply for awards these organizations grant, but some use it primarily to improve their budget document's content, format and presentation. School districts have an opportunity to "tell their story" when their budgets communicate what is behind and beyond the numbers.

### **Recommendation 41:**

**Include an executive summary and other narrative in the district's budget document.**

Although ASBO and GFOA certification would be an ambitious goal based on the district's size and limited resources, HISD should use the standards of these agencies to gradually enhance its budget document. Each year, the district should add a new feature to its budget document to enhance the document's usefulness.

### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer reviews other district's budget documents and identifies available information that could be included in HISD's budget to make it more informative and useful.	September 2002
2.	The chief financial officer prepares an outline of a proposed budget document.	December 2002
3.	The superintendent reviews and approves the outline and instructs the chief financial officer to include the information in the next budget document.	February 2003
4.	The superintendent and chief financial officer collaborate on writing an executive summary to the budget that includes discussion of the district's program initiatives, goals and spending priorities.	May 2003

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

### **FINDING**

HISD's budget development process does not begin at the same time every year. Although, according to the district budget calendar budget development should begin in February, the review team was told that the 2001-02 process didn't begin until March or April. School administrators told the review team that the reason for the 2001-02 budget development process not beginning in February was because it was put on hold until the new superintendent came on board July 1, 2001.

In contrast to large school districts where budget development is a year-round activity, small school districts develop their budget during a specified time of the year. But, whether a district is large or small, firm, consistent dates are critical to keeping the budget process on schedule. Small districts accomplish this by ensuring the budget development season occurs the same time every year.

La Marque ISD begins its budget process in January. Fixed dates allow budget developers and administrators to plan their workload around the budget development season and inform the public as to when their input can be provided. They also ensure that the district will have time to formulate its budget before the legal deadline in August.

**Recommendation 42:**

**Establish a budget development calendar with specific dates that are consistent from year to year.**

HISD should establish a specific timeframe for budget development, communicate it to everyone involved in the budget development process and ensure that it is consistent from year to year. This will enable those involved in the process to more effectively plan for their involvement in developing the district's budget.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent and chief financial officer determine the optimum time to initiate the budget process.	September 2002
2.	The chief financial officer prepares a budget calendar for the superintendent's approval.	October 2002
3.	The superintendent presents the budget calendar to the board for approval.	November 2002
4.	The superintendent communicates the budget calendar to district staff and to the community.	November 2002
5.	The chief financial officer ensures that the budget process begins on the approved date and the process stays on schedule.	Start date and Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 5

## FINANCIAL MANAGEMENT

### **C. Accounting Operations**

Accounting operations include payroll, accounts payable, student activity funds and grant accounting. These are critical functions in any organization, especially a school district. Payroll represents the largest operating expenditure of most school districts. Legal mandates must be fulfilled for payroll tax withholding and filing of grant information with various governmental agencies.

Employees must be paid correctly and promptly. Goods and services must be acquired and paid for if the district is to continue educating the community's children. Vendors, particularly local vendors, expect to be paid on time and for the correct amount. The district also has a fiduciary responsibility to properly administer student activity funds, which are composed of school or club funds and campus funds. Campus funds are raised from vending machine sales, school-yearbook sales and other campus-based activities. These funds are not tied to specific student clubs and may be dispersed at the discretion of campus administration. All student activity funds must be accounted for, according to state law.

There are two basic types of grants, non-competitive (or entitlement grants) and competitive grants. Non-competitive grants are grants that a school district is "entitled" to receive based upon certain established criteria. For example, school districts are notified annually that they are entitled to receive certain federal funds, for example from the Elementary and Secondary Education Act (ESEA). This Act, originally passed by Congress in 1965, contains a number of education programs critical to children and public education.

A school district must apply for entitlement funds to receive them. But generally if a school district submits an appropriate application, it receives the "entitlement." In contrast, competitive grants are usually awarded on the basis of point systems. These points are earned by the applicant based upon its satisfaction of a variety of factors/criteria established by the granting agency.

### **FINDING**

HISD's accounting system is outdated and the district has not analyzed its needs to identify the capability requirements of a replacement system. The district's accounting system is DOS-based with limited information sharing and communication capabilities that restrict efficient business

processes. As a result, the district's business processes are paper intensive and require more time and effort to perform tasks. For example, principals are unable to develop, review or amend their school budgets online. Budget development, review and amendment all take place in the central office with needed input from district staff communicated via conventional means, such as meetings, phone, fax, email or interoffice correspondence. Also, purchasing is a paper intensive process in which even purchase order numbers are assigned manually.

HISD uses the Regional Service Center Computer Cooperative (RSCCC) software system developed and administered by the Regional Education Service Center XX (Region 20). Region 20 is developing a new product, the RSCCC 2000 Business System, scheduled for release in September 2002. It will be available for the Windows operating system and will include, a real-time relational database, data access using compliant software, update and read-only security at the control of the district and Windows-based screens with online help. These features will improve the user's ability to process and protect data as well as communicate and share information. Region 20 has begun the process of evaluating school districts and preparing them for a scheduled, systematic upgrade beginning in September. A meeting was held at Damon ISD on May 8, 2002, to demonstrate the new RSCCC software product, which HISD staff members attended. Region 20 staff said they also mailed a checklist to its customers in mid-April to collect information about their needs and requirements. For districts that already use Region 20's product there will be no cost to upgrade other than the annual commitment fee these districts already pay. There would however be additional costs for districts needing support and training on the new system.

One of the most important considerations in evaluating any project proposal is whether or not the project is consistent with the organization's strategic goals. A business case is often used to make this evaluation. On large-scale technology projects, a business case is performed before any substantive work is done or substantial funds are expended. A business case defines and provides quantifiable justification for acquiring a new system and contains the following elements whether prepared for large or small organizations:

- a statement of the problems to be remedied or processes to be improved;
- a statement of the need for the system acquisition in terms of enhancing the district's ability to achieve its goals;
- an analysis of the deficiencies in relevant existing systems;
- opportunities that would be provided for increasing economy or efficiency of operations; and

- the internal controls and security needs that would be satisfied by the acquisition.

**Exhibit 5-6** presents a best practice model of a business case. Although some of the elements in the model may not apply to HISD's situation, most can be modified to fit HISD's circumstances.

**Exhibit 5-6  
Best Practice Business Case Model**

<b>Element</b>	<b>Description</b>
Business purpose	<ul style="list-style-type: none"> <li>• Describe the business purpose of the proposed project.</li> <li>• Describe how the project will increase revenues, reduce operating expenses, or, in some other way, improve productivity.</li> <li>• Discuss the short, intermediate and long-term effects of not undertaking or failing to accomplish the project, or, if appropriate, undertaking an alternative project of reduced scope.</li> </ul>
Technical analysis	<ul style="list-style-type: none"> <li>• Describe whether this is an expansion of an existing system or a completely new development.</li> <li>• Describe the platform on which the system will reside (i.e. mainframe, local/wide area network, desktop).</li> <li>• Describe the operating system under which it will run and whether it is currently supported (within the district).</li> <li>• Describe whether the project will be performed using existing employees, additional employees or contractors.</li> <li>• Discuss whether modifications will be required to make it functional (within the district).</li> </ul>
Deliverability	<ul style="list-style-type: none"> <li>• List factors that will most likely contribute to the project's success. These factors must be supported by critical incidents (i.e. success with similar project developments, proven vendor expertise, etc.).</li> <li>• List factors that may contribute to project failure. Be specific and objective (i.e. current lack of knowledge/experience with the technology, first-time use of vendor, difficulty in estimating project cost, duration, resources, etc.).</li> </ul>

*Source: Fireman's Fund Insurance Company-Information Systems Project Development, Business Case Analysis.*

**Recommendation 43:**

**Develop a business case before upgrading to Regional Service Center Computer Cooperative 2000 or purchasing another accounting system.**

HISD needs an updated accounting system to make business processes more efficient. However, the district should not assume that the upgrade to the Regional Service Center Computer Cooperative 2000 system will meet current and future needs. While HISD should view demonstrations of the product and participate in data gathering exercises, it should not upgrade until the new product is thoroughly assessed in terms of meeting HISD's needs. Additionally, should HISD decide to purchase another system, a business case analysis should be performed before it is purchased. Technology often fails to meet expectations because organizations fail to conduct a needs/capability assessment prior to investing time, energy and money. A business case will provide the strategic analysis required to carefully evaluate and assess HISD's needs and a system's capabilities before an upgrade or new system is purchased, installed and implemented.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent assembles a business case task force consisting of the superintendent, chief financial officer, principals and representatives of other district stakeholders in the accounting system.	September 2002
2.	The task force meets and develops a business case methodology that fits HISD's circumstances.	October 2002
3.	The task force conducts and documents the business case before purchasing and implementing any new system.	Ongoing until a new system is purchased

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

Although 50 percent of HISD's employees applied for direct deposit when the district began offering it during 2001-02, there is no strategy to increase the participation rate. Employees were simply offered direct

deposit when it first became available. New employees are informed of the availability of direct deposit. Direct deposit is a win-win arrangement because it makes payroll processing more efficient for the district and more convenient for the employee. Employees benefit in the following ways by having their paychecks direct deposited:

- Saves time;
- Eliminates trips to the bank;
- Pay is deposited even while employee is out of town, on vacation, sick, etc;
- Direct deposit is safe; eliminates lost, stolen, or forged paychecks; and
- Eliminates potential for paycheck fraud.

Many employees may not understand the benefits of direct deposit or trust the process. Many districts boost direct deposit participation through increased, focused marketing efforts such as paycheck stuffers, newsletters, campus flyers, special promotions and discussions of the benefits of direct deposit during in service and new employee orientation. Some districts also partner with their banks to offer direct deposit when employees open an account. Veribest ISD requires that all employees be paid through direct deposit.

#### **Recommendation 44:**

#### **Increase direct deposit marketing efforts and encourage all employees to use direct deposit.**

HISD should employ innovative approaches to increasing direct deposit participation among employees. For example, HISD's depository, Texas First Bank-Hitchcock, might be willing to provide HISD employees with financial incentives to open direct deposit accounts at their bank. These incentives might include free checking or higher interest rates on certificates of deposit. These incentives would be free to the district while providing the bank with more depositors and HISD employees with the benefits of direct deposit.

The district should consider promoting direct deposit during in-service weeks. At that time, district staff would be gathered together for a different purpose, but direct deposit could be presented and promoted during this time. Employees who have direct deposit and understand its benefits would be asked to discuss it with co-workers. Flyers promoting the program's benefits could be posted at strategic locations where meetings are held and in break rooms and teachers' lounges. A location could set up where employees could sign up for direct deposit or obtain more information about the program.

## IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief financial officer identifies innovative methods of marketing the district's direct deposit program and presents them to the superintendent for approval.	September 2002
2.	The chief financial officer contacts the district's depository and invites them to partner with HISD in marketing the district's direct deposit program.	September 2002
3.	The chief financial officer advertises the benefits of direct deposit in district publications and continues traditional efforts to market direct deposit, such as paycheck stuffers and appeals to new employees to sign up for the program.	September 2002 and Ongoing

## FISCAL IMPACT

This recommendation can be implemented with existing resources.

## FINDING

The district has a separate student activity bank account for each school and the Business Office is not involved in controlling the funds. A school secretary at each of HISD's schools is responsible for maintaining activity funds at the campuses and uses either manual or accounting software to track revenues and expenditures. At the end of each month, the bank reconciliation and supporting documentation are supposed to be forwarded to the Business Office for review.

Although the district's external auditors audit the activity funds each year, internal controls over activity funds are weak because the information is not always submitted timely to the Business Office, and no one in the Business Office performs an in-depth review of student activity fund transactions. There is a risk that errors, irregularities or misappropriation of funds could occur and go undetected until the annual audit or indefinitely.

Some districts centralize accounting for student activity funds to strengthen control over them and earn additional interest. Kenedy ISD consolidated all student activity accounts into one bank account controlled by the Business Office to strengthen control. With the consolidation, the district earns approximately \$200 to \$300 per month in interest that is deposited and allocated to benefit all students.

## Recommendation 45:

**Consolidate all student activity funds into one bank account and centralize accounting for these funds in the Business Office.**

The district should consolidate and centralize student activity funds into one central bank account. By consolidating the funds in an interest-bearing account, the district will strengthen the control over the funds and earn additional interest.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent directs the chief financial officer to consolidate student activity funds into one bank account and establish central accounting controls over the funds.	September 2002
2.	The chief financial officer develops procedures for consolidation and central accounting for student activity funds and submits them to the superintendent for approval.	October 2002
3.	The chief financial officer establishes a central account and closes the other accounts.	October 2002
4.	The chief financial officer distributes the procedures to all district staff involved in student activity fund accounting.	October 2002
5.	The chief financial officer instructs school secretaries to make student activity records current and prepare them to be turned over to the Business Office.	November 2002
6.	The chief financial officer assigns responsibility for administering and accounting for student activity funds to appropriate staff in the Business Office.	December 2002

**FISCAL IMPACT**

HISD could earn additional interest of approximately \$823 per year by consolidating student activity funds into interest-bearing accounts. This amount is based on an interest rate of 1.75 percent per year applied to student activity funds average account balances. The amount was determined as follows:

<b>Month</b>	<b>Combined Average Cash Balance</b>	<b>*Rate</b>	<b>Interest</b>
Sept. 01	\$46,855	0.1438%	\$67.38
Oct. 01	\$49,368	0.1486%	\$73.36
Nov. 01	\$53,758	0.1438%	\$77.30

Dec. 01	\$52,096	0.1486%	\$77.41
Jan. 02	\$47,624	0.1486%	\$70.77
Feb. 02	\$53,063	0.1342%	\$71.21
Mar. 02	\$28,850	0.1486%	\$42.87
Seven months' earnings			\$480.31
<b>Annualized earnings (\$480.31 *12/7)</b>			<b>\$823.39</b>

*\*Monthly rate based on annual rate of 1.75 percent.*

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Consolidate all student activity funds into one bank account and centralize accounting for these funds in the Business Office.	\$823	\$823	\$823	\$823	\$823

## **FINDING**

The district does not recover indirect and/or administrative costs from all eligible grants. Many grants do not allow indirect and/or administrative costs to be recovered and those that do require the recipient of the grant to specifically request the funds. The district recovers indirect and/or administrative costs from only 51 percent of the grants it administers. Administrative or indirect costs are incurred to write, manage, account for and fulfill the reporting requirements of grants. Only 15 of the 46 grants awarded during 1999-2000 provide indirect cost recovery. Yet, accounting personnel spend much of their time processing grant-related transactions. As a result, the Business Office is heavily burdened under the weight of grant accounting and reporting requirements that are not funded by the grants. Section 1.6.2.2 of TEA's Financial Accountability System Resource Guide (FASRG) lists the following three major limitations affecting how much indirect cost a school district may recover from grants:

- Federal law or grant conditions may limit the amount of indirect cost that can be earned. Some grants may contain terms and conditions that prohibit any recovery of indirect costs;
- Recovery of indirect costs on grants is subject to the availability of funds; and
- Indirect costs can be recovered only to the extent that the school district makes direct program expenditures. The indirect cost rate is applied to the eligible direct cost amount expended not to the amount of the grant award.

Although the district had not always requested indirect costs in the past, the Career and Technology direct said it is doing so now on all new grants. Also, as HISD's experience demonstrates, it is sometimes possible to request that indirect cost be included in grants that have already been approved. Such was the case with certain grants for which HISD serves as fiscal agent.

The district serves as fiscal agent for several grant programs through Shared Service Arrangements (SSA's) with other school districts. The two largest grant programs are the Head Start and Special Education programs. The district shares Head Start services with Texas City ISD (TCISD) and Special Education services with Kendleton, Danbury, Needville and Damon ISDs. During 2001-02, the chief financial officer was successful in negotiating an indirect cost rate for the Special Education programs. As a result, indirect costs collected for the seven month period ended March 31, 2002 were \$10,822 compared to \$5,020 for the same period during 2000-01.

HISD had never negotiated with the Department of Health and Human Services (DHHS) for an indirect cost rate for the Head Start program until the new superintendent instructed the Career and Technology Director, in December 2001, to amend the grant to include the maximum indirect cost allowable. The program has grown dramatically over the years, yet the district is still carrying the burden of administering the program for its own students. For example, since 1997-98, total Head Start expenditures have increased 93 percent, from \$1.07 million to \$2.07 million in 2000-01. HISD's share of the expenditures increased 213 percent over the same period. Recognizing this difficult situation and the burden it placed on HISD, the former chief financial officer appealed to DHHS for indirect cost recovery. The outcome is still pending.

The federal government allows an indirect cost rate to be established to help defray the cost of administering federal grants. TEA has, in cooperation with the U.S. Department of Education (USDE), developed an indirect cost plan to be used by Texas school districts. Each year TEA calculates indirect cost rates using information from school districts' most recent financial audit reports. The indirect cost rate for the period July 1, 2002 through June 30, 2003 is 1.069 percent, which when applied to the 2001-02 Head Start grant of \$1,375,624, would yield estimated indirect cost revenue of \$14,705 for 2002-03.

**Recommendation 46:**

**Ensure all new grant applications include a request for indirect and/or administrative costs and continue to pursue indirect cost recovery for existing grants.**

HISD should ensure all new grant applications, where the grants allow funding for indirect and/or administrative costs, include a request for indirect and/or administrative funding. The district should also review all current grants that allow funding for indirect and/or administrative costs and request the grant to be amended to include those costs. Negotiations should continue with DHHS for indirect cost to be included in the Head Start grant. While pursuing this option, the district should also explore other options such as asking Texas City ISD to contribute more towards the cost of administering the Head Start Program.

### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer reviews all new grant applications and ensures that they include requests for the maximum indirect and/or administrative costs allowed.	September 2002
2.	The chief financial officer contacts the Department of Health and Human Services to follow up on the former chief financial officer's request for indirect cost recovery for the Head Start grant.	September 2002
3.	The Career and Technology director reviews all current grants to determine if they allow indirect and/or administrative costs.	September 2002
4.	The Career and Technology director provides the chief financial officer with a report that identifies grants that allow indirect and/or administrative costs.	October 2002
5.	The chief financial officer prepares grant amendments requesting indirect and/or administrative costs.	November 2002
6.	The chief financial officer prepares an allocation of costs to determine the administrative costs that should be allocated to each grant.	November 2002
7.	The chief financial officer contacts Texas City ISD to negotiate a sharing of administrative costs arrangement for the Head Start program.	November 2002

### **FISCAL IMPACT**

TEA's indirect cost rate for the period July 1, 2002 through June 30, 2003 is 1.069 percent. The fiscal 2002 Head Start grant is \$1,375,624. These figures are used to estimate an annual indirect cost recovery on the Head Start grant. Assuming the district's efforts to obtain indirect cost reimbursement from DHHS are successful, the annual estimated fiscal impact would be \$14,705 ( $\$1,375,624 \times 1.069\% = \$14,705$ ).

Additional revenues could be received by the district through successful negotiations with Texas City ISD to share administrative and support costs for the Head Start grant and through successful grant amendments for existing grants. The amount would be based on HISD's costs allocated to the grant and the result of negotiations.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Ensure all new grant applications include a request for indirect and/or administrative costs and continue to pursue indirect cost recovery for existing grants.	\$14,705	\$14,705	\$14,705	\$14,705	\$14,705

# Chapter 5

## FINANCIAL MANAGEMENT

### D. Tax Collections

HISD's Board of Trustees is responsible for setting the district's tax rate. State law requires that the rate be set after legal adoption of the budget by the board. School districts develop and adopt their tax rate while central appraisal districts perform appraisals of the value of property within the district. The tax rate school districts adopt consists of two components: (1) a maintenance and operations component for meeting operating costs; and (2) a debt service component to cover the costs of indebtedness. This rate is applied to the assessed property value to compute the district's total levy. Some districts collect their own property taxes while others contract with other entities, such as the city or county to collect the taxes and remit them to the district.

HISD's 2001-02 assessed tax rate was \$1.71 per \$100 of assessed property value, consisting of \$1.49 maintenance and operations and \$0.22 debt service. Property values are important determinates of school funding not only at the local level but at the state level as well. In fact, there is an inverse relationship between local property wealth and state aid. The greater the property wealth of the district, the greater the amount of revenue raised locally, but the lower the amount of state aid.

**Exhibit 5-7** presents a five-year profile of HISD tax rates and collections.

**Exhibit 5-7**  
**Tax Rate and Collections**  
**Fiscal 1998 through 2002**

Fiscal Year	Assessed Valuation (In Millions)	Total Tax Rate	Adjusted Levy (In Millions)	Collection Percentage		Delinquent Taxes as of August 31 (In Millions)	Delinquent Taxes as a percentage of Levy
				Current Year	Current and Prior Years		
1997	\$218	\$1.6935	\$3.7	93.58%	99.27%	\$1.25	33.7%
1998	\$225	\$1.7100	\$3.8	92.81%	98.21%	\$1.32	34.7%
1999	\$241	\$1.7059	\$4.0	93.35%	99.62%	\$1.31	32.8%
2000	\$250	\$1.7059	\$4.2	93.57%	98.35%	\$1.38	32.3%

2001	\$271	\$1.7100	\$4.5	*86.90%	*89.20%	N/A	N/A
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Source: HISD Tax-Assessor Collector.

\*Through March 31, 2002.

**Exhibit 5-8** compares HISD and its peer district tax collection rates for the 2000-01 levy and the August 31, 2001 delinquent balance as a percentage of the 2001 levy. Also shown is the two-year growth rate in the delinquent tax balance. HISD has the second lowest collection rate among its peer districts. Its delinquent balance on August 31, 2001, as a percentage of the 2001 levy, was highest in comparison to its peers. However, from 1998-99 through 2000-01, HISD's delinquent tax balance grew at a slower rate than its peers, indicating improvement in the collection rate over the past two fiscal years.

**Exhibit 5-8  
HISD and Peer Tax Collection Rates**

District	Percentage of 2001 Levy Collected	Delinquent Balance to Current Levy	Two-Year Delinquent Balance Growth Rate
Hitchcock	93.57%	32.3%	(2.4%)
La Marque	96.65%	13.6%	4.2%
Boling	96.01%	21.8%	4.5%
Hempstead	92.73%	19.8%	12.8%

Source: Texas School Performance Review (TSPR) Peer Surveys, April 2002.

Note - Information not available for Anahuac, East Chambers, Hempstead and Royal ISDs.

**FINDING**

HISD's tax office is not cost-effective to operate and has a relatively low tax collection rate. HISD has its own tax office staffed by the tax assessor/collector and one assistant position. The tax office is housed in its own facility near the central district office and has a budget of approximately \$118,000 per year. School districts may collect their own taxes, as well as taxes for other entities, or contract the operation out to

other entities such as county tax offices. This authority is granted in Chapter 6A-6.02 of the Tax Code, which provides that taxing units may contract with other entities for the assessment and collection of property taxes.

HISD's tax assessor/collector calculates the district's effective tax rate, which is for budgeting purposes and as a benchmark for the adopted rate. The tax assessor/collector also oversees the mailing of tax statement in October and processes receipts for approximately 9,000 payments per year.

A Houston-based software company developed the database software the district uses to maintain taxpayer accounts, prints the tax statements and mails them to taxpayers. The company also works with the Galveston Central Appraisal District (GCAD) to ensure that the tax rolls are accurate and updated.

GCAD appraises property values for 53 taxing units in Galveston County. The Galveston County Tax Office (GCTO) collects taxes for 23 of the taxing jurisdictions, including Galveston and La Marque ISDs, both of which have had their taxes collected by GCTO for approximately two years. None of HISD's peer district operate their own tax office.

As part of the district's due diligence, the chief financial officer spoke to personnel from La Marque and Galveston about their satisfaction with GCTO. Both expressed general satisfaction with GCTO's service and performance. Galveston ISD transferred tax collection operations to GCTO in response to a TSPR management and performance review conducted in June 2000. TSPR's July 2001 progress report revealed that while the initial implementation in Galveston ISD was rocky, service improved significantly after GCTO switched software vendors. TSPR's recommendation is projected to save Galveston ISD nearly \$200,000 annually if collection rates remain at or near the same levels as previous collection years. In addition, Galveston ISD's delinquent tax collections have improved significantly since GCTO began collecting the district's taxes.

HISD's board discussed closing the tax office and allowing GCTO to collect the district's taxes in the April 23, 2002 board meeting, HISD's delinquent tax attorney, stated that, by law, the district has a right to have its own tax attorney and that the district would want its tax attorney to represent it with the GCTO because the district wanted to retain some control over tax collections. However, the representative from GCTO, who was also present at the meeting, countered that GCTO uses one attorney for all entities and that HISD would be required to use the GCTO

attorney to contract with GCTO. The board voted three to two in the June 18, 2002 board meeting to continue to operate the tax office.

**Exhibit 5-9** compares HISD collection rates for tax years 1996 through 2000 to those of GCTO, La Marque ISD and Galveston ISD. Rates in the GCTO column represent collection of Galveston County taxes. The rates represent the percentage of the current year's levy that was collected and show that the average collection rate of GCTO, and La Marque is 3.23 percent higher than HISD's collection rate. HISD's 2001 tax levy was \$4,469,379 on assessed property value of \$270,829,809. Year 2001 collection percentages are not shown since the 2001 levy is still in the process of collection. Galveston ISD's rate for fiscal 2000 is not included in the average since GCTO has been collecting taxes for Galveston ISD for only one year.

**Exhibit 5-9  
Tax Collection Rates  
Tax Years 1996 through 2000**

<b>Tax Year</b>	<b>*GCTO</b>	<b>La Marque</b>	<b>Galveston</b>	<b>HISD</b>
1996	96.91%			93.20%
1997	97.15%			93.58%
1998	97.00%	96.46%		92.81%
1999	95.88%	96.27%		93.35%
2000	97.12%	95.41%	94.24%	93.57%
<b>HISD Average</b>				<b>93.30%</b>
<b>GCTO and La Marque Average</b>				<b>96.53%</b>
<b>Difference</b>				<b>3.23%</b>

*Source: HISD Tax Assessor-Collector and Galveston County Tax Office.  
\*Represents collection of Galveston County taxes.*

In 1999, Kingsville ISD outsourced its tax collection services to its Kleberg County Tax Assessor-Collector's Office. The district was able to reduce internal costs by \$87,545 annually including three full-time positions plus associated operating costs, while assuring that collection rate remained high. The contract with the county tax assessor-collector costs \$9,377 annually, resulting in annual net savings to Kingsville ISD of \$78,168.

**Recommendation 47:**

**Close the HISD tax office and enter into an interlocal agreement with Galveston County for tax collection.**

HISD should enter into an interlocal agreement with the Galveston County Tax Assessor-Collector for tax collections. Galveston County has a standard agreement that includes the services GCTO would perform for HISD, such as consolidated tax statement preparation and mailing, current and delinquent tax collections and tax attorney activities for delinquent accounts. The county would also provide HISD with monthly statements of taxes collected and delinquent collection statistics. The district could convert the tax office building to other uses.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The Board of Trustees approves an interlocal agreement between the district and GCTO for collecting property taxes.	September 2002
2.	The superintendent instructs the chief financial officer and the tax assessor/collector to begin developing a transition plan for transferring tax collection functions to GCTO, including cancellation of the contract with the Houston-based software developer.	October 2002
3.	The superintendent negotiates and signs an interlocal agreement with GCTO for tax collection.	November 2002
4.	The GCTO begins processing HISD's tax statements.	January 2003

**FISCAL IMPACT**

Closing the tax office would yield savings of \$ 39,608 the first year, which is based on eight months of savings and includes a one-time GCTO setup fee of \$4,000. Savings for the next four years would be \$65,412. **Exhibit 5-10** presents an overview of the tax office 2001-02 budget and estimated savings if the office was closed. Appraisal district fees, tax office rental and utility costs would remain if the tax office were closed because the appraisal district would continue to provide property appraisals.

**Exhibit 5-10  
HISD Tax Office Budget  
Fiscal 2001-02**

<b>Description</b>	<b>2001-02 Budget</b>
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Salaries	\$44,243
Employee benefits	\$3,929
Appraisal district fees	\$40,000
Software company fees	\$16,000
Utilities	\$4,720
Postage and supplies	\$4,700
Tax office rental	\$2,760
Office equipment expenditures	\$1,650
Other expenditures	\$990
<b>Total Budgeted Expenditures</b>	<b>\$118,992</b>
<b>Costs Eliminated</b>	
Salaries	(\$44,243)
Employee benefits	(\$3,929)
Software company fees	(\$16,000)
Postage and supplies	(\$4,700)
Office equipment expenditures	(\$1,650)
Other expenditures	(\$990)
<b>Total cost eliminated</b>	<b>(\$71,512)</b>
<b>Costs Added</b>	
GCTO one-time setup fee	\$4,000
GCTO annual fees	\$6,100
<b>Total costs added</b>	<b>\$10,100</b>
<b>Estimated costs after closing</b>	<b>\$57,580</b>
<b>Fiscal 2001-02 budget</b>	<b>\$118,992</b>
<b>Estimated cost savings-First year (\$65,412 x 8/12 - \$4,000)</b>	<b>\$39,608</b>
<b>Estimated cost savings-after first year</b>	<b>\$65,412</b>

*Source: 2001-02 Budget and HISD Business Office Estimate.*

In addition, assuming GCTO achieves an average collection rate of 96.53 percent, as it has since 1996, an additional 3.23 percent over HISD's average rate of 93.30 percent would be achieved (96.53 percent - 93.30

percent = 3.23 percent). Applying this spread to the 2001 levy would yield estimated additional tax collections of \$144,361 per year ( $\$4,469,379 \times 3.23 \text{ percent} = \$144,361$ ).

Therefore, the combined fiscal impact of implementing this recommendation would be \$183,969 ( $\$39,608 + \$144,361$ ) the first year of implementation in 2002-03 and \$209,773 ( $\$65,412 + \$144,361$ ) each year thereafter.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Close the HISD tax office and enter into an interlocal agreement with Galveston County for tax collection.	\$183,969	\$209,773	\$209,773	\$209,773	\$209,773

# Chapter 5

## FINANCIAL MANAGEMENT

### E. Cash and Investments

Effective cash and investment management involves establishing and maintaining beneficial banking relationships; forecasting cash requirements timely and accurately so that funds are available when needed; and maximizing returns on assets deposited in appropriate, approved and safe investment vehicles. The district's investment policy mirrors and complies with The Public Funds Investment Act (The Act), which is codified in Government Code Chapter 2256 Subchapter A. The Act governs the investment practices of all Texas governmental entities, including school districts, and its major provisions that:

- investments be made in accordance with written policies;
- the board designates one or more officers or employees as investment officers (superintendent and chief financial officer in HISD);
- investment be governed by, in order of priority, the preservation of principal, liquidity and yield;
- the investment officer prepares and submits a written report of investment transactions to the board not less than quarterly;
- the type of investments be authorized as defined by the act; and
- the investment policy and strategy be reviewed no less than annually.

HISD invests idle cash in certificates of deposits and public fund investment pools. Investment pools provide governmental entities with an opportunity to pool idle cash with other governmental entities in order to achieve liquidity, safety of principal and the highest possible return on investment. Participating entities own a pro rata share of the underlying assets of the fund in which they participate. During 1999-2000 and 2000-01, HISD earned approximately \$226,000 and \$231,000 in interest, respectively. **Exhibit 5-11** presents a summary of HISD's investments as of January 31, 2002.

**Exhibit 5-11**  
**HISD Investment Portfolio**  
**January 31, 2002**

Description	Balance as of January 31, 2002	Average Rate of Return
<i>First State Bank of Hitchcock</i>		
<b>Certificates of Deposit</b>	\$500,000	4.29%
<i>MBIA</i>		
<b>Texas Class Investment Pool</b>	\$497,534	3.73%
<i>Lonestar Investment Pool</i>		

Government Fund	\$1,219,274	4.29%
Liquidity Plus Fund	\$1,696,446	3.90%
Liquidity Corporate Fund	\$1,457,108	3.91%
<b>Total Lonestar Investment Pool</b>	\$4,372,828	
<b>Total HISD Portfolio</b>	<b>\$5,370,362</b>	

Source: HISD Investment Report-January 31, 2002.

## FINDING

The district uses cash flow forecasts effectively. Cash flow forecasts are projections of how much money will be in the bank at a given point in time. They allow school districts to predict shortfalls in cash balances before they occur and respond accordingly. Texas school district cash cycles are fairly predictable. Taxpayers typically receive their tax statements in October of each year and have until January 31 to pay. Districts receive the bulk of property taxes in December, January and February. Most districts also receive state revenues monthly throughout the fiscal year. HISD's forecast includes state aid payments, tax collections and other collections, such as federal funds and interest earnings. The largest component of disbursements, payroll, is also very stable and predictable. Operational costs are estimated based on budgeted amounts and adjusted as necessary.

At the beginning of each year, the chief financial officer prepares a spreadsheet forecasting cash flow for each month of the year for each major account. The chief financial officer updates the cash forecast monthly by adding actual revenues and expenditures for each month as the year progresses. As a result, the forecast is always current. **Exhibit 5-12** presents an excerpt from HISD's 2001-02 forecast.

### Exhibit 5-12 Abstract of HISD Cash Flow Schedule

Month	State Aid Payments	Tax Collections	Other Collections	Total In Flows	Payroll Costs	Operational Costs	Total Out Flows	Monthly Net Flow	Net Cash Position
August	-	-	-	-	-	-	-	-	\$2,892,802
September	711,036	-	28,500	739,536	(501,442)	(342,813)	(844,255)	(104,719)	\$2,788,083
October	582,542	148,480	23,500	754,522	(501,442)	(185,022)	(686,464)	68,058	\$2,856,141
November	306,940	214,823	22,500	544,263	(501,442)	(254,712)	(756,154)	(211,891)	\$2,644,250

Source: HISD Business Office.

## COMMENDATION

**HISD prepares and makes effective use of cash flow forecasts.**

## FINDING

Most of the district's bank accounts do not bear interest. The district maintains eight operating and four student activity accounts at Texas First Bank-Hitchcock. Only the Head Start and School Lunch accounts are interest bearing, and most accounts do not have a large number of transactions. The Health Insurance account is used for depositing insurance checks and for paying premiums to the insurance company. Tax receipts are deposited into the Tax Collection account and periodically throughout the month are transferred to the Lonestar Investment account where they draw interest. Receipts from taxpayers who pay their tax bill in installments are deposited into the tax escrow account until the taxpayer has paid a full year's taxes. In the interim, a large portion of the escrowed dollars is deposited into the Lonestar Investment account to draw interest. Ultimately the funds will be transferred to the General Operating or Interest and Sinking account. **Exhibit 5-13** summarizes the district's operating bank accounts.

**Exhibit 5-13**  
**HISD Operating Bank Accounts as of March 2002**

Account Name	March 31, 2002	Interest bearing?	Average Monthly Activity September 2001 through April 2002	
			Average Number of Deposits	Average Number of Checks
General Operating	\$39,355	No	73	279
School Lunch	\$30,726	Yes	121	4
Tax Escrow	\$18,776	No	3	5
Interest and Sinking	\$4,389	No	2	1
Payroll	\$3,836	No	10	340
Health Insurance	\$635	No	4	2
Head Start	\$10	Yes	2	2
Tax Collection	0	No	24	19

*Source: HISD Business Office.*

Effective cash management seeks to minimize the number of bank accounts in order to reduce bank service charges and the administrative task of maintaining multiple accounts. In addition, school districts typically place cash in interest-bearing accounts to maximize investment earnings. Three of HISD's peer districts have a total of 20 bank accounts, 16 of which are interest bearing. On average, 80 percent of peer district bank accounts are interest bearing compared to only 22 percent for HISD. **Exhibit 5-14** presents HISD peer districts that place bank funds in interest-bearing accounts. For purposes of this analysis, student activity funds are counted as one account.

**Exhibit 5-14**  
**HISD and Peer Interest-bearing Bank Accounts**

<b>District</b>	<b>Number of bank accounts</b>	<b>Number of Interest-bearing bank accounts</b>	<b>Percentage of Interest-bearing accounts</b>
Hitchcock	9	2	22%
La Marque	9	9	100%
Hempstead	8	5	63%
Boling	3	2*	67%
<b>Peer Total</b>	<b>20</b>	<b>16</b>	<b>80%</b>

*Source: TSPR Peer Surveys, April 2002.*

*\*Two of Boling's three activity accounts are interest bearing.*

*Note - Information not available for Anahuac, East Chambers and Royal ISDs.*

According to its depository agreement with Texas First Bank, which was renewed for an additional two-year term - 2001 through 2003 - in May 2001, HISD maintains compensating balances with the bank. Compensating balances are maintained to compensate the bank for account maintenance, items processing and various other banking services. Banks use compensating balance arrangements as alternatives to charging monthly fees. Typically districts that maintain compensating balances automatically sweep excess collected balances into overnight investments to earn additional interest. HISD does not engage in this practice, but periodically throughout the month manually reviews its bank balances, and moves funds as appropriate to the Lonestar investment account to earn higher interest.

As part of its response to HISD's RFP for depository services, the bank estimated that HISD would need to maintain an average monthly compensating balance of approximately \$312,000 in its accounts to avoid service charges. **Exhibit 5-15** shows the excess cash balances for the period from September 2001 through February 2002. The analysis does not include student activity funds.

**Exhibit 5-15**  
**Estimated Cash Account Earnings**

<b>Month</b>	<b>Average Daily Balances</b>	<b>Compensating Balance</b>	<b>Excess Balance</b>
September 2001	\$647,355	\$312,000	\$335,355
October 2001	\$679,160	\$312,000	\$367,160
November 2001	\$461,242	\$312,000	\$149,242

December 2001	\$447,315	\$312,000	\$135,315
January 2002	\$474,988	\$312,000	\$162,988
February 2002	\$446,937	\$312,000	\$134,937
Monthly Average			\$214,166

Source: HISD Business Office.

**Recommendation 48:**

**Eliminate three bank accounts and sweep excess funds into interest bearing accounts daily.**

The district should eliminate three of its eight accounts to save administrative and reconciliation time. Activity from the Health Insurance, Tax Collection and Tax Escrow bank accounts should be deposited into the Lonestar investment account or general operating account, as appropriate. In addition, the district should begin to sweep funds in excess of required compensating balance to interest-bearing accounts on a daily basis.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The superintendent instructs the chief financial officer to contact the bank to close three bank accounts and establish an automated sweep account processes.	September 2002
2.	The chief financial officer transfers funds from the three accounts, except amounts needed to cover outstanding checks, and establishes automated sweep account processes.	October 2002
3.	The chief financial officer monitors bank account activity to ensure that appropriate balances are swept to interest bearing accounts.	October and Ongoing
4.	The chief financial officer officially closes the three accounts and prepares a final reconciliation, transferring any remaining funds to the general operating account.	November 2002

**FISCAL IMPACT**

Annualizing interest earnings on average monthly balances in excess of compensating balance requirements would earn \$3,748 per year (average excess balance of \$214,166 x interest rate of 1.75 percent) by placing its funds in interest-bearing accounts.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Eliminate the three bank accounts and sweep excess funds into interest bearing accounts daily.	\$3,748	\$3,748	\$3,748	\$3,748	\$3,748

# Chapter 5

## FINANCIAL MANAGEMENT

### **F. Insurance**

HISD manages most risks through insurance programs consisting of group health care and employee benefit plans, workers' compensation insurance and property and casualty insurance. Health care costs represent one of the most difficult challenges both public and private organizations are facing today, especially in Texas. In a recent report issued by the Texas Association of Business, the following facts were noted:

- Texas employers face health care premium increases of 25 percent this year compared to 15 percent nationally;
- Ever-increasing health care costs have left almost 4.5 million, or 22 percent of Texans uninsured;
- Texas insurers absorbed \$1.5 billion in losses over the past five years, forcing many to leave the state;
- Texas has the second highest percentage of uninsured working people in the nation;
- Forty-five percent of the uninsured in Texas earn less than \$20,000 per year, while the national average is 41 percent; and
- Drug costs accounted for 29 percent of the overall increase in health care spending in 2000 and are projected to rise to \$212 billion by 2004.

Recognizing the crises and its impact on school districts, the 2001 Legislature passed House Bill 3343, which created a statewide health insurance program that requires districts with fewer than 500 employees to participate. The program, administered through the Teacher Retirement System of Texas (TRS), is known as TRS-ActiveCare. TRS selected Blue Cross and Blue Shield of Texas to administer TRS-ActiveCare and chose Merck-Medco, a pharmacy benefits management company to administer the prescription drug program.

Through TRS-ActiveCare, public education employees will have access to state subsidized health care as well. Eligible employees will receive a minimum of \$308.33 per month contributed to them by the state and the school district. For active employees who are making retirement contributions to TRS, House Bill 3343 requires school districts to contribute a minimum of \$150. The state contributes the remaining \$158.33, which consists of \$75 towards the cost of health coverage and \$83.33, which may be used for additional employee coverage, dependent coverage, or taken as direct compensation, depending on the employee's choice.

Since HISD has less than 500 employees, it will begin mandatory participation in TRS-ActiveCare beginning September 1, 2002. In fact, district employees have already begun enrolling in the program. Currently, district employees are enrolled in a Health Maintenance Organization (HMO) and/or a Preferred Provider Organization (PPO) plan administered through Aetna U.S. Healthcare Inc. The district contributes \$150 towards the cost of the two plans, which have different benefit levels. The PPO plan allows employees to obtain services outside of a network of healthcare providers at increased cost. The HMO plan does not pay for services outside of the network. Under TRS-ActiveCare, eligible school district employees who participate will have a choice among three plans: ActiveCare one, two and three. **Exhibits 5-16** and **5-17** provide a comparison of Aetna and TRS-ActiveCare key plan features and costs. Comparisons are made using network benefits only; out-of-network benefits are lower while costs are higher. Premiums for two of the three state plans are higher than both of HISD's existing plans.

**Exhibit 5-16**  
**Comparison of Aetna and TRS-ActiveCare Health Plan Features**

<b>Description</b>	<b>Aetna Plan 1</b>	<b>Aetna Plan 2 (PPO)</b>	<b>TRS ActiveCare Plan 1</b>	<b>TRS ActiveCare Plan 2</b>	<b>TRS ActiveCare Plan 3</b>
Deductible (Individual/Family)	\$0	\$0	\$1,000/\$3,000	\$500/\$1,500	\$0
Coinsurance	\$0	\$0	80/20	80/20	90/10
Out-of-pocket limit (Individual/Family)	\$1,500/\$3,000	\$1,500/\$3,000	\$2,000/\$6,000	\$2,000/\$6,000	\$500/None
Maximum lifetime benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Preventive care copay	\$20	\$20	\$15	\$25	\$15
Doctor visit copay	\$15	\$20	80/20	\$25	\$15
Specialist copay	\$20	\$20	80/20	\$25	\$15
Outpatient Surgery copay	\$250	\$250	80/20	80/20	90/10
Hospitalization copay	\$500	\$500	80/20	80/20	90/10
Emergency room copay	\$35	\$35	80/20	80/20	90/10

Maternity copay	\$500	\$500	80/20	80/20	90/10
Prescription copay (generic/brand/non- formulary)	\$10/\$15/\$30	\$10/\$15/\$30	Participant pays 100% percent of discounted cost and is reimbursed 80% after deductible	\$5/\$25/\$45	\$5/\$20/\$35

*Source: Aetna U.S. Healthcare Schedule of Benefits and TRS-ActiveCare Enrollment Guide.*

**Exhibit 5-17  
Comparison of Aetna and TRS-ActiveCare Health Plan Total Costs**

<b>Description</b>	<b>*Aetna Plan 1</b>	<b>* Aetna Plan 2 (PPO)</b>	<b>**TRS ActiveCare Plan 1</b>	<b>**TRS ActiveCare Plan 2</b>	<b>**TRS ActiveCare Plan 3</b>
Employee Only	\$263.70	\$285.40	\$237.00	\$315.00	\$399.00
Employee and Spouse	\$610.00	\$663.50	\$539.00	\$717.00	\$907.00
Employee and Child (ren)	\$473.40	\$516.40	\$377.00	\$502.00	\$635.00
Employee and Family	\$748.50	\$813.90	\$593.00	\$789.00	\$997.00

*Source: Aetna U.S. Healthcare Schedule of Benefits and TRS-ActiveCare Enrollment Guide.*

*\*Reduce by \$150.00 to obtain maximum employee cost.*

*\*\*Reduce by \$308.00 to obtain maximum employee cost.*

**FINDING**

The district pays unemployment insurance through a pool administered by the Texas Association of School Boards (TASB). The chief financial officer said this arrangement has enabled the district to save money that it

would not have saved by paying directly into the state unemployment compensation fund.

Employers pay into the state unemployment system administered through the Texas Workforce Commission (TWC) in two ways. The first, known as taxable status, requires employers to pay a tax calculated as a percentage of wages. TWC uses the resulting tax revenue to pay for both claims and administrative costs. The second, known as reimbursable status, requires employers to reimburse TWC for every claim dollar paid out but does not require payment of administrative costs.

The TASB fund requires all members to elect reimbursable status, and the fund makes reimbursement payment for its members. Accordingly, the TASB fund avoids payment of administrative costs to TWC. Moreover, TASB members are shielded from tax increases to which employers in taxable status are exposed. Employers in reimbursable status may experience premium increases due to higher claims, but avoid sharp spikes in premiums due to tax rate and administrative cost increases. As a result, TASB members can more easily budget for unemployment compensation costs because the rates are relatively stable.

HISD's unemployment compensation premiums are low in comparison to its peer districts.

**Exhibit 5-18** presents a comparison of HISD and peer districts unemployment compensation premiums paid during fiscal 2000-01 or 2001-02, depending on the policy period.

**Exhibit 5-18**  
**HISD and Peer District Unemployment Compensation Premium Comparison**

<b>District</b>	<b>Unemployment Insurance Premium</b>	<b>FTE Employees</b>	<b>Premium per FTE Employee</b>
Hitchcock	\$8,872	179.7	\$49.37
La Marque	\$33,328	530.1	\$62.87
Hempstead	\$4,200	219.4	\$19.14

*Source: McConnell Jones Lanier & Murphy LLP Peer Surveys and TEA, AEIS, 2000-01.*

*Note: Information not available for Anahuac, Boling, East Chambers and Royal ISDs.*

In addition to insurance coverage, the fund also provides claims assistance and hearing representation. HISD submits its unemployment compensation reports to TASB through the Internet. Each year the district's contribution to the fund is capped at a specified dollar amount based on the previous year's gross wages. This information makes it easier to budget for these costs each year. TASB also provides training so that districts know how to handle complex unemployment compensation issues. In fact, TASB publishes the *Unemployment Compensation Administration Manual* to help districts respond to unemployment compensation claims and questions. The manual is available online and includes a search feature that allows users to easily find information, such as sample initial protests, TWC forms and sample appeal documents. Finally, TASB offers loss control assistance. District employees can attend informal regional workshops to learn effective unemployment compensation and loss control strategies.

## COMMENDATION

**The district participates in TASB's unemployment compensation fund, which provides a number of benefits and enables the district to reduce unemployment insurance costs.**

## FINDING

The district does not have a wellness plan. Some districts develop wellness plans to encourage employees to maintain their health. The goal is to lower the district's long-term healthcare costs. Some districts collaborate with other organizations to implement initiatives that benefit the whole group. For example, HISD's school nurse collaborates with the Galveston County Health District, the University of Texas Medical Branch and the University of Texas School of Nursing to provide health services to children. Effective preventive health care strategies pool community and school resources to deliver high blood pressure tests, cholesterol screenings, mammograms and related diagnostic screenings to district employees. Moreover, such programs survey employees to determine what they need and whether there is an interest before expending resources to provide health-screening services.

### **Recommendation 49:**

**Survey employees to determine what preventive health care services are desired, and collaborate with community health organizations to provide such services to district employees.**

HISD should determine what type of preventive health services employees want if any. This could be accomplished through an employee survey. If survey results indicate a high level of interest in preventive health care screenings, the district should seek to collaborate with other school districts, the Galveston County Health District, the University of Texas Medical Branch and other community health organizations to conduct a health fair.

### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The school nurse designs and administers a survey questionnaire approved by the superintendent to determine if employees want preventive health care services.	September 2002
2.	The school nurse collects and tabulates survey results.	October 2002
3.	The school nurse designs a preventive health care strategy, if the survey indicates that employees want a program, for the superintendent's approval.	November 2002
4.	The school nurse implements the preventive health care strategy.	December 2002

### **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

### **FINDING**

HISD has not analyzed insurance and claims information to determine if the district is over or under insured in the property/casualty area. The chief financial officer administers the district's insurance programs and selects policies based on past coverage and current needs. A periodic risk analysis of property/casualty coverage by an experienced insurance professional is important to ensure optimum coverage at minimum cost. Optimal property/casualty coverage requires claims history, deductibles, coverage amount, exposure base and cost to be in balance. Over time, these factors tend to drift out of balance due to a district's changing circumstances and needs. Insurance consultants analyze these factors and develop solutions to restore balance to a district's property/casualty program.

For example, the district pays more than \$42,000 per year in flood insurance, yet did not sustain flood damage during Tropical Storm Allison, which devastated parts of Houston in June 2001. Further, the district paid \$56,422 to the Texas Educational Entity Cooperative for 2001-02 workers' compensation coverage. Workers' compensation losses for fiscal 2001

were \$40,642 and were \$22,600 through February 2002. A property/casualty risk analysis answers the question, "is this too much coverage given the district's location, needs, circumstances and risk exposure?"

Regional Education Service Center IV (Region 4) Risk Management Services (RMS) offers property/casualty solutions to school districts and other publicly funded educational entities throughout Texas. RMS maintains relationships with carriers and other insurance professionals who offer an array of insurance and risk management services. In the property/casualty area such services include:

- designing a property casualty insurance program to accomplish the district's aims, including board presentations regarding policy and coverage issues;
- conducting insurance policy analysis, reviewing claims reporting process and evaluating loss prevention programs;
- conducting educational insurance marketing analysis and performing comparative review of existing insurance programs versus available alternatives; and
- acting as the district's representative to all outside insurance vendors, collecting information and making periodic presentations of their offerings.

**Exhibit 5-19** provides an overview of the district's property casualty insurance coverage.

**Exhibit 5-19  
Schedule of HISD's Property Casualty Policies**

<b>Insurance Carrier</b>	<b>Type of Coverage</b>	<b>Term</b>	<b>Deductible</b>	<b>Coverage</b>	<b>Annual Premium</b>
TASB Risk Management Fund	Unemployment Compensation Program	10/1/01-10/1/02	None	Based on worker's salary	\$8,872
Texas Educational Entity Cooperative	Workers' Compensation	9/1/01-9/1/02	None	Based on worker's salary	\$56,422
The Hanover Insurance Company	Errors and Omissions	9/1/01-9/1/02	\$2,500 each wrongful act	\$2M-Damages \$2M-Defense Costs	\$6,971
Coregis	Automobile	8/29/01-	Collision	Liability	\$12,700

Insurance Company	Liability	8/29/02	\$500 Other \$25	-Bodily injury per person \$100K -Bodily injury per accident \$300K -Property damage \$100K Medical Payments 5K <u>Physical Damage</u> Actual cash value	
Coregis Insurance Company	Commercial Package covering real and personal property computer and media equipment	8/29/01-8/29/02	Real-\$1000 Computer and Media-\$500 Misc. \$500	Real-\$31,468,711 Computer and Media-\$807,886 Misc. \$799,686	\$104,000
Risk Placement Services	Wind/Hail Named Storm	8/29/01-8/29/02	No-named storm; \$1,000. Named storm; 2 percent based on value of property damaged	With named storm, windstorm deductible buy back policy, with limits of \$175,000 excess of \$50,000.	\$19,418
TASB Risk Management Fund	General Liability/Crime Coverage	8/28/01-8/28/02	Liability-\$1,000 per occurrence Crime-\$250 per occurrence	\$1M per occurrence \$150K limit	\$2,197
National Lloyds Insurance Co.	Flood Insurance	10/12/2001-10/12/2002	\$500 or \$1,000 depending on building	Varies from \$5K to 500K depending on facility	\$42,447
UNUM Life	Student	8/1/01-	-	-Catastrophe	\$975

Insurance Co.	Accident	8/1/02	Catastrophe accident \$25K -Ancillary sickness or injury \$5K	accident \$5M -Ancillary sickness or injury \$100K -Catastrophe monthly cash benefit \$1.5K -Special expenditures \$100K -Family expense \$30K Accidental death & dismemberment \$10K	
Chicago Insurance Co.	Vocational Program Medical Professional Liability	02/11/02-02/11/03	None	\$2K each occurrence, \$4K in the aggregate	\$563
<b>Total Property Casualty Premiums</b>					<b>\$254,563</b>

*Source: HISD Business Office.*

Effective organizations review their insurance programs periodically to ensure they balance the best coverage with an optimum price.

**Recommendation 50:**

**Obtain an independent review of the district's property/casualty insurance program.**

The district should hire an insurance consultant to review the district's property casualty coverage and recommend a comprehensive program that balances coverage, deductibles and cost.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer contacts Region 4 to inquire about its property/casualty risk management services.	September 2002
2.	The chief financial officer develops a request for proposals for the review of the district's property/casualty insurance.	October 2002

3.	The chief financial officer reviews proposals received and recommends winning proposal to the board for approval.	November 2002
4.	The consultant completes the review and submits recommendations to the chief financial officer.	December 2002
5.	The chief financial officer obtains the superintendent's and board's approval of insurance coverage recommendations provided by consultant.	January 2003
6.	The chief financial officer bids insurance policies as they come due.	January 2003 and Ongoing

### **FISCAL IMPACT**

Region 4 RMS charges a fee that is usually 7 to 8 percent of a district's annual premium expenditure. According to an insurance consultant who contracts through Region 4, savings are generated by analyzing costs, deductibles and claims, as well as through facilitating competition among insurance carriers and participating in purchasing pools. Insurance consultants design and release RFP specifications on the district's behalf, analyze the responses and present a recommendation to the district. The consultant told TSPR that savings could be 20 percent or higher of a district's annual premium cost.

Estimating conservatively, a 12 percent savings on property/casualty premiums would yield an annual savings of \$30,548 (\$254,565 annual premiums times 12 percent reduction). Costs for the independent review would be approximately \$20,365 (\$254,565 annual premiums times 8 percent). Savings are not reflected until 2003-04 to provide time to bid the policies as their terms expire.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
One time cost for independent review.	(\$20,365)	\$0	\$0	\$0	\$0
Annual savings on property casualty premiums.	\$0	\$30,548	\$30,548	\$30,548	\$30,548

# Chapter 5

## FINANCIAL MANAGEMENT

### G. Fixed Assets

HISD's chief financial officer maintains fixed asset balances on the district's accounting books, while the shipping and receiving clerk is responsible for fixed asset tracking and inventorying. TEA defines fixed assets as purchased or donated items that are tangible in nature, have a useful life longer than one year, have a unit value of \$5,000 or more and may be reasonably identified and controlled through a physical inventory system. TEA's FASRG requires assets costing \$5,000 or more to be recorded in the Fixed-Asset Group of Accounts. Items costing less than \$5,000 are recorded as an operating expense of the appropriate fund under TEA guidelines.

These guidelines also allow school districts to establish lower thresholds, for control and accountability purposes, for equipment costing less than \$5,000. For example, computer and audiovisual equipment costing less than \$5,000 does not have to be accounted for in the fixed-asset group of accounts. However, some districts maintain lists of such assets for control and accountability purposes. HISD maintains a list of assets costing \$250 or more, for insurance purposes.

**Exhibit 5-20** shows the balance of HISD's fixed assets as of August 31, 2001.

**Exhibit 5-20**  
**Fixed Assets as of**  
**August 31, 2001**

<b>Description</b>	<b>Balance 8/31/01</b>	<b>Percent of Total</b>
Land	\$995,578	6%
Building and Improvements	\$14,162,110	83%
Furniture and Equipment	\$1,194,489	7%
Capital leases	\$727,810	4%
<b>Total</b>	<b>\$17,079,987</b>	<b>100%</b>

*Source: HISD Fiscal 2000-01 Audited Financial Statements.*

### **FINDING**

The district's method of tracking controllable assets is inefficient. The district uses a popular accounting software package to track controllable assets, but the software program is not specifically designed for tracking assets or maintaining controllable asset records. In addition, the shipping and receiving clerk plans to conduct the next physical inventory this summer, alone, using manual count sheets, which is inefficient given the technological advancements in maintaining asset inventory. For example, controllable assets can be barcoded as they are received. During the annual inventory they can be scanned with hand-held barcode readers and downloaded into special software, which generates inventory exception and asset reports. This method expedites the tracking process, produces a more accurate inventory and eases the burden of controllable asset accounting.

HISD's procedures require assets to be delivered to the warehouse where they are tagged and then delivered to the appropriate campus or department. The inventory tag number, make and model number and serial number are to be recorded in the controllable asset system; however, the software program HISD uses is not designed to capture this information.

Statement 34 of the Governmental Accounting Standards Board (GASB 34) has dramatically changed the manner in which fixed assets are to be presented in financial statements for governmental entities. Local governments, school districts and other public sector organizations must change accounting practices and in many cases make wholesale changes in the way fixed assets are managed and reported. As GASB 34 requirements are implemented, many school districts will be required to improve both fixed asset and controllable asset accounting procedures and bring asset records to new standards.

### **Recommendation 51:**

#### **Purchase and install an asset tracking system with barcoding and reporting capability.**

The district should purchase and install an asset tracking system. Affordable, standalone asset tracking systems exist that have barcoding and scanning capability that would allow HISD to simplify and automate asset tracking and inventory. Many of these systems are scalable, meaning they can be tailored to the district's size and budget. Common features include:

- data collection processes;
- initial inventory - track location and description of new assets;
- periodic inventory - track location of already existing assets;
- discrepancy reporting;

- complete audit trail;
- query by any data field; and
- condition coding.

### **IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The shipping and receiving clerk works with the accounts payable/purchasing supervisor to develop bid specifications for an asset-tracking system for the chief financial officers' approval.	September 2002
2.	The accounts payable/purchasing supervisor solicits bids for an asset tracking system.	October 2002
3.	The chief financial officer develops operating procedures for the shipping and receiving clerk to use when using the asset tracking system.	November 2002
4.	The shipping and receiving clerk installs and begins using the asset tracking system.	December 2002

### **FISCAL IMPACT**

Asset tracking systems are available in various configurations. Based on a review of one vendor's product, a system configured for two to five workstations with one to five handheld devices would cost approximately \$3,000, including one year of telephone support.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Purchase and install an asset tracking system with barcoding and reporting capability.	(\$3,000)	\$0	\$0	\$0	\$0

# Chapter 5

## FINANCIAL MANAGEMENT

### H. Purchasing

An effective and efficient purchasing system is designed to meet the needs of the district for procurement requirements. In doing so, one of the most important components is a good organization staffed with well-trained people. Roles and related responsibilities must be clearly defined and adapted to meet the unique operating environment of the district.

The ultimate goal of a purchasing system is to provide supplies, equipment and services purchased from the right source, in the right quantity and at the lowest price—all in accordance with Texas purchasing guidelines.

Although purchasing organization structures may vary, similar functions are provided and must be present, such as the following:

- approves purchase orders and service contracts, including competitive procurement specifications and tabulations;
- assists in the development and modification of purchasing policies and procedures and is responsible for their implementation;
- resolves purchasing problems;
- establishes and monitors good working relations with vendors;
- ensures that district staff is aware of relevant purchasing statutes, regulations and board policies through formal or informal training programs; and
- stays current on purchasing statutes, regulations and practices by attending various purchasing-related courses, seminars or workshops, and by reading current purchasing periodicals and books.

A district must strive to maximize purchasing efficiency. The Texas Education Code (TEC) includes state purchasing regulations designed to provide the best value to school districts through a competitive bidding process. Generally, when districts purchase items valued at \$25,000 or more (or multiple like items with a cumulative value of more than \$25,000 in a 12-month period), one of the following competitive bid processes outlined in **Exhibit 5-21** is required.

#### **Exhibit 5-21** **Competitive Procurement Methods**

<b>Purchasing Methods</b>	<b>Description</b>
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Competitive bidding	Requires that bids be evaluated and awarded based solely upon bid specifications, terms and conditions contained in the request for bids, and according to the bid prices offered by suppliers and pertinent factors affecting contract performance. Forbids negotiation of prices of goods and services after proposal opening.
Competitive sealed proposals	Requires the same terms and conditions as competitive bidding but allows changes in the nature of a proposal and prices after proposal opening.
Request for proposals	Generates competitive sealed proposals and involves key elements: <ul style="list-style-type: none"> <li>• newspaper advertisement</li> <li>• notice to proposers</li> <li>• standard terms and conditions</li> <li>• special terms and conditions</li> <li>• scope-of-work statement</li> <li>• acknowledgment form/response sheet</li> <li>• felon conviction notice</li> <li>• contract clause</li> </ul>
Catalog purchases	Provides an alternative to other procurement methods for acquisition of computer equipment, software and services only.
Interlocal contract	Provides a mechanism for agreements with other local governments, the state or a state agency to perform governmental functions and services.
Design/build contract	Outlines method of project deliver in which the school district contacts with a single entity to both design and construct a project.
Job order contracts	Provides for use of a particular type of contract for jobs (manual labor work) for minor repairs and alterations.
Construction management contracts	Outlines use of a contract to construct, rehabilitate, alter or repair facilities using a professional construction manager.
Reverse Auction Procedure	Outlines a bidding process that involves submission of bids by multiple suppliers, unknown to each other, in a manner that allows the suppliers to bid against each other.

*Source: Texas Education Code (TEC), Section 44.031.*

Purchasing cooperatives and interlocal agreements purchasing methods are established and entered into by groups of entities to obtain better pricing from vendors. Generally, entities will determine an approximate amount of merchandise they intend to purchase during a 12-month period. One of the entities in the purchasing cooperative will then consolidate all amounts and perform the competitive purchasing. All entities are then allowed to process individual purchase orders from these bids. Vendors offer better pricing to purchasing cooperatives because the amounts intended to be purchased are generally larger than if purchased by a single entity.

HISD's chief financial officer is responsible for managing the district's purchasing function. HISD has an accounts payable/purchasing supervisor who handles the processing and tracking of purchase orders. The district uses a manual purchase order process to request and obtain supplies, materials and services. Purchase requests are initiated by the schools and departments and then forwarded to the accounts payable/purchasing supervisor where the actual purchasing activities are performed, including verification of funds, account codes and authorization; purchase orders are then forwarded to the chief financial officer or superintendent for approval.

The district uses three types of purchase orders to obtain supplies, materials and services.

**Exhibit 5-22** describes the types of purchase orders processed.

**Exhibit 5-22  
HISD Types of Purchase Orders Processed**

<b>Type</b>	<b>Description</b>	<b>Approval Route</b>
Regular Purchases	Request for purchases made with school or department budgeted funds.	Principal or department head; accounts payable/purchasing supervisor; chief financial officer; superintendent
Maintenance Purchases	Request for local purchases with a block of purchase orders assigned to Hitchcock's Maintenance Department.	Account payable/purchasing supervisor (\$300 or more)
Supply Center Purchases	Request for purchases to restock the central warehouse supply inventory used districtwide.	Accounts payable/purchasing supervisor; chief financial officer; superintendent

Source: HISD, Accounts payable/purchasing supervisor.

**Exhibit 5-23** summarizes the number of purchase orders processed for 2000-01.

**Exhibit 5-23  
HISD Purchase Orders Processed  
2000-01**

<b>Fund Type</b>	<b>Number of Purchase Orders</b>	<b>Dollar Amount</b>	<b>Percent of Total Purchase Order Amount</b>
General	655	\$440,617	22.0%
Food Service	3	\$44	0.1%
Technology	15	\$15,551	0.8%
Special Revenue	1,042	\$1,538,414	77.1%
<b>Total</b>	<b>1,715*</b>	<b>\$1,995,029</b>	<b>100.0%</b>

Source: HISD Accounting Department.

\* Purchase orders represent only encumbered expenditures.

HISD identified items of similar type that the district expected to cost more than \$25,000 and processed 11 competitive bids during 2000-01 to comply with TEC's purchasing aggregation rule. **Exhibit 5-24** summarizes the number of purchase orders processed by HISD and its peer districts.

**Exhibit 5-24  
Purchase Orders Processed by HISD and Peer Districts  
2000-01**

<b>Item</b>	<b>Hitchcock</b>	<b>Boling</b>	<b>Hempstead</b>	<b>La Marque</b>
Number of purchase orders processed	<b>1,715*</b>	2,400	3,570	2,900
Total number of purchasing function employees	<b>1</b>	2	N/A	N/A
Number of purchase orders processed per month	<b>143*</b>	N/A	N/A	241
Average number of	<b>2</b>	1	5	1

business days to process purchase orders				
Number of competitive bids processed	<b>11</b>	10	1	2
Average time to process bids	<b>30</b>	1 day	N/A	60 days
District uses automated system	<b>No</b>	No	Yes	Yes
Approval level at which bids require board approval	<b>\$15,000+</b>	\$25,000+	\$25,000+	\$5,000+
Annual district operating budget	<b>\$10,866,729</b>	\$6,998,589	\$10,324,719	\$28,317,115

*Source: TSPR Peer District Survey Results and HISD Purchasing Department.*

*\* Purchase orders represent only encumbered expenditures.*

*N/A - information is not available or not provided by district.*

*Note: Information from Anahuac, East Chambers and Royal ISD's not available.*

## **FINDING**

HISD maximizes purchasing opportunities through the use of purchasing cooperatives and catalog purchases. The district participates in the following purchasing cooperatives:

- Region 4 TCP Network;
- Harris County Department of Education;
- Texas Building and Procurement Commission; and
- Texas Buy Board.

The district estimates that 75 percent of the district's material and supplies are purchased through cooperatives or catalog purchases. Science equipment, teaching and office supplies are purchased through catalogs. The district's printing requirements, copy machines, computers and nonprofessional services are obtained through the Harris County

Department of Education cooperative program. Computer processing services are provided by Region IV Educational Service Center.

## **COMMENDATION**

**HISD effectively uses statewide and local cooperative purchasing organizations.**

## **FINDING**

HISD uses a manual purchase order process rather than the automated purchase order system available in its financial accounting system. The district uses the RSCCC financial accounting system provided through Region 20, but not all of its available capabilities. The district uses the RSCCC system to encumber purchase orders and to pay invoices but does not use the system's automated requisition or purchase order capabilities. HISD is unable to take full advantage of the system's overall capabilities due to all of the district's facilities not being networked.

School principals and department division directors manually submit purchase requests; the accounts payable/purchasing supervisor verifies availability of funds, obtains proper approval and initiates the competitive bidding process. After bids are tabulated and a winning bidder identified, the board approves the award, and the accounts payable/purchasing supervisor manually assigns a purchase order number and submits the order to the approved vendor.

Principals and department directors do not have automated access to the status of their current available budget before submitting purchase requests. Automated access to available budget funds aides principals and department directors when submitting purchase requests by providing them with the amount of funds currently available. In addition, the receiving process and the matching of invoices to purchase order and receiving documents are manually processed.

Purchasing staff is not fully trained on the RSCCC software, particularly the purchasing module. HISD has access to the purchasing system's full capabilities and pays for it monthly but does not use any purchasing module features. The accounts payable/purchasing supervisor was unable to generate basic purchasing data, such as total dollar amount of purchases by commodity or function code, from the purchasing system. The accounts payable/purchasing supervisor said that she did not know or was not trained on certain features of the system. The accounts payable/purchasing supervisor made reference to the chief financial officer being the only person who could provide the information. One of the advantages of an automated system is to have readily available data for the user to provide

to other personnel or to use in performing their duties, such as analyzing, monitoring and improving the purchasing activities.

The RSCCC software has many features, one of which allows district personnel responsible for purchase requests to enter purchase orders directly into the purchasing system. At the time of entry, the budget can be checked for adequate funds, and the dollar amount of the purchase order is encumbered. This process provides for real-time status of budgets and eliminates the time and effort required for the purchasing/accounting coordinator to determine if the funds are available and notify the school.

The district's financial management system is outdated, and the district is considering upgrading to the new release of the RSCCC software in 2002-03. New features of the system include an automated receiving module, three-way match of purchase orders, receiving data and invoice, unlimited approver paths and more purchase order features, which establish a fully integrated and automated financial system. Region 20 will phase out the current system after 2002-03 and will not provide technical support to users that remain on the system.

**Recommendation 52:**

**Ensure that Business Office staff take full advantage of the financial system's purchasing capabilities.**

The district should ensure that staff takes full advantage of the current and/or new financial system's full capabilities. The financial system's automated purchasing capabilities will reduce the central office workload, and principals and department directors will be better equipped to control costs and can be held more accountable for managing their budgets. All users should be trained and required to use the financial system's automated capabilities to streamline processes.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer identifies the district's automated purchasing needs and determines the financial system's purchasing capabilities.	September 2002
2.	The chief financial officer ensures that all the desired automated purchasing criteria is included in specifications for any new financial management system that the district pursues.	September 2002
3.	The chief financial officer works with the Business Office's purchasing and accounts payable staff to develop processes that use the financial system's automated capabilities.	October 2002

4.	The chief financial officer revises purchasing and accounts payable procedures to include the use of the automated purchasing and accounts payable capabilities of the financial system and distributes to all district staff involved in the purchasing and accounts payable processes.	November 2002
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## **FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## **FINDING**

HISD does not have an organized set of purchasing operating policies and procedures that reflects the current process used by the district. The district has a board policies manual that contains district policies and procedures that includes board policies for purchasing and TEA requirements. However, the district also has several other manuals that are subsets of the official manual, including board policies for 2001-02 (excerpts from the comprehensive policies manual related to employment and student policies); an administrative procedures manual inclusive of payroll, purchasing, accounts payable, receiving and shipping, grants and business processes. The purchasing procedures in the administrative procedures manual are not updated or consistent with the procedures in place at the district. For example, the manual has a section titled "Purchasing / Payment Policies and Procedures Manual," which refers to originating purchase requisitions in the RSCCC system, converting the requisition to a purchase order and distribution of color-coded copies to various users. HISD does not use color-coded copies nor does it use the system to originate requisitions.

Maintaining current documented procedures provides consistent purchasing practices, provides a reference tool for user training, reduces frustrations and inefficiencies in the purchasing process and ensures the appropriate purchasing processes are followed. The purchasing procedures manual can stand alone or be included as part of a comprehensive financial and accounting manual but needs to be updated as changes occur in procedures.

By maintaining and reviewing its purchasing policies and procedures regularly and revising them when necessary, Killen Independent School District (KISD) made its purchasing process more efficient by identifying improvements. One change eliminated paperwork for controlled items stocked in the warehouse in favor of electronic requests. Also the procurement card was used for small dollar purchases rather than a purchase order. Ultimately, staff and work hours were reduced, which streamlined the district's purchasing operations.

**Recommendation 53:**

**Update purchasing policies and procedures, consolidate into a comprehensive purchasing manual and continually revise as changes occur in the purchasing process.**

The chief financial officer should review the existing manual with the current procedures in place at the district, determine if changes are needed to the current process, revise the written procedures and distribute to all users involved. This responsibility to maintain updated purchasing procedures should be assigned to a staff member.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer meets with the purchasing staff to discuss updating the existing manual and obtaining sample purchasing manuals from other districts.	September 2002
2.	The purchasing staff revises manual and submits to chief financial officer for review and approval.	October 2002
3.	The chief financial officer finalizes manual and submits to the superintendent for approval.	November 2002
4.	The chief financial officer communicates changes to district staff and provides appropriate training to all necessary district staff on the purchase order system in place.	December 2002
5.	The accounts payable/purchasing supervisor reviews and updates the purchasing manual on an ongoing basis with the approval of the chief financial officer.	Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 5

## FINANCIAL MANAGEMENT

### I. Warehousing

#### FINDING

The district has an inefficient centralized warehouse process to receive and distribute all deliveries to schools, including courier packages. The warehouse operation began in 1996 and moved to its current location in January 2000 after the back of the old gymnasium was converted for use as a warehouse storage facility. The district has two staff in this area—a receiving and shipping clerk and a delivery clerk. In addition to warehouse responsibilities, the receiving and shipping clerk is responsible for maintaining the district's fixed asset inventory records. The warehouse serves as a supply center for routine general office and instructional supplies used by the district, such as copy paper, pens and pencils, binders and general office supplies. The supply center inventory was valued at \$27,710 as of March 31, 2002. In addition, the receiving and shipping clerk has duties not generally associated with warehousing activities, including the duties as the early election clerk and cafeteria monitor for free and reduced price lunch practices.

The warehouse is also used to store maintenance supplies, such as drywall, electrical, plumbing and small tools. The maintenance inventory was valued at approximately \$3,202 as of March 31, 2002. The district does not maintain inventory statistics for office or maintenance supplies, such as turnover rate. There is no aging of the inventory items or identification of obsolete items, but HISD reconciles the inventory monthly. The review team's examination of the inventory valuation summary did not identify many potential obsolete items. Items such as typewriter supplies (valued at \$521) are potential obsolete items. The purchasing and warehouse staff said that the operations and processes are more efficient now than six years ago. For example, paperwork is not lost and deliveries are confirmed.

Neighboring districts to HISD, such as Santa Fe ISD and La Marque ISD, do not have a centralized warehouse operation and staff. Vendors deliver supplies and materials directly to schools. Districtwide orders, such as textbooks, supplies and materials are delivered to a central site within the district, where they are inspected, counted, checked against the order and delivered to the proper location within 24 hours. A district's general savings is staffing costs associated with operating a warehouse facility. The responsible staff position generally has other responsibilities outside of the receiving function. HISD's purchasing and warehouse staff do not

support delivering materials directly to the schools due to a concern about controls and procedures.

Both large and small districts make use of "just-in-time" deliveries, whereby materials are delivered just-in-time for use by the department or school. Typical controls for just-in-time delivery to schools or the administration offices include training and accountability for all departments or schools requesting goods or services to ensure that proper procedures are in place to process purchasing requests, receiving material and all paperwork accurately and efficiently. A purchasing system's on-line capabilities of requisitioning and receiving functions increase the efficiency of just-in-time delivery to schools. This process allows for the schools and departments to receive requested items as quickly as possible.

The Wimberley Independent School District (WISD) saves administrative time and overhead by delivering merchandise directly to schools. WISD, of comparable size to HISD, processes purchase orders to obtain supplies and materials as needed, which allows the district to avoid the additional costs associated with operating a central warehouse, such as staffing and maintaining a warehouse facility.

**Recommendation 54:**

**Implement a just-in-time purchasing process.**

The chief financial officer should develop procedures for purchasing and delivering supplies on a just-in-time basis. The district should analyze the items in inventory and eliminate all of them that can be acquired on a just-in-time basis. A plan should be developed to close the warehouse operations to minimum requirements and implement a just-in-time delivery system for HISD.

Closing the district's warehouse will allow the district to reduce the cost of carrying inventories and eliminate one position.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer develops procedures and revises contracts for a just-in-time delivery of supplies.	October 2002
2.	The chief financial officer drafts a plan and timeline to reduce warehouse operations, including the use of the current inventory for the superintendent's approval.	November 2002
3.	The superintendent submits the plan and request to eliminate the delivery clerk position to the board for approval.	November 2002

4.	The chief financial officer updates the procedures, trains district personnel on the just-in-time system and eliminates the delivery clerk position.	December 2002
5.	The chief financial officer implements the plan in the district and monitors its progress, making adjustments to the plan as necessary.	January 2003

**FISCAL IMPACT**

Closing the warehouse operations would eliminate the delivery clerk's annual salary and 12 percent fringe benefits. For the 2002-03 school year, only eight months of savings would be realized ( $\$17,985 \times .12 \times 8/12$ ).

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Implement a just-in-time purchasing process.	\$13,429	\$20,143	\$20,143	\$20,143	\$20,143

# Chapter 5

## FINANCIAL MANAGEMENT

### **J. Textbooks**

TEA is responsible for selecting and purchasing most of the textbooks used by Texas school districts. TEA buys textbooks from publishers and lends them to school districts. A district's established textbook adoption committee selects the textbooks the district will order, following TEA guidelines.

Student enrollment information submitted to TEA determines the number of books allowed for each subject and grade level. Annual instructional materials are based on the maximum number of students enrolled in the district during the previous school year and/or registered to attend district schools during the next school year. Each district is responsible for returning borrowed textbooks to TEA. If textbooks are lost during the school year, the district is responsible for recovering the cost of the books from the student or the student's parent or guardian, or compensates the state from district funds for the loss.

At HISD, the textbook coordinator, who is also the high school assistant principal, performs textbook functions, such as estimating the number of textbooks needed by the district, ordering additional textbooks, inventorying textbooks, receiving and distributing textbooks to schools and storing or disposing of surplus textbooks. HISD maintains a small textbook inventory in a secured storage room at Hitchcock High School. The textbook coordinator verbally confirms the textbook requirement for the current adopted textbooks with the school instructors; receives any new approved adoptions from the school board; and places the order by April 1 of each year. Supplemental orders are placed as needed during the school year, typically in September or October. Each teacher is assigned a specific number of textbooks at the beginning of the school year based on initial enrollment estimates. The warehouse staff receives the delivery of textbooks. The textbook coordinator sorts the books by school and verifies the quantity delivered to the quantity ordered. At the end of the school year, the teacher receives the textbooks from students and the count is compared to the beginning of the year assignments. The receiving/shipping clerk will assume responsibilities for textbooks upon retirement of the assistant high school principal in June 2002.

Teachers are required to perform textbook verifications at least once every nine weeks. This task is accomplished by requiring students to bring their textbooks to class on a specific day, and the teacher checks them to ensure

that the textbook is the same book assigned to the student at the beginning of the school year.

**FINDING**

HISD does not have an effective textbook management system. Without an effective textbook management system, the district cannot ensure that schools are adequately supplied and textbooks are properly safeguarded from loss. Presently, HISD schools compile textbook inventory information manually. Inventory reports, though prepared by each school, are not compiled into a districtwide report, and textbook losses are not tracked cumulatively or from year to year. Schools take an inventory once a year and report textbook inventory count to the textbook coordinator at the high school. However, the textbook coordinator does not verify the information in these reports- no physical inventory observation is performed. Instead, the textbook coordinator relies on each school to provide inventory data and submit a textbook loss form every nine weeks.

Students are required to be charged for any textbooks not returned. The reality is that it is not always possible to collect for every lost book, because the student or parent cannot afford to pay or the parent refuses to pay. Teachers fill out a Lost Textbook List and the textbook coordinator attempts to collect the money. The cost of lost textbooks not recovered from the student or parent is sometimes paid from the student activity fund when new books are ordered. However, the lost textbooks are not reflected as such on the TEA report. Since the textbook coordinator has no control over individual textbooks, most problems occur after they have been issued to the school.

Survey results show that, overall, 61 percent of parents and students believe that textbooks are issued in a timely manner to the students. However, 40 percent of students surveyed felt that there are not enough textbooks in their classes. Overall, 52 percent of parents and students believe that textbooks are in poor condition. **Exhibit 5-25** summarizes these survey results.

**Exhibit 5-25  
HISD Textbook Survey Results**

<i>"Students are issued textbooks in a timely manner."</i>						
<b>Respondent</b>	<b>Number of Respondents</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>No Opinion</b>
Students	78	6.5%	57.1%	15.6%	9.1%	11.7%
Parents	28	21.4%	32.1%	3.6%	21.4%	21.4%

<b><i>"There are enough books in my classroom."</i></b>						
Students	78	3.8%	43.6%	26.9%	12.8%	12.8%
<b><i>"Textbooks are in good shape."</i></b>						
Students	78	0.0%	27.3%	35.1%	24.7%	13.0%
Parents	28	21.4%	14.3%	14.3%	14.3%	35.7%

*Source: TSPR Surveys, April 2002.*

Many school districts use textbook inventory programs to effectively manage textbook stock. These programs provide an automated solution to an incredibly difficult and tedious task. The most widely used systems offer the following features:

- Modules for both district and school-based inventory management;
- Multi-user support over all standard networks;
- Search capability;
- Complete custom textbook lists of titles for certain states;
- Requisitions to order books and track backorders;
- Student and teacher schedules to anticipate textbook needs;
- Bar code technology; and
- Tools to manage replacement books, new orders and lost textbooks.

The Robstown ISD used a textbook tracking system improve the management of its textbooks and reduced its lost or damaged book charges by 37 percent between 1998-99 and 1999-2000.

**Recommendation 55:**

**Acquire a textbook inventory management system.**

A computerized textbook inventory program should be purchased to assist in effective management of the textbook inventory. The district should identify a system based on their size to facilitate management of their textbook inventory.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The textbook coordinator researches the available textbook inventory systems available on the Texas Building and Procurement Commission's Qualified Information System's Vendor list.	September 2002
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2.	The textbook coordinator and the director of Technology documents the system's desired features, compares them to various available systems, meets with representatives from the textbook inventory companies to discuss their system and submits recommended system to the chief financial officer.	October - November 2002
3.	The chief financial officer reviews the recommendations and obtains superintendent's approval.	December 2002
4.	The textbook coordinator submits a purchase order for processing.	January 2003
5.	The textbook coordinator implements the new system with the assistance of the director of Technology and conducts a training session with the appropriate district staff.	February 2003

### **FISCAL IMPACT**

The cost to implement this recommendation will require the acquisition of software for each of the district's three schools (two elementary schools combined). Software will cost an estimated \$1,995 per school or a total of \$5,985 ( $\$1,995 \times 3$ ) and a one day training for up to seven employees will cost \$1,000. An annual maintenance agreement fee will cost \$240 per school ( $\$240 \times 3 = \$720$ ) and additional labels each will year will cost each school about \$60 ( $\$60 \times 3 = \$180$ ). The initial cost in 2002-03 of \$6,985 includes the software, scanner, barcode labels and the one day training ( $\$5,985 + \$1,000$ ). Annual costs beginning in 2003-04 will be \$900 ( $\$720$  maintenance fee and  $\$180$  for barcode labels).

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
One time cost for software and training.	(\$6,985)	\$0	\$0	\$0	\$0
Annual maintenance fee.	\$0	(\$900)	(\$900)	(\$900)	(\$900)

### **FINDING**

HISD does not have a district textbook policy and procedures manual for performing detailed textbook procedures. The textbook coordinator uses "A Manual for Textbook Coordinator" published by TEA, as its main source to provide guidance on textbook procedures. The manual provides for general responsibilities for textbook activities. However, district specific procedures are not included in the manual. The textbook activity is not organized and the status of textbook inventory is not readily determined from the documentation. For example, total district or school

textbook inventory is not summarized or total textbook losses are not accumulated.

According to the TEA manual, a textbook coordinator's duties include controlling all textbook activity within the district and coordinating all textbook activity with the TEA Division of Textbook Administration. Some of the textbook coordinator's duties include: maintaining all records of activity, including textbook distribution to and transfer from all schools within the system; collecting money from the schools remitted by students for lost or destroyed textbooks and controlling those funds until they are either sent to Textbook Administration or used to purchase replacements directly from the publisher or depository.

Some districts have developed textbook manuals that provide detailed procedures on how to manage a district's textbook needs. Kenedy ISD developed a detailed textbook manual with procedures that allow the district to maintain compliance with applicable TEA textbook rules and allows anyone to find answers to question in one easy-to-locate place. The manual contains:

- all correspondence from TEA's Division of Textbook Administration;
- a requisition packet for the next school year;
- downloadable textbook materials, such as questions and answers to commonly asked questions pertaining surplus material, out-of-adoption textbooks and rules and regulations;
- instructions for supplemental requests for textbooks; and
- district policies and procedures, including the annual inventory.

The textbook coordinator is retiring at the end of the 2001-02 school year and TSPR was told that the receiving and shipping clerk would assume the responsibilities for textbooks operations. However, the textbook manual in use will not provide the detailed procedures needed by a new person required to perform the textbook functions; and no other documentation of the current procedures exist.

Kenedy ISD's textbook coordinator developed a textbook manual that provides detailed guidance on how to manage the district's textbook needs. The manual also allows the district to maintain compliance with applicable textbook rules and regulations. It allows anyone to find answers to questions in one easy-to-locate place. The folder contains:

- All correspondence from the Texas Education Agency's textbook division;
- A requisition packet for the next school year;

- Downloadable textbook materials such as questions and answers to commonly asked questions pertaining to out-of-adoption textbooks, surplus materials, and rules and regulations;
- Instructions for supplemental requests for textbooks; and
- District policies and procedures including the annual inventory.

Maintaining current documented procedures provides consistency in textbook practices, a reference tool for user training, reduction of inaccuracies and inefficiencies in the data and process and ensures the appropriate textbook processes are followed.

**Recommendation 56:**

**Develop a textbook manual that includes policies and procedures for performing textbook activities.**

The textbook coordinator should develop a textbook policies and procedures by contacting Kenedy ISD to review and use their manual as a guide in developing one for HISD.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The textbook coordinator develops procedures and creates a textbook manual with input from principals and designated staff at each school responsible for textbook activity.	December 2002
2.	The textbook coordinator submits the manual to the chief financial officer and superintendent for review and approval.	January 2003
3.	The textbook coordinator distributes the procedures and provides instruction on the use of the manual to the director of Curriculum, principals and teachers.	February 2003
4.	The textbook coordinator evaluates textbooks procedures periodically to ensure the procedures are working effectively.	March 2003 and Ongoing

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

# Chapter 6

## OPERATIONS

This chapter reviews the operations of the Hitchcock Independent School District (HISD) in the following three areas:

- A. Computers and Technology
- B. Transportation
- C. Food Services

Efficient, effective school operations and quality student services support a school district's educational mission. For children to learn, a district must create an environment conducive to learning that takes into account the well being of a student in various aspects; the nourishment of a student, the safe transportation of that student to school and the types of programs that are available to prepare the student with technology of the real world.

# Chapter 6

## OPERATIONS

### A. Computers and Technology

HISD's Technology Department has two positions, including the director of Technology and a network support technician. The director of Technology was hired in February 2002, and is making significant contributions and is well respected for his understanding of technology, the issues facing teachers and his ability to communicate with teachers in a helpful manner.

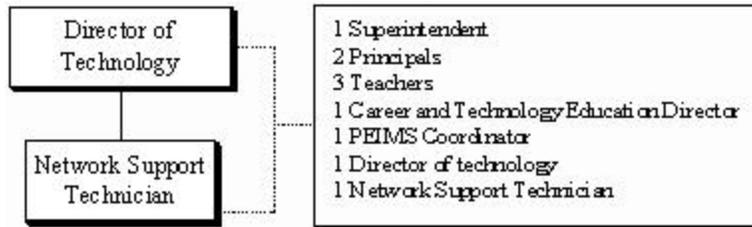
HISD is playing "catch-up" to take full advantage of the latest educational software for instructional learning, financial management, computer networking and an infrastructure that consistently provides access to the Internet. Funding for updating technology and upgrading facilities was not a high priority of the previous superintendent's administration. Until the arrival of the new superintendent in fall 2001, teachers did not have email that enabled them to exchange information, lesson plans and general communication about district activities. Today, all teachers have email accounts and access to the Internet.

### FINDING

HISD has formed a Telecommunication Committee (TelCom) at the direction of the superintendent to address both short-term tactical and long-term strategic needs. This new committee, which started in September 2001, has a diverse group representing administrators, teachers and the Technology Department. Having a broad cross-section of participants ensures that issues are discussed from all perspectives, including funding, educational and technical feasibility.

The TelCom meets regularly to discuss infrastructure issues related to the district's telecommunication, network and computer hardware needs. All the principals, the Public Education Information Management System (PEIMS) coordinator and the director of Careers and Technology Education (CATE) are members of the TelCom. The TelCom also includes key HISD teachers and administrators. **Exhibit 6-1** shows the composition of both the Technology Department and the TelCom.

**Exhibit 6-1  
Technology Department**



*Source: Interview with Principal of Crosby Middle School.*

**COMMENDATION**

HISD has established a Telecommunications Committee, TelCom, to address short-term and long-term technology needs of the district.

**FINDING**

HISD has implemented a consistent process to track shipments of new computer equipment purchased with Telecommunications Infrastructure Fund (TIF) grant funds. These shipments of computer equipment are matched to the corresponding TIF grant from which they are purchased. The manual process is outlined as follows: Shipping and receiving personnel assign a tracking number to each piece of computer equipment received. The purchase order is reviewed by the Shipping and Receiving staff to identify the funding code, which represents the TIF grant funding for the purchase. Shipping and receiving employees manually log information about the computers including the name, model and serial number.

Upon receiving the hardcopy information from the Shipping and Receiving staff through interoffice mail, the Careers and Technology Education (CATE) staff use the information to complete the TIF project inventory list. The staff prepares a report for the director of CATE that identifies the computer assets acquired. CATE employees are involved in this process because they are responsible for writing, securing and managing TIF grants for the district. After the project inventory list is completed, either of the two Technology Department staffunpicks the machines and installs them at the respective schools. Adopting a consistent approach ensures the district knows the location of computer assets.

**COMMENDATION**

**HISD has an effective system for recording and tracking computer assets acquired with Telecommunications Infrastructure Fund grants.**

## **FINDING**

The district's technology planning is inadequate to achieve the administration's stated goals. The district has a five-year technology plan, which was created by the current CATE director. The plan is not dated, but includes a series of goals and related action steps with timelines and dates. March 2001 is the earliest start date for an action step, and the latest date for completing an action step is June 2006. To date, many of the action steps described in the plan have not been acted on or completed. For example, the plan calls for establishing guidelines for maintenance and replacement of equipment, for reviewing purchases of software and licenses and for automating school libraries. None of these actions have been accomplished to date.

The plan has no method for determining if an action step was completed or the status of the action step. There is also no mechanism for monitoring performance or enforcing accountability. This plan has primarily been a tool to help the district to secure federal funding through various grants for new hardware and educational software services. There is no single person responsible for the technology process and monitoring performance to gauge how action steps are being implemented. In short, the district's five-year technology plan is inadequate as a planning tool to implement new technology.

The existing five-year technology plan is primarily used to secure new funding, but it is not integrated with Campus Improvement Plans (CIP) for 2001-02. For example, the plan calls for the district to replace computer hardware every three years. Based on interviews with school principals, however, there are plans in the CIP to implement new computers and software programs above and beyond activities listed in the technology plan. Also, "portable" classrooms will be used that will require upgrading for Internet connectivity to accommodate the additional students that will attend Stewart Elementary starting in 2002-03.

In effective strategic planning for technology, districts devise a technology plan that identifies five long-range goals: 1) expanding the infrastructure, hardware and software within the schools; 2) developing the district staff's technology skills; 3) integrating technology into teaching and learning in all areas of the curriculum; and 4) building community, citizen, business and parent support of technology within the school district and 5) addressing funding issues. As a result, planning goals link to District Improvement Plans (DIPs) and CIPs. By linking the technology implementation strategies to DIPs and CIPs, a consistent approach is created to measure performance and establish accountability. A district's technology plan often identifies specific objectives, timelines and budgets for meeting each of these five long-range goals.

**Recommendation 57:**

**Revise the technology plan to contain quantifiable goals and ensure consistency with the district and campus improvement plans.**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The director of Technology revises the technology plan after consulting with key stakeholders in the district and coordinating provisions included in the district and campus improvement plans.	October 2002
2.	The director of Technology submits the revised technology plan to the superintendent and board for review and incorporates feedback and suggestions into the planning process.	November 2002
3.	The superintendent and board approve the revised technology plan, and the director of Technology communicates the approved technology plan to key stakeholders within the district.	November 2002
4.	The director of Technology works with the director of Career and Technology Education to identify funding sources consistent with the needs as set forth in the plan.	December 2002
5.	The director of Technology conducts an assessment of technology in the district to determine if the plan is being carried out, prepares a report and shares the report with the superintendent and board.	May 2003
6.	The director of Technology makes necessary changes to the technology plan and the technology program in the district every year.	August 2003 and Annually

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD does not have documented policies and procedures or standards for purchasing technology software. According to the director of Technology, this area has not been a priority. There is an informal process in place in which the user submits a purchase request to the school principal. The school principal then contacts the director of Technology, who reviews the purchase for pricing, compatibility and to determine if the proposed purchase strategically fits the direction in which the district is going.

The lack of documented policies and procedures for software purchases makes it difficult for the district to train new staff, make systematic and consistent upgrades to newer versions of software. District officials also do not know where software is located, how many licenses exist and if those licenses are legitimate software licenses and not illegally copied software. Without documented policies and procedures computer virus problems will continue to be a significant problem at HISD.

**Recommendation 58:**

**Document policies and procedures for technology software purchases and the standards for computer software.**

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The director of Technology assesses principals' and teachers' educational plans, which may include potential software purchases.	September 2002
2.	The director of Technology prepares written policies and procedures to procure software.	September - October 2002
3.	The director of Technology presents findings and recommendations on policies and procedures to TelCom for review and discussion.	October 2002
4.	The director of Technology incorporates feedback from TelCom into policies and procedures, for software acquisitions.	November 2002
5.	The director of Technology submits the software standards plan to the TelCom for approval.	December 2002
6.	The superintendent approves the standards and provides a copy to all district staff.	December 2002
7.	The director of Technology conducts follow-up consultations with district staff to ensure procedures are followed.	February 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

Of HISD's 333 instructional computers (**Exhibit 6-2**), 320, or 96 percent have insufficient processing power and memory to operate most

educational software programs. **Exhibit 6-2** shows a favorable ratio of computers to students, with an HISD average of one computer for nearly every four students. In 1998, the Texas Association of School Administrators surveyed school districts and found that of the districts surveyed, most have a computer to student ratio of one computer for every five students. The results of the survey are shown in **Exhibit 6-3**. HISD compares favorably to those districts surveyed.

However, the memory and processing speeds of the district's computers are inadequate for running demanding software programs or even general use. Available documentation obtained by the review team shows the majority of computers in HISD have six to nine gigabyte (GB) hard drives. Gigabytes represent how much space is used to operate computer programs.

**Exhibit 6-2**  
**Number of HISD Computers for Instructional Use**

District	Number of Computers for Instructional Use	FY 2001-02 Enrollment	Ratio of Computers to Students
Stewart Elementary	115	266	1:2.3
Northside Elementary	57	273	1:4.8
Crosby Middle	*70	252	1:3.6
Hitchcock High	91	332	1:3.6
<b>Total</b>	<b>333</b>	<b>1,123</b>	<b>1:3.4</b>

*Source: HISD computer inventory sheets; ratios are rounded downward.  
\*This number excludes the computers that are not in use due to electrical limitations.*

**Exhibit 6-3**  
**School District Survey of the Number of Computers for Instructional Use**

	Number of Districts Surveyed	1:1	1:3	1:5	1:10	Higher Ratio than 1:10
Elementary	509	0.2%	7.3%	23.8%	22.8%	46.0%

Middle	483	0.6%	9.7%	25.5%	24.6%	39.5%
High	499	0.4%	12.6%	31.7%	25.7%	29.6%
One-campus ISD	137	2.9%	27.7%	32.1%	21.9%	15.3%

*Source: Texas Association of School Administrators Survey, November 23, 1998.*

According to the director of Technology, the standard hard drive for educational computers is 20-40 GB. With PCs that have six to nine GB, students are using machines that start and operate very slowly when multiple programs are used. These slow performing computers do not contribute to productive learning experiences for students and teachers.

Some districts that are implementing technology have identified high school students who are also high aptitude computer users with an interest in technology to be volunteers to physically remove, install and test the computers. Such programs give practical experience to those who might be considering technology as a career and instills a sense of pride and accomplishment in the students.

**Recommendation 59:**

**Develop a comprehensive computer replacement program.**

HISD should lease 320 computers, with 25 percent of the total, or 80 computers, leased each year.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The director of Technology develops a plan for replacing district computers and submits to the superintendent for approval.	September 2002
2.	The superintendent submits plan to the board for approval.	October 2002
3.	The director of Technology develops and presents bidding specifications to the Accounts Payable/Purchasing supervisor for competitive bidding.	November 2002
4.	The director of Technology receives the new computers and coordinates their installation.	January 2003
5.	The director of Technology prepares a purchase request for the annual replacement of computers.	July 2003 and annually thereafter

## **FISCAL IMPACT**

HISD should replace 80 computers each year (25 percent x 320 computers). The fiscal impact is based on leasing each computer for \$408 per year (\$34 per month x 12 months.) The annual cost of leasing 80 computers is \$32,640 (80 computers x \$408 lease cost per computer). The fiscal impact reflects that after the first year, each year thereafter will be adding the additional cost of leasing another group of 80 computers, in addition to those already leased in prior years.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a comprehensive computer replacement program.	(\$32,640)	(\$65,280)	(\$97,920)	(\$130,560)	(\$130,560)

# Chapter 6

## OPERATIONS

### **B. Transportation**

The Texas Education Code (TEC) authorizes, but does not require, each Texas school district to provide transportation between home and school, from school to career and technology training locations, for cocurricular activities and for extracurricular activities. The Federal Individuals with Disabilities Education Act (IDEA) requires a school district to provide transportation for students with disabilities if the district provides transportation for the general student population or if disabled students require transportation to receive special education.

The TEC states that a school district is eligible to receive state funding for transporting regular and special program students between home and school, and career and technology students to and from vocational training locations. TEA sets the funding rules. Local funds must pay for transportation costs that the state does not cover.

For the regular program, TEA reimburses a local district for qualifying transportation expenses according to a prescribed formula. This funding formula is based on linear density, which is the ratio of the average number of regular program students transported daily to the number of miles operated daily for those students. TEA uses this ratio to assign each school district to one of seven groups, with each group receiving a different per-mile reimbursement. TEA reevaluates group assignments once each biennium, for example, in years 2001, 2003, 2005 and so on. To assign groups and funding for the next biennium, TEA calculates linear density using operations data from the first school year of the previous biennium.

During the 2000-01, TEA classified HISD in linear density group 5, which received a reimbursement of \$1.11 a mile for regular program transportation compared to the actual cost of \$2.57 a mile in 2000-01. State funding for regular program transportation is limited to transportation for students who live two or more miles from the school they attend. The state does not fund transportation for regular program students living within two miles of their school unless the students face hazardous walking conditions on the way to school.

All transportation to and from school for special education programs, except certain field trips, is eligible for state reimbursement. The Texas Legislature set a rate of \$1.08 a mile for reimbursement for special

education program transportation. HISD had an actual cost of \$3.07 a mile for special education program transportation in 2000-01.

Co-curricular trips take students to activities that are considered part of the student's required curriculum and usually take place during school hours. Extracurricular transportation takes students to events occurring during and after school and on weekends. Extracurricular transportation consists largely of transportation to and from athletic events. No state funding is provided for extracurricular transportation.

Each school district is responsible for the capital cost of purchasing school buses. Districts may purchase school buses through the Texas Building and Procurement Commission (TBPC) under a state contract. Districts may also choose a lease-purchase method to obtain buses.

The TEA School Transportation Operations Reports for 1998-99 through 2000-01 provide a three-year history of the district's transportation service's cost and mileage. These reports are intended to track all costs and mileage related to transportation, including services not funded by the state. The TEA School Transportation Route Services Report provides ridership information for state-funded routes only.

**Exhibit 6-4** shows the reported results of a trend analysis of HISD's transportation services. Between 1998-99 and 2000-01, total costs decreased by 16 percent, total miles decreased by 13 percent, and total ridership increased by 21 percent. For the regular program, costs decreased 17 percent, miles decreased by 12 percent, and ridership increased by 24 percent. For the special program, costs decreased 6 percent, miles decreased by 28 percent, and ridership decreased by 50 percent. Special program miles, costs and ridership decreased primarily because HISD's average daily ridership in 1998-99 included 11 additional riders in its special transportation program, while in 1999-2000 and 2000-01, those riders were excluded. The information included here represents how the data was reported to TEA in the transportation operations reports and transportation route services reports.

**Exhibit 6-4**  
**HISD Regular and Special Program Transportation Total Costs,**  
**Annual Miles and Annual Riders**  
**1998-99 through 2000-01**

Item	1998-99	1999-2000	2000-01	Percent Change 1998-99 to 2000-01

<b>Total Operating and Capital Costs</b>				
Regular Program	\$299,375	\$285,178	\$248,840	(17%)
Special Program	\$27,103	\$25,726	\$25,491	(6%)
<b>Total</b>	<b>\$326,478</b>	<b>\$310,904</b>	<b>\$274,331</b>	<b>(16%)</b>
<b>Annual Miles</b>				
Regular Program	109,655	100,832	96,947	(12%)
Special Program	11,574	8,760	8,299	(28%)
<b>Total</b>	<b>121,229</b>	<b>109,592</b>	<b>105,246</b>	<b>(13%)</b>
<b>Annual Riders</b>				
Regular Program	108,360	97,020	134,280	24%
Special Program	3,960	1,980	1,980	(50%)
<b>Total</b>	<b>112,320</b>	<b>99,000</b>	<b>136,260</b>	<b>21%</b>

*Source: Operating and Capital Costs from TEA School Transportation Operations Reports for the period indicated. Annual miles and daily riders from TEA School Transportation Route Services Report for the period indicated. Daily riders multiplied by 180 days to estimate annual riders.*

**Exhibit 6-5** shows the performance change from 1998-99 through 2000-01. Cost per mile decreased 3 percent and cost per rider decreased 31 percent. The cumulative decreases in cost per mile and cost per rider reflect disproportionate decreases in regular program costs compared to significant increases in annual riders for the regular program.

**Exhibit 6-5  
Cost and Ridership Performance Measures  
1998-99 through 2000-01**

<b>Item</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Percent Change 1998-99 to 2000-01</b>
<b>Cost per Mile</b>				
Regular Program	\$2.73	\$2.82	\$2.56	(6%)

Special Program	\$2.34	\$2.93	\$3.07	31%
<b>Total</b>	<b>\$2.69</b>	<b>\$2.83</b>	<b>\$2.61</b>	<b>(3%)</b>
<b>Cost per Rider</b>				
Regular Program	\$2.76	\$2.94	\$1.85	(33%)
Special Program	\$6.84	\$12.99	\$12.87	88%
<b>Total</b>	<b>\$2.91</b>	<b>\$3.14</b>	<b>\$2.01</b>	<b>(31%)</b>

*Sources: Derived from Exhibit 6-4.*

HISD receives state funding for two categories of services: first, regular program transportation, which is regular service for students who live two or more miles from school and hazardous walking areas, and second, special education transportation. **Exhibit 6-6** shows the level of state funding. Total state funding decreased by 21 percent between 1998-99 and 2000-01.

**Exhibit 6-6**  
**HISD State Funding**  
**1998-99 through 2000-01**

<b>Funding</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Percent Change 1998-99 to 2000-01</b>
Two-Mile Regular Program/Hazardous Areas	\$84,206	\$85,836	\$68,182	(19%)
Special Program	\$12,944	\$8,748	\$8,748	(32%)
<b>Total</b>	<b>\$97,150</b>	<b>\$94,584</b>	<b>\$76,930</b>	<b>(21%)</b>

*Source: TEA, School Transportation Route Services Reports, 1998-99 through 2000-01.*

The previous superintendent monitored transportation services until the appointment of the new superintendent in July 2001. The new superintendent assigned transportation services to the chief financial officer; however, the superintendent continued to work with principals, parents, drivers and supervisors on day-to-day concerns and special schedules. Beginning May 1, 2002, the chief financial officer is primarily responsible for monitoring all pupil transportation services.

Beginning in 1991-92, HISD contracted its entire transportation operation to Durham School Services (Durham), an outside transportation services provider; thus, eliminating salaries and benefits, supplies and materials and other operating expenses required to operate a transportation program. Under the terms of the agreement, HISD continues to own its bus fleet and is required to purchase additional buses, when needed. Durham provides regular and special education transportation, including extracurricular transportation. Durham initially won the contract in 1991-92 through a competitive selection process. The board renewed the contract in July 1999, for a five-year term that expires July 2004.

Durham has a director of Transportation for HISD who is also responsible for managing La Marque ISD's transportation operations. The director of Transportation is paid by the contractor and provides management and supervision for HISD's day-to-day transportation operations. The director works closely with the chief financial officer to ensure the overall quality and timeliness of pupil transportation services. In addition, the director of Transportation is responsible for preparing the TEA School Transportation Operation Report and School Transportation Route Services Report, which are submitted annually to TEA.

## **FINDING**

The cost of transportation service provided by HISD's transportation contractor has continued to increase over the term of the contract. On July 16, 1999, the board approved a new five-year agreement with Durham that runs through July 15, 2004, with the option to renew for an additional five-year term upon expiration of the current contract, with "such modifications as are mutually acceptable to the parties." Under the provisions of the agreement, the contractor is to "provide pupil transportation either within or without the district, on any day or days, during the term of the agreement." This provision includes home-to-school and school-to-home transportation for both regular and special education routes and other transportation, which includes extracurricular events and field trips. Durham is responsible for providing bus drivers, using HISD's bus fleet or its own fleet, liability and workers' compensation insurance, bus driver training and maintenance on all transportation vehicles. HISD pays Durham monthly based on rates that take into consideration bus capacity, hours driven and miles driven for regular, special and other transportation routes.

HISD has approved two addenda-one on June 14, 2000 for 2000-01, and a second on June 12, 2001 for 2001-02-under the current contract based provisions in the July 16, 1999 agreement allowing annual price increases based on the Houston-Galveston Consumer Price Index. The board



More passengers								
<b>Bus Capacity</b>	<b>Rates for "Other Transportation" Using Buses Regularly Assigned to Morning and Afternoon Home to School Transportation Services</b>							
	<b>Rate per Bus Hour</b>				<b>Rate per Bus Mile</b>			
	<b>1999-2000</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Percent Increase 1999-2000 to 2001-02</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Percent Increase 1999-2000 to 2001-02</b>
01 - 20 Passengers	N/A	\$16.71	\$17.44	100.0%	N/A	\$0.42	\$0.44	100.0%
21 - 47 Passengers	\$16.10	\$16.71	\$17.44	8.3%	\$0.40	\$0.42	\$0.44	10.0%
48 - 72 Passengers	\$16.10	\$16.71	\$17.44	8.3%	\$0.40	\$0.42	\$0.44	10.0%

*Source: Durham School Services Agreement, July 16, 1999; Addendum One, June 14, 2000; and Addendum Two, June 12, 2001.*

Over the past three years, Durham has increased its rates by about 8 percent for each category of service. This cumulative increase is the result of increases in the Houston-Galveston Consumer Price Index, All Urban Consumers (HCPI) of 3.8 percent for 2000-01 rates and 4.4 percent for 2001-02 rates.

**Exhibit 6-8** compares HISD's cost statistics for the regular and special transportation programs to selected peer districts for 2000-01 to determine if the rates paid for contract transportation services to an outside provider compare favorably or unfavorably.

**Exhibit 6-8  
HISD and Peer District Cost Statistics  
2000-01**

<b>Peer District</b>	<b>REGULAR PROGRAM</b>		<b>SPECIAL PROGRAM</b>	
	<b>Cost/Mile</b>	<b>Cost/Rider</b>	<b>Cost/Mile</b>	<b>Cost/Rider</b>
	<b>2000-01</b>	<b>2000-01</b>	<b>2000-01</b>	<b>2000-01</b>

Anahuac	\$1.83	\$2.28	\$2.12	\$164.78
Boling	\$1.94	\$3.93	\$1.64	\$19.09
East Chambers	\$2.88	\$3.25	\$2.35	\$28.73
Hempstead	\$2.64	\$3.60	\$.52	\$9.22
La Marque (A)	\$3.78	\$3.28	\$3.77	\$12.55
Royal	\$1.85	\$1.85	\$1.26	\$17.83
<b>Weighted Peer Avg. (With La Marque)</b>	<b>\$2.48</b>	<b>\$2.86</b>	<b>\$1.73</b>	<b>\$15.91</b>
<b>HISD</b>	<b>\$2.57</b>	<b>\$1.85</b>	<b>\$3.07</b>	<b>\$12.87</b>
Percent Difference From Average (With La Marque)	4%	(55%)	77%	(24%)
<b>Weighted Peer Avg. (Without La Marque)</b>	<b>\$2.14</b>	<b>\$2.70</b>	<b>\$1.27</b>	<b>\$19.32</b>
<b>HISD</b>	<b>\$2.57</b>	<b>\$1.85</b>	<b>\$3.07</b>	<b>\$12.87</b>
Percent Difference From Average (Without La Marque)	20%	(46%)	142%	(50%)

*Source: Calculated from TEA School Transportation Operation Report and TEA School Transportation Route Services Report for 2000-01. (A) La Marque ISD contracts its pupil transportation to Durham Transportation as well. Accordingly, this exhibit compares weighted peer averages to HISD with and without La Marque ISD included in the weighted average calculation.*

**Exhibit 6-8** shows that, after contracting its transportation operation to Durham, HISD operated its regular and special education transportation programs at a considerably higher cost per mile than the weighted peer district averages for 2000-01 when La Marque ISD's cost statistics are excluded from the weighted peer average calculation. La Marque ISD is excluded from the weighted peer average calculation because the district also contracts its transportation operations to Durham Transportation.

Although the percent differences from the weighted peer average yield a lower cost per mile when La Marque ISD is included in the weighted peer

average calculation, HISD still operated its regular and special transportation programs at a higher cost per mile than weighted peer district averages for 2000-01.

HISD's superintendent engaged the Regional Education Service Center IV (Region 4) to conduct a performance review of its transportation operations. In April 2002, Region 4 issued a "Working Copy" of its *Performance Review of Maintenance, Grounds, Operations (Custodial), Warehouse (Supply Center) and Transportation*. Region 4 reviewers found that "contractor expenditures are significantly higher than comparable district expenditures for the same service. The district should be averaging approximately \$275,000 for the same service projected to cost \$330,000 from the current contractor." Accordingly, Region 4 reviewers recommended that HISD "evaluate the feasibility of returning to a district-operated transportation service."

HISD's agreement with Durham Transportation includes no performance measures to which rate increases are tied and no provisions for monitoring performance. Consequently, the district has not effectively managed its transportation contractor for the duration of the agreement. The agreement ties annual rate adjustments to the percent increase change in the HCPI. More specifically, the contract language states: "On July 16 in each agreement year the rates will be adjusted upward by an amount equal to the rates in effect for the agreement year ending on July 15 of each year multiplied by the percentage increase change, if any, in the HCPI for the 12-month period ending February 28/29 of that year. In no event will the adjusted rates be less than the rates for the immediately preceding year."

Additionally, one administrator told TSPR: "the Durham contract is a one-way street; we merely brought them in and turned over the keys." For example, Durham typically evaluates and re-trains its bus drivers annually using an "Overall Driver Performance Evaluation" instrument for each pupil transportation contract the company administers. Although Durham maintains formal records of driver performance evaluations, HISD had no record of Durham's evaluations in its files. Because the current contract contains no benchmarks or performance measures, HISD administrators rely solely on representations from the contractor and Durham's annual survey of parents of riders to determine if the contract is cost-effective.

The process of reporting student transportation data to TEA is another example of HISD's hands-off approach to monitoring Durham. Each year, Durham prepares HISD's Transportation Route Services Report and Transportation Operations Report, reporting cost data from invoices the company submits to HISD and average daily ridership data from TEA Student Count Sheets, and submits the reports directly to TEA on behalf

of the district. HISD officials do not review the reports before Durham submits them to TEA. Consequently, the relationship between cost and ridership data included in the district's Transportation Route Services and Transportation Operations Reports summarized in **Exhibit 6-4**, is inconsistent between years and reflects an inverse relationship between operating costs, annual miles and annual ridership between 1998-99 and 2000-01.

For example, **Exhibit 6-4** shows that total operating and capital costs decreased 16 percent between 1998-99 and 2000-01 and annual miles decreased 13 percent between 1998-99 and 2000-01, while annual riders increased 21 percent during the same period. Logically, an increase in annual riders yields increases in both operating costs and annual miles. The inconsistencies in reporting to TEA over the past three years increase HISD's risks of overstating its costs, miles and ridership in a given year, thereby potentially affecting its linear density grouping and TEA transportation allotments per mile.

School districts throughout the United States often use performance measures to monitor outside contractors that provide pupil transportation services. These districts typically establish predetermined benchmarks and performance expectations during contract negotiations to be included in the contract language. Accordingly, many districts link increases in compensation over the term of the contract to how the contractor actually performs when compared to these measures. Transportation performance measures typically include on-time bus performance, the number of annual breakdowns and the number of complaints related to bus driver courtesy.

#### **Recommendation 60:**

**Renegotiate the district's transportation agreement to include provisions for monitoring performance and controlling costs, and link such provisions to compensation.**

HISD should renegotiate the existing transportation agreement to include provisions for monitoring performance and controlling costs. This change will require the district to critically evaluate the service levels provided by the existing contractor and associated costs. Once the district evaluates the contractor's service levels and associated costs, it should develop and include incentive clauses that encourage the contractor to find ways to reduce costs while maintaining high-quality services.

Additionally, HISD should include performance-based incentives to ensure that annual rate increases are based on performance compared to predetermined benchmarks agreed to by both parties.

District administrators should also implement a formal program to monitor and track the performance of the transportation contractor against the predetermined benchmarks rather than rely on annual representations about performance and service levels from the contractor. The contractor, at a minimum, should be required to regularly provide statistics on accidents and safety, late pick-up and delivery times, absenteeism and a log of complaints about service quality.

If renegotiation fails, HISD should re-bid the transportation function when the contract comes up for renewal in 2004 and negotiate performance-based contracts with the successful vendor to ensure that annual rate increases are based on performance benchmarks.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer reviews the existing transportation agreement and the performance review report conducted by Region 4.	September 2002
2.	The chief financial officer reviews existing service levels and asks the contractor to renegotiate the transportation agreement.	October - December 2002
3.	The chief financial officer enters into negotiations with the contractor and ensures incentive clauses are included in the transportation agreement.	January 2003
4.	The chief financial officer presents the renegotiated agreement to the superintendent.	March 2003
5.	The superintendent approves the renegotiated agreement and presents it to the board.	April 2003
6.	The board approves the superintendent's recommendation.	April 2003

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD does not have a fleet replacement schedule for its school buses. The district provides buses for Durham to operate and maintain, but its existing fleet is aging. **Exhibit 6-9** summarizes HISD's bus fleet.

**Exhibit 6-9  
HISD Bus Fleet  
Inventory As Of January 2002**

<b>Bus Route No.</b>	<b>Durham No.</b>	<b>Model</b>	<b>Model Year</b>	<b>Age</b>	<b>Miles</b>
1	71646	INT-Thomas	1991	11	131,405
2	71640	INT-Thomas	1991	11	162,128
3	71777	INT-Thomas	1987	15	136,579
4	71778	INT-Thomas	1987	15	129,252
6	71780	INT-Thomas	1987	15	144,247
7	71920	INT-Thomas	1993	9	99,073
8	711269	INT-Thomas	1995	7	101,934
9	711723	INT-Thomas	1999	3	37,729
10	711722	INT-Thomas	1999	3	29,649
11	WC415*	Ford-Thomas	1985	17	76,648
12	71782*	INT-Thomas	1985	17	111,499
15	71784*	INT-Thomas	1984	18	128,397
20	WC414	GMC-Ward	1990	12	99,625
<b>Total/Averages</b>	<b>13</b>			<b>11.8</b>	<b>106,782</b>

*Source: Durham School Services memo to Dr. Ruth Kane from Barbara King, General Manager, October 19, 2001.*

*\* Denotes spare buses.*

**Exhibit 6-9** shows that Durham operates 13 HISD buses with an average age of 11.8 years and an average 106,782 miles of service. Six of the 13 buses are 15 years or older. According to Region 4's performance review, HISD's average bus fleet age is comparable to the state average of over 10 years per fleet, for which the report commends the district. However, the report also found that the fleet had three buses that were 17 years or older, and manufacturers are not required to keep parts for vehicles over 18 years old. Therefore, Region 4 recommended the district consider retiring vehicles 17 years or older as soon as possible.

**Exhibits 6-10** and **6-11** compare the age of HISD's regular bus fleet to peer districts for 2000-01. The age of HISD's fleet during 2000-01 for regular routes is greater than the peer average, with almost 60 percent of

its buses more than 10 years old. The special bus fleet shows the effect of HISD's recent bus purchases, with 100 percent of the special education bus fleet between one and five years old.

**Exhibit 6-10**  
**Regular Bus Age Distribution for HISD and Peer Districts**  
**2000-01**

Peer District	Percent of Fleet 1 to 5 Years	Percent of Fleet 5 to 10 Years	Percent of Fleet Over 10 Years
Anahuac	26%	37%	37%
Boling	20%	40%	40%
East Chambers	6%	53%	41%
Hempstead	20%	20%	60%
La Marque	7%	53%	40%
Royal	38%	19%	43%
Peer Average	19.5%	37%	43.5%
<b>Hitchcock</b>	<b>0%</b>	<b>42%</b>	<b>58%</b>
Difference From Peer Average	(100%)	+5%	+14.5%

*Source: TEA, School Transportation Operations Report, 2000-01.*

**Exhibit 6-11**  
**Special Bus Age Distribution for HISD and Peer Districts**  
**2000-01**

Peer District	Percent of Fleet 1 to 5 Years	Percent of Fleet 5 to 10 Years	Percent of Fleet Over 10 Years
Anahuac	0%	100%	0%
Boling	33%	33%	34%
East Chambers	0%	0%	100%
Hempstead	50%	50%	0%
La Marque	0%	0%	0%
Royal	60%	0%	40%

Peer Average	24%	31%	29%
<b>Hitchcock</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Difference From Peer Average	76%	(100%)	(100%)

*Source: TEA School Transportation Operations Report, 2000-01.*

The contractor's director of Transportation told TSPR that because of the age of HISD's bus fleet, the contractor consistently provides spare, contractor-owned buses from its La Marque ISD location when HISD's buses are not available. TSPR observed three contractor-owned buses during the visit to the transportation facility, which supported the contractor's position that HISD does not have sufficient spare buses to operate its routes when buses are out of service.

HISD's transportation contract, dated June 12, 2001, details the daily rates for use of one bus for four hours for "daily home-to-school and special education transportation service, both traditional and extended year, using contractor-supplied buses." The daily rate per bus with a capacity of 21-47 riders is \$148.59 and with a capacity of 48-72 riders is \$160.72. Assuming Durham could provide HISD with three additional buses per year, the incremental cost to HISD would range from \$80,239 (180 days x \$148.59 per day x 3 buses) to \$86,789 (180 days x \$160.72 per day x 3 buses) per year, for an average of \$26,746 to \$28,930 per bus.

According to a school bus sales representative, basic school buses that comply with TEA specifications cost approximately \$47,553 per bus.

The contract also details the daily rates for use of one bus for four hours for "daily home-to-school and special education transportation service, both traditional and extended year, using district-supplied buses." The daily rate per bus with a capacity of 21-47 riders or a capacity of 48-72 riders is \$137.96. If HISD incurs capital costs to replace school buses, the district must also pay the contractor to operate these buses based on the daily rates included in Schedule 1, A.

**Exhibit 6-12** presents a comparison of HISD's cumulative cost to replace school buses to the cost of contractor-supplied school buses over five years based on the age of its bus fleet shown in **Exhibit 6-9**.

**Exhibit 6-12**  
**Comparison of HISD's Costs to Supply Buses to**  
**Contractor's Costs to Supply and Operate Buses**  
**2002-03 through 2006-07**

Cost Variable	School Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	Total
<b>Number of Buses to be Replaced</b>	3	3	2	2	1	11
<b>HISD Costs to Purchase Buses</b>						
HISD capital cost (A)	\$142,659	\$142,659	\$95,106	\$95,106	\$47,553	\$523,083
HISD payments to Durham (B)	74,498	74,498	49,666	49,666	24,833	273,161
<b>Total HISD Cost to Purchase</b>	<b>\$217,157</b>	<b>\$217,157</b>	<b>\$144,772</b>	<b>\$144,772</b>	<b>\$72,386</b>	<b>\$796,244</b>
<b>Cost for Durham-Supplied Buses</b>						
Cost per Agreement ( C )	\$86,789	\$86,789	\$57,860	\$57,860	\$28,930	\$318,228
Cumulative costs, 2003-04 to '07	-	86,789	86,789	57,860	57,860	289,298
Cumulative costs, 2004-05 to '07			86,789	86,789	57,860	231,438
Cumulative costs, 2005-06 to '07				86,789	86,789	173,578
Cumulative costs through 2006-07					86,789	86,789
<b>Total Cost for Durham-Supplied</b>	<b>\$86,789</b>	<b>\$173,578</b>	<b>\$231,438</b>	<b>\$289,298</b>	<b>\$318,228</b>	<b>\$1,099,331</b>

<b>Net Savings/(Cost) to HISD</b>	<b>(\$130,368)</b>	<b>(\$43,579)</b>	<b>\$86,666</b>	<b>\$144,526</b>	<b>\$245,842</b>	<b>\$303,087</b>
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*Source: Transportation Agreement Between HISD and Durham Transportation, Addendum Number 2, June 12, 2001. Number of buses to be replaced calculated from **Exhibit 6-9**.*

*(A) HISD capital cost calculated by multiplying the number of buses to be replaced by \$47,553.*

*( (B) HISD payments to Durham calculated by multiplying the daily rate per district-supplied bus from Addendum Number 2 (\$137.96) times the number of buses, times 180 days.*

*( (C) Cost per Agreement calculated by multiplying the daily rate per Durham-supplied bus from Addendum Number 2 (\$160.72) times the number of buses, times 180 days.*

**Recommendation 61:**

**Develop a fleet replacement schedule to be included in the district's capital budget.**

HISD should adopt a policy to replace buses after 10 years of service and establish a fleet replacement procurement plan to replace all buses more than 10 years old based on a "rolling" five-year capital budget for fleet purchases. A regular program to purchase new buses will smooth out the district's capital budget and avoid sudden changes in the age or mix of vehicles in the fleet.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	The chief financial officer develops a multi-year bus procurement plan that replaces all buses over 10 years old each year.	January 2003
2.	The superintendent and board adopt the long-term procurement plan with replacements of buses over 10 years old each year.	February 2003

3.	The board adopts a five-year budget for bus purchase and replacement.	August 2003
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**FISCAL IMPACT**

Based on the age of HISD's bus fleet shown in **Exhibit 6-9**, the district should replace three buses in 2002-03 ( $\$47,553 \times 3 = \$142,659$ ), three buses in 2003-04 ( $47,553 \times 3 = 142,659$ ), two buses in 2004-05 ( $47,553 \times 2 = \$95,106$ ) and 2005-06 ( $\$47,553 \times 2 = \$95,106$ ) and one bus in 2006-07 ( $\$47,553$ ).

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a fleet replacement schedule to be included in the district's capital budget.	(\$142,659)	(\$142,659)	(\$95,106)	(\$95,106)	(\$47,553)

# Chapter 6

## OPERATIONS

### C. Food Services

The United States Congress directed the National School Lunch Program in 1946 to "safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritional agricultural products."

Effective school food service programs strive to provide students affordable, appealing and nutritionally balanced breakfasts and lunches. Food service funding sources include:

- student and adult meal payments;
- federal reimbursements for all qualifying students who eat school meals (reimbursement rates vary for those who receive free meals or who purchase reduced-price or full-price meals);
- a la carte sales of food items; and
- fees from special functions catered by the food services operation.

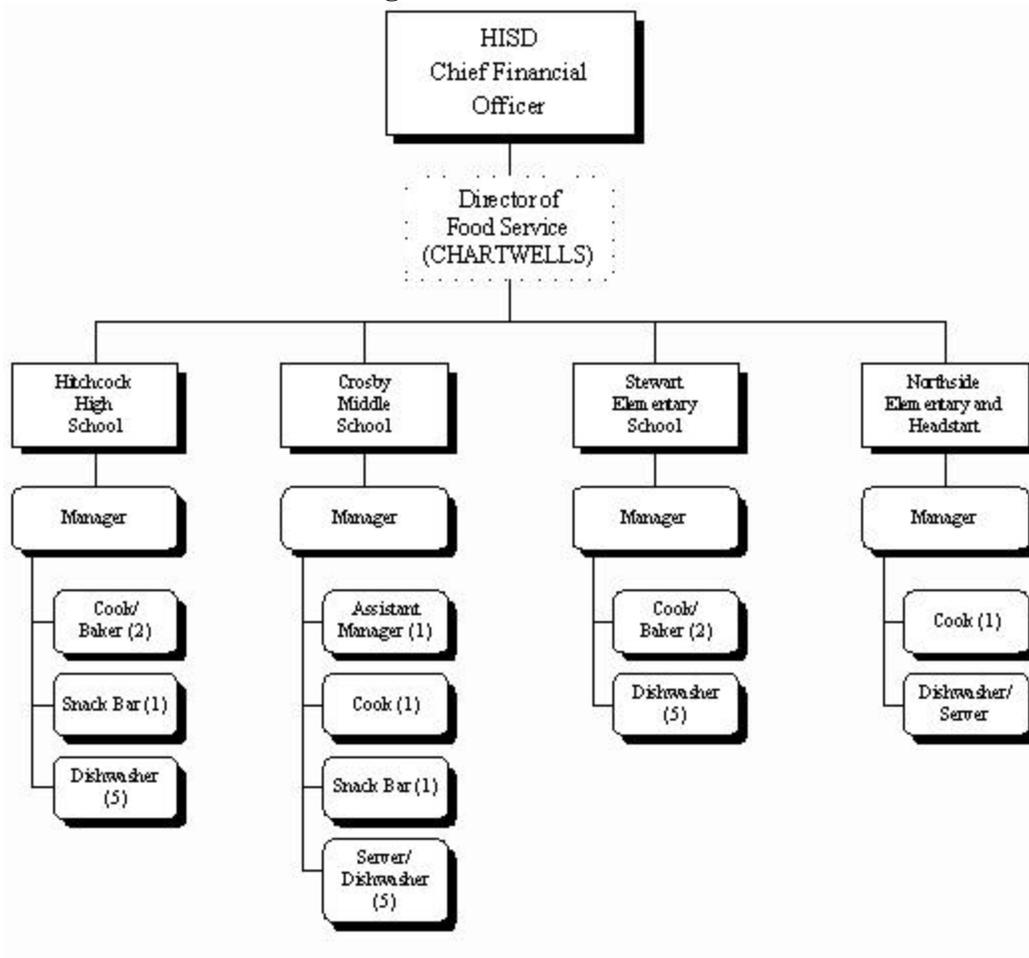
The Texas School Food Services Association (TSFSA) has identified 10 standards of excellence for evaluating school food service programs. The standards state that effective programs should:

- identify and meet current and future needs through organization, planning, direction and control;
- maintain financial accountability through established procedures;
- meet the nutritional needs of students and promote the development of sound nutritional practices;
- ensure that procurement practices meet established standards;
- provide appetizing, nutritious meals through effective, efficient systems management;
- maintain a safe and sanitary environment;
- Encourage student participation in food service programs;
- provide an environment that enhances employee productivity, growth, development and morale;
- promote a positive image to the public; and
- measure success in fulfilling regulatory requirements.

HISD's Food Service program is managed by Chartwells, a division of Compass Group USA, Inc., a privately owned food service contractor that manages food service operations for school districts. HISD's chief financial officer is responsible for overseeing the financial performance of the food service contract and submitting meal reimbursement reports to

the state. Food Service employees are hired and managed by Chartwells. **Exhibit 6-13** presents HISD's Food Service program's organization chart.

**Exhibit 6-13  
Food Service Program  
Organization Chart**



*Source: HISD's Superintendent's Office, April 2002.*

The district began to contract out its Food Service program in 1990. Chartwells took over the contract from another food service vendor in July 1999 after winning the bid. The current contract with Chartwells was an initial one-year contract for 1999-2000 that allows for four one-year renewals, provided that services are performed in an efficient and effective manner.

Chartwells' initial contract guaranteed HISD a net profit of \$50,312 from food service operations during the first year of operations. HISD's food service contract also required the district pay for all direct food costs plus a fee of \$.035 per meal served for administrative services, which includes

producing and monitoring management and financial reports and a fee of \$.035 per meal served for managing the entire food service operation. The administrative and management fee contract provisions were increased to \$.041, effective July 2001 and were based on a 1.029 percent increase in the national Consumer Price Index.

The net profit guarantee is a performance requirement of the contract and is outlined in Article X of the contract along with the provisions for administrative and management fees. **Exhibit 6-14** presents a summary of HISD and Chartwells food service contract.

**Exhibit 6-14**  
**Summary of HISD and Chartwells Food Service Contract Provisions**

<b>Section</b>	<b>Summary Content</b>
<b>Article I Purpose</b>	<ul style="list-style-type: none"> <li>• HISD granted Chartwells the contract to manage the district's food service operation, excluding snack and beverage concessions during extracurricular activities.</li> </ul>
<b>Article II</b> <i>Commencement and Termination</i>	<ul style="list-style-type: none"> <li>• The contract commenced on July 15, 1999 for the duration of one year. The agreement may be renewed for a maximum of four (4) one year renewals provided that services are performed in an effective and efficient manner.</li> <li>• Prior to March 1<sup>st</sup> of each renewal year, Chartwells must furnish HISD with pro forma and revenue and expense estimates for the next school year with its proposed guarantee for the renewal year, to be used by the district for determination of contract renewal.</li> <li>• HISD or Chartwells may terminate the contract with or without cause, by giving a 60-day notice in writing.</li> </ul>
<b>Article III Employees</b>	<ul style="list-style-type: none"> <li>• Chartwells is responsible for employees on its payroll, including recruitment, employment, promotion, payment of wages, pension, layoffs and termination.</li> <li>• Chartwells is required to provide nutrition education training to all employees.</li> </ul>
<b>Article IV Management</b>	<ul style="list-style-type: none"> <li>• Chartwells is required to provide all</li> </ul>

<p><i>Services and Special Functions</i></p>	<p>management, administrative and dietetic services required for the efficient supervision and operation of the district's food service programs.</p> <ul style="list-style-type: none"> <li>• Chartwells is required to provide food services for special functions such as administrative and student related functions as requested by the district, providing that requests are received in writing five days prior to the date of the event.</li> </ul>
<p><b>Article V</b> <i>Equipment, Facilities and Utilities</i></p>	<ul style="list-style-type: none"> <li>• HISD is required to provide at no cost to Chartwells all facilities and equipment necessary for the food service operation.</li> <li>• The facilities and equipment provided by each party for use in food service operations shall be in good condition and maintained by district.</li> <li>• HISD shall furnish, at its expense light, power, telephone and other utilities.</li> <li>• Chartwells is required to furnish any and all software that is required to generate reports in the operation of the food service program.</li> </ul>
<p><b>Article VI</b> <i>Maintenance, Repairs and Sanitation</i></p>	<ul style="list-style-type: none"> <li>• HISD must furnish all building maintenance, make repairs to the food service areas and replace, repair and maintain its equipment.</li> <li>• The district is responsible for cleaning and maintenance of cafeteria floors, windows and light fixtures and Chartwells is responsible for routine cleaning of food preparation areas, food service equipment and day-to-day operation of the food service areas.</li> </ul>
<p><b>Article VII</b> <i>Inventory</i></p>	<ul style="list-style-type: none"> <li>• HISD must furnish all food and other supplies required under the agreement. Chartwells is required to consult with the district and make recommendations with regard to purchases.</li> <li>• HISD shall purchase all food at the lowest prices possible consistent with maintaining the quality standards prescribed by the district.</li> </ul>
<p><b>Article VIII</b> <i>Menus, Food Choice Offerings and Food Specifications</i></p>	<ul style="list-style-type: none"> <li>• HISD shall develop and include in the invitation to bid or request for proposal a 21-day menu cycle.</li> <li>• HISD is required to establish an advisory board</li> </ul>

	<p>composed of parents, teachers, and students to assist in menu planning.</p> <ul style="list-style-type: none"> <li>• The district shall retain control of the quality, extent and general nature of the food service operations.</li> <li>• The district shall establish all prices, including price adjustments for food items served such as reimbursable meals, a la carte service and adult meals.</li> </ul>
<p><b>Article IX</b> <i>Accounting, Records and Audits</i></p>	<ul style="list-style-type: none"> <li>• Chartwells is required to maintain accounting records as support for the district's reimbursement.</li> <li>• HISD, TEA, U.S. Department of Agriculture, or Comptroller General of the United States or any duly authorized representative may have access to Chartwells records.</li> <li>• Chartwells must retain records to support HISD's claim of reimbursement of the daily number of meals served, by type; revenue records broken down by source, type and category of meal; a la carte sales; reduced price and full price National School Lunch Program and School Breakfast Program meals.</li> </ul>
<p><b>Article X</b> Financial Arrangements, Fee, Surplus Revenues, Purchasing and Meal Payment</p>	<ul style="list-style-type: none"> <li>• Chartwells is required to cover all operating expenses such as payroll costs, food, office supplies, insurance, marketing, paper goods, uniforms, taxes and overhead expenses such as area and zone supervision and accounting.</li> <li>• Chartwells administrative charge is \$.035 per meal served and the management fee is also \$.035 per meal served. (Administrative charge and management fee were amended to \$.041, effective July 1, 2001).</li> </ul>
<p><b>Article XI</b> <i>Commodities</i></p>	<ul style="list-style-type: none"> <li>• HISD must ensure that the maximum amount of USDA-donated foods are received and used by Chartwells.</li> </ul>

*Source: HISD's Business Office, April 2002.*

During 2000-01, the district served 114,668 breakfasts and 160,001 lunches. Typically there is a correlation between the percentage of students that are eligible for free and reduced-priced meals and participation rates because meal participation rates tend to be higher for school districts that have a higher number of students that are eligible for free and reduced-priced meals.

Compared to peer districts, HISD has the next to the highest percentage of economically disadvantaged students, and better meal participation rates for both breakfast and lunch except for one district. Hempstead ISD' lunch participation rates are higher than HISD's-74 percent compared to 68 percent-even though the percentage of economically disadvantaged students enrolled in Hempstead ISD is lower at 58 percent compared to 64 percent for HISD.

**Exhibit 6-15** compares key operating statistics for HISD's Food Service to those of its peer districts.

**Exhibit 6-15**  
**Comparison of HISD's and Peer Districts' Food Service Key**  
**Operating Statistics**  
**2000-01**

<b>Description</b>	<b>Hitchcock</b>	<b>Anahuac</b>	<b>Boling</b>	<b>East Chambers</b>	<b>Hempstead</b>	<b>La Marque</b>	<b>Royal</b>
No. of Schools Served	4	3	3	3	3	7	5
Food Service ADA 2000-01	1,358	1,358	984	1,123	1,311	3,962	1,421
Percentage of Students Eligible for Free/Reduced Meals	64%	44%	49%	42%	58%	46%	69%
Meals Served - Breakfast - Lunch	<b>114,668</b> <b>160,001</b>	75,751 142,153	29,909 84,338	47,384 87,246	43,677 164,123	188,655 341,191	90,357 159,812
Average Meal Participation Percent Rate	<b>49%</b> <b>68%</b>	30% 61%	18% 50%	24% 44%	20% 74%	27% 48%	36% 63%

- Breakfast							
- Lunch							

*Source: TEA, Child Nutrition Program Division and Peer District Food Service Programs.*

**Exhibit 6-16** compares HISD's meal prices to those of its peer districts. On average, HISD's prices are lower than its peers for breakfast, elementary and secondary lunch and faculty/teachers and comparable for all other adult meals served.

**Exhibit 6-16  
HISD and Peer District Meal Prices  
2000-01**

<b>Meal Type</b>	<b>Hitchcock</b>	<b>Anahuac</b>	<b>Boling</b>	<b>East Chambers</b>	<b>Hempstead</b>	<b>La Marque</b>	<b>Average without Hitchcock</b>
Breakfast	<b>\$0.80</b>	\$0.50	\$1.30	\$0.50	\$1.00	\$0.75	<b>\$0.81</b>
Lunch-Elementary	<b>\$1.45</b>	\$1.50	\$1.95	\$1.50	\$1.50	\$1.45	<b>\$1.58</b>
Lunch-Secondary	<b>\$1.60</b>	\$1.75	\$2.10	\$1.75	\$1.75	\$1.60	<b>\$1.79</b>
Faculty/Teachers	<b>\$2.25</b>	\$2.25	\$2.55	\$2.50	\$2.25	\$1.95	<b>\$2.30</b>
All Other Adults	<b>\$2.50</b>	\$2.50	\$2.60	\$2.50	\$2.25	\$2.60	<b>\$2.49</b>

*Source: HISD and Peer District Food Service Directors, May 2002.*

**FINDING**

HISD's management does not adequately monitor and oversee the Food Service program, and as a result, the district did not receive the level of profit that was guaranteed in its food service contract. During the first year of the contract, which covered 1999-2000, Chartwells guaranteed it would achieve a net profit surplus of \$50,312. Net profit surplus is defined as total revenues received less total expenses incurred for the contract period. Chartwells was unable to meet the net profit surplus guarantee, realizing a profit surplus of \$14,782. During 2000-01, Chartwells guaranteed a net profit of \$23,676 to HISD, but the food service contractor realized a loss of \$2,328. The profit surplus guarantee for 2000-01 was ultimately

reduced to \$8,883, based on negotiations between the district and Chartwells.

HISD's former superintendent delegated responsibility for monitoring the financial performance requirements in the contract to the chief financial officer. Although Chartwell's food service director held meetings in November 2001 and March 2002 with Hitchcock High School students to discuss menu items, positive attributes and potential improvements for the high school food service program; the chief financial officer informed the review team that no position at the district regularly meets with the food service contractor to discuss financial performance issues or operational issues such as food quality.

For both 1999-2000 and 2000-01, HISD's chief financial officer informed the Board of Trustees that Chartwells had not met its profitability surplus guarantee included in Article X of the contract; and, therefore, the food service contractor was required to forfeit its management fee. Upon further review of the contract, Chartwell's management informed the district that HISD had failed to meet some of its contract conditions such as maintaining targeted average daily attendance at schools, which affects the number of breakfasts and lunches served on a daily basis. The district also failed to maintain food preparation equipment, which increases the time required for food preparation. For example, in the food service contract, HISD estimated enrollment was 1,438 students for 1999-2000; however, average daily attendance was only 1,358. The contract conditions that the district did not meet contributed to Chartwell's missing its profitability targets. Because the district had failed to meet some of its food service contract requirements, the board voted to pay Chartwells a reduced percentage of its management fee.

Additionally, **Exhibit 6-17** shows that food service payroll costs were 48 percent and food and paper costs were roughly 41 percent of the operating expenditures for 2000-01. The targeted national average for these expenditures is about 40 percent each.

**Exhibit 6-17**  
**Food Service Revenue and Expenditures by Major Category**  
**1999-2000 and 2000-01**

	1999-2000		2000-01	
<b>Revenues</b>				
<b>Category</b>	<b>Actual</b>	<b>Percent</b>	<b>Actual</b>	<b>Percent</b>
Local Revenue	\$114,937	20%	\$108,071	19%
General Revenue Fund Subsidy	\$5,057	1%	\$7,259	1%

State Matching	\$6,107	1%	\$6,081	1%
Federal Revenue	\$448,269	78%	\$444,820	79%
<b>Total</b>	<b>\$574,370</b>	<b>100%</b>	<b>\$566,231</b>	<b>100%</b>
<b>Expenditures</b>				
Payroll	\$269,710	48%	\$272,895	48%
Food/Paper Cost	\$246,236	44%	\$234,689	41%
Other Expenses	\$23,522	4%	\$34,008	6%
Administrative Fees	\$11,399	2%	\$13,124	2%
Management Fees	\$11,399	2%	\$13,124	2%
<b>Total</b>	<b>\$562,266</b>	<b>100%</b>	<b>\$567,840</b>	<b>100%</b>
<b>Difference</b>	<b>\$12,104</b>		<b>(\$1,609)</b>	

Source: HISD 1999-2000 and 2000-01 Comparison of Food Service Operations Report, Chartwells.

\*Percents may not total to 100 percent due to rounding.

HISD plans to re-bid the food service contract at the end of the last contract renewal year, which is at the close of 2003-04.

School districts that have contracted food service programs have implemented performance requirements to achieve successful operations. Suggested performance measures for food service operations are outlined in **Exhibit 6-18**.

**Exhibit 6-18**  
**Suggested Performance Measures**  
**For Food Service Operations**

Category	Performance Measure
General	<ul style="list-style-type: none"> <li>• Number of meals served</li> <li>• Nutrition value of meals served</li> <li>• Revenues by source (i.e., a la carte, regular lunch, snack bars)</li> <li>• Special programs (nutrition education)</li> <li>• Meal variety and quality</li> </ul>

Safety	<ul style="list-style-type: none"> <li>• Food preparation practices</li> <li>• Condition of storage and service areas</li> <li>• Sanitary conditions and practices</li> <li>• Food quality</li> </ul>
Personnel	<ul style="list-style-type: none"> <li>• Absenteeism</li> <li>• Turnover</li> <li>• Employee training</li> </ul>
Cost Measures	<ul style="list-style-type: none"> <li>• Cost per meal</li> <li>• Utilization of donated commodities</li> <li>• Financial results</li> </ul>

*Source: Doing More with Less: Competitive Contracting for School-Support, 1999.*

**Recommendation 62:**

**Monitor and track the performance of the food service contractor, and incorporate tighter controls to ensure profitability targets are met.**

The district's goal should be to operate Food Service as a self-sustaining program. Chartwells should explore ways to lower labor and food costs. The Food Service contractor should be required to meet the established performance measures.

In addition, HISD's chief financial officer and Chartwell's food service director should meet to periodically discuss food service operations and to determine a realistic profitability target for the district, based on average daily attendance, the number of students enrolled in free and reduced-price lunch programs and the average number of students that pay for meals. Ensuring that the food service contractor meets its profitability surplus guarantee should alleviate the need for HISD to subsidize the food service program.

If the food service contractor cannot meet the agreed upon profitability guarantee by the end of 2002-03, HISD should exercise its option to re-bid the food service contract early and seek another vendor capable of operating a program that can generate income.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	HISD's chief financial officer and Chartwell's food services director establish revised profitability targets for the district and amend the contract.	September 2002
2.	The board approves the amended contract with the revised performance measures.	October 2002
3.	HISD's chief financial officer and Chartwell's food services director meet monthly to review food service contract performance measures and profitability targets.	Monthly
4.	HISD's chief financial officer recommends re-bidding the food service contract if revised financial performance targets are not met.	June 2003

### FISCAL IMPACT

Food Service operated at a deficit of \$1,609 for the 2000-01 school year. By monitoring and tracking performance measures, such as payroll or food costs, the food service contractor and the district can lower expenses and increase profitability. Conservatively, if HISD's food service contractor brought labor cost down to the industry standard of 40 percent, food service payroll cost would decrease by \$21,832 ( $\$272,895 \times 8 \text{ percent} = \$21,832$ ). Additionally, if the food service contractor worked closely with the district to reduce food costs to the industry standard of 40 percent, food expenditures would decrease by \$2,347 ( $\$234,689 \times 1 \text{ percent} = \$2,347$ ). Total savings resulting from reduced expenditures would be \$24,179 ( $\$21,832 + \$2,347$ ).

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Monitor and track the performance of the food service contractor, and incorporate tighter controls to ensure profitability targets are met.	\$24,179	\$24,179	\$24,179	\$24,179	\$24,179

### FINDING

HISD's meal participation rates are low, a contributing factor to the district's food service program deficit. **Exhibit 6-19** presents HISD's Food Service Program breakfast and lunch participation rates for 2000-01.

**Exhibit 6-19**  
**HISD Food Service**  
**Participation Rates by School**  
**2000-01**

<b>School</b>	<b>Breakfast Participation Percent</b>	<b>Lunch Participation Percent</b>
Hitchcock High School	25%	59%
Crosby Middle School	42%	87%
Northside Elementary School	65%	86%
Stewart Elementary School	75%	97%

*Source: HISD Food Services Director.*

TSPR conducted written surveys of HISD school and central administrators, teachers and students (juniors and seniors) and held a public forum at one the district's schools. Notable survey comments from parents, teachers and students were as follows:

Parents - 43 percent of the parents responding to the survey felt the food looked and tasted good, while 36 percent felt it did not.

Teachers - 56 percent of the teachers said the food did not look or taste good, and 31 percent said more discipline was needed in the cafeterias

Students - 60 percent of the students said the food did not look or taste good; 36 percent said the food is not served warm; and 62 percent said they do not have enough time to eat.

Public forum comments were as follows:

- I pay for my children's lunch. Running out of food is not an option to me.
- If the government supplies the food that is served in the cafeteria, then it should always be plentiful. There should never be a time that they run out of food by the time the last class comes through the line. When that happens, they pull out weeks old. The looks of some of this food the children eat are unfit in my opinion. This food is the only solid food some of our children get here and it looks awful.
- The food at Stewart is awful. The children on free lunch only get two items. They are still hungry. Sometimes they find hair in the food or mold on the cheese. At Crosby, by the time the last class goes through the snack bar, they ran out of food. Then they charge way too much.
- The food is of very poor quality. Menus are not balanced and portions are very scant. I believe our prison system is serving a

higher quality and quantity of food than the students receive at Stewart Elementary.

- We need better quality food.
- The cafeteria is filthy, metal around windows is rusting, floors are dirty and the building is dilapidated.

Additionally, HISD's food service contract with Chartwells requires the district establish an advisory board composed of parents, teachers and students to assist in menu planning. A committee was formed when Chartwells was awarded the food service contract in July 1999, but since that time has not been active.

The National School Lunch Program has identified the following best practices for improving meal participation.

- *Improve food quality.* Food quality should be evaluated by appearance, texture or consistency, flavor and temperature of the food when served. Food Services administration and staff should use established standards to implement formal evaluation methods and ensure that acceptable food items are served at district cafeterias. The age and ethnic background of students will be a factor in establishing quality standards and these standards may vary from school to school. Food services staff should adjust recipes and/or preparation techniques to improve the acceptability of foods when needed. Standardized recipes should be adjusted among schools to accommodate a diverse population of students. Additional training sessions could be conducted to implement standards into each cafeteria.
- *Solicit student feedback in menu planning.* Surveys, focus groups or student advisory councils could serve as mechanisms to solicit student feedback to better tailor menus to student tastes and preferences. Students should be involved in tasting and evaluating food products that are produced and served during school meal times. Scorecards can be developed for students to rate each menu item based on appearance, texture/consistency, flavor/seasoning and temperature. Students will be more likely to purchase school lunches if they are offered menus and individual choices that appeal to them.
- *Improve service quality.* The quality of service provided to students by cafeteria personnel should be evaluated, and training should be provided to enhance customer services. Field specialists should monitor the quality of service provided by cafeteria personnel at their respective schools and take corrective actions to continue to improve the quality of service provided by these personnel.

- *Educate students about proper nutrition.* Involve students and parents in developing nutrition policies that encourage healthy eating.
- *Implement marketing and promotional strategies geared to increasing participation.* This suggestion may include promotional campaigns and point-of-purchase materials similar to those used by quick-service restaurant chains.

**Recommendation 63:**

**Adopt strategies to increase breakfast and lunch participation in HISD's Food Service Program.**

Chartwells food service director and HISD's chief financial officer should work together to reactivate the district's food service advisory committee to identify ways to increase breakfast and lunch participation using the suggestions recommended by the National School Lunch Program.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	HISD's chief financial officer reactivates the Food Service Advisory Committee and Chartwells food service director facilitates the committee.	September 2002
2.	Chartwells food service director identifies strategies to increase breakfast and lunch participation rates and informs HISD's chief financial officer of the strategies.	October 2002
3.	Chartwells food service director implements the strategies and HISD's chief financial officer monitors the strategies for improvement.	November 2002 and monthly, thereafter

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

**FINDING**

HISD has not adequately planned for food service equipment repair and replacement. A tour of HISD's cafeteria facilities and interviews with school food service managers revealed that several critical pieces of equipment at three of its four schools require repair or replacement, resulting in lower productivity for food service operations. Consistently having to wait because equipment is not available increases labor time, complicates batch cooking and adds to employee frustration. Additionally, inoperable kitchen equipment results in reduced food quality, because it

requires staff to prepare food using inappropriate methods. For example, one school reported having to heat vegetables in the oven because steamers needed repairs. The result was poor food quality and a less than desirable appearance.

**Exhibit 6-20** provides a summary of equipment that requires repair or replacement in HISD cafeterias.

**Exhibit 6-20  
Major Food Service Equipment Needs by School**

School	Equipment
Hitchcock High School	Repair dishwasher and steamer
Crosby Middle School	Replace food warmer clear door and double deep fryer
Stewart Elementary School	Repair tilt skillet, gas oven, single stack dish machine

*Source: Chartwells Food Service Director, May 2002.*

As outlined in the food service contract between Chartwells and the district, food preparation equipment is the responsibility of HISD.

**Recommendation 64:**

**Repair or replace severely outdated cafeteria equipment and identify cafeteria needs for the future district facilities master plan.**

Chartwells, HISD's chief financial officer and the district's maintenance director should compile a complete inventory list of food service equipment in need of repair or replacement including cost estimates. The district should replace or repair severely outdated equipment and identify for inclusion in future facility master plans other equipment that should be repaired or updated.

**IMPLEMENTATION STRATEGIES AND TIMELINES**

1.	Chartwells food service director and the maintenance director evaluate the age and condition of all kitchen equipment and facilities at all cafeterias.	September 2002
2.	Chartwells food service director and the maintenance director prepare specifications for equipment needing immediate repair.	October 2002

3.	The accounts payable/purchasing supervisor prepares bidding documents and competitively bids the repairs.	November 2002
4.	Chartwells food service director meets with HISD's superintendent and chief financial officer and reviews the renovation and upgrade of district equipment needs for future facilities master plan.	December 2002

### FISCAL IMPACT

Based on estimates provided by the Food Service Program, the estimated cost of equipment needing immediate repair and replacement is about \$15,723. Detailed cost estimates for food service equipment repair and replacement are listed in the following table.

Equipment Requirements	Estimated Cost
Replace tilt skillet	(\$6,659)
Replace gas oven	(\$3,095)
Repair dishwasher	(\$1,000)
Replace food warmer clear door	(\$1,570)
Replace double deep fryer	(\$899)
Repair dishwasher	(\$1,000)
Repair steamer	(\$1,500)
<b>Total Costs</b>	<b>(\$15,723)</b>

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Repair or replace severely outdated cafeteria equipment and identify cafeteria needs for the future district facilities master plan.	(\$15,723)	\$0	\$0	\$0	\$0

### FINDING

HISD and Chartwells have not updated cafeteria facilities and kitchen serving line areas to provide a more attractive atmosphere. HISD cafeterias are institutional in design even at its newer schools. Even though Stewart Elementary and Hitchcock High Schools have a modern architectural design, cafeterias at all four schools have plain walls and tile floors and a few posters decorating the walls.

Chartwells food service director told the review team that many HISD high school students select food service items from the a la carte snack line at lunch, rather than obtain meals from the full-service food lines and several high school students participate in the vocational education program and leave school at 11:00 a.m., and do not participate in the school lunch program.

Many school districts have adopted a "food court" concept where cafeterias take on the look of multiple restaurants and have walls decorated with murals that promote school spirit and academic and extracurricular achievement. These types of enhancements to cafeterias have resulted in significant increases in the number of reimbursable meals served, reimbursement dollars received, and cash revenues from student food item sales.

**Recommendation 65:**

**Develop a plan to improve school cafeteria designs at all schools.**

Chartwells should work with the Food Service Advisory Committee, school principals and student organizations to redesign school cafeterias. A budget for these enhancements should be developed.

**IMPLEMENTATION STRATEGIES AND TIMELINE**

1.	Chartwells food service director contacts school districts that have successfully implemented food court concepts to discuss cafeteria designs, layouts and food court enhancement ideas, including the investment required and revenue increase realized.	October 2002
2.	Chartwells food service director and HISD's chief financial officer visit cafeterias in schools with the food court design to obtain ideas.	November 2002
3.	Chartwells food service director, HISD's chief financial officer and the Food Service Advisory Committee discuss desired improvements.	December 2002
4.	Chartwells food service director and HISD's chief financial officer present a plan and budget for each school where improvements can be made in the cafeteria.	February 2003
5.	HISD's chief financial officer presents the plan to the superintendent for approval.	April 2003

**FISCAL IMPACT**

The estimated cost to improve school cafeteria designs is \$50,000.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Develop a plan to improve school cafeteria designs at all schools.	(\$50,000)	\$0	\$0	\$0	\$0

## **FINDING**

Chartwells and HISD are not aggressively pursuing and qualifying students at Stewart Elementary and Hitchcock High Schools for its free and reduced-price lunch program. The number of students approved for the free and reduced-price lunch program at both Hitchcock High School and Stewart Elementary is 47 percent and 58 percent respectively. In contrast, the percentage of students approved at Crosby Middle School is 81 percent, and at Northside Elementary, it is 78 percent.

The large disparities in the percentage of students approved for free and reduced-price lunch at the four schools suggest the district is not using an effective and consistent process for qualifying students for the program because the economic status of the pool of students in each at each of the schools is not significantly different.

**Exhibit 6-21** provides a summary of the number of students approved for free and reduced-price lunch by school for 2000-01.

**Exhibit 6-21**  
**HISD Students Approved for Free and Reduced Price Meals by**  
**School**  
**2000-01**

<b>School</b>	<b>Grades Covered In the School</b>	<b>Percent of Students Approved</b>	<b>Number of Approved Students</b>		<b>Total Free/Reduced</b>	<b>Total Enrollment</b>
			<b>Free</b>	<b>Reduced</b>		
Hitchcock High	9-12	47%	149	21	170	361
Crosby Middle	6-8	81%	190	22	212	261
Stewart Elementary	3-5	58%	162	6	168	288
Northside Elementary	Pre-K thru 2	78%	182	24	206	265
<b>Total</b>	-	-	<b>683</b>	<b>73</b>	<b>756</b>	<b>1,175</b>

Source: HISD Food Service Director May 2002.

Although the Food Service program uses the family application process, Chartwells food service managers at each school are responsible for requesting all students who participate in the lunch program to complete the application. The review team was told that even though all students who eat lunch in the cafeteria are requested to complete the family application, Chartwells food service managers partially rely on identifying students who have been eligible for the program in previous years, which means that many eligible students could be missed.

Compensatory and Title I funds are provided to districts based on the number of free and reduced-price students identified. HISD received \$490 per student in compensatory funds in 2000-01.

**Exhibit 6-22** summarizes participation initiatives for increasing the number of students certified for the free and reduced lunch program at other school districts.

**Exhibit 6-22**  
**Free and Reduced Lunch Participation Initiatives**

<b>Initiative</b>	<b>Description</b>
Direct Certification	Use direct certification to qualify students for free meals.
Family Application	Use family applications to approve all family school-age siblings in the family who will qualify for free or reduced-price meals.
Renotification	Notify students they qualify for free or reduced-price meals.
Survey	Survey students, teachers and parents to identify reasons for low participation.

Source: TSPR.

**Recommendation 66:**

**Design and implement programs to qualify eligible students for free and reduced-price meals.**

The Food Service program staff should continue using the family application process and ensure all students are provided an application. The staff should also implement the direct certification and renotification processes as well as conduct a survey as a way to identify the reasons for low participation at Hitchcock High and Stewart Elementary Schools.

## IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Chartwells food service director develops processes for the use of the family application, direct certification and renotification processes for the chief financial officer's review and approval.	October 2002
2.	Chartwells food service director designs a survey and schedule for students, teachers and parents to identify reasons for low participation by school.	November 2002
3.	Chartwells food service director monitors progress and monthly participation rates to ensure improvement and reports results to the district's chief financial officer.	December 2002

## FISCAL IMPACT

HISD could conservatively generate an additional \$48,020 annually in compensatory education funds by increasing the number of students qualified for the free and reduced lunch program at Hitchcock High School and Stewart Elementary Schools to at least 70 percent, the minimum percentage for Crosby Middle and Northside Elementary Schools. If at least 70 percent of the students at Hitchcock High School were certified as eligible for free and reduced-price lunch, the number of students would increase by 83 students (361 students total enrollment x .70 = 253 students that could potentially be certified minus 170 students currently enrolled = 83 students). By multiplying HISD's compensatory rate of \$490 x 83 students = \$40,670 of additional compensatory education funds.

If at least 70 percent of the students at Stewart Elementary School were certified as eligible for free and reduced-price lunch the number would increase by 15 students (261 students total enrollment x .70 = 183 students that could potentially be certified minus 168 students currently enrolled = 15 students). By multiplying HISD's compensatory rate of \$490 x 15 students = \$7,350 of additional compensatory education funds. Adding the \$40,670 that could be achieved by increasing the participation rate at Hitchcock High School to the \$7,350 that could be gained at Stewart Elementary, the district could gain an additional \$48,020 in compensatory funds.

Additional funds are not anticipated to be received until 2003-04.

<b>Recommendation</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Design and implement programs to qualify eligible students for free and reduced-price meals.	\$0	\$48,020	\$48,020	\$48,020	\$48,020

# Appendix A

## PUBLIC FORUMS AND FOCUS GROUP COMMENTS

### *Hitchcock Independent School District Management and Performance Review*

As part of the review process, a series of focus groups and one public forum were held to capture the comments and ideas of parents, residents, faculty and staff. At the public forum held at Stewart Elementary School, approximately 35 parents and residents wrote their comments on each of the areas of review. Some attendees of the forum also discussed these areas with the review team or asked questions to get additional clarity.

The 6 focus groups allowed representatives of the student body, faculty, staff, minority leaders, and civic leaders to speak in greater depth about issues relating to the areas of review.

The following comments convey the community's perception of the Hitchcock Independent School District and do not reflect the findings or opinion of the Comptroller review team. These are the actual comments received for each review area.

#### **DISTRICT ORGANIZATION AND MANAGEMENT**

- It seems the administration is top heavy with personnel. The new superintendent is making a very good effort to see that money is spent wisely! I like the idea that the superintendent is involved in all aspects of the operation of the school district.
- This district needs to not feel that they have to side with the police officer that are working when they are wrong.
- Senior administrators should not be passed over for positions in favor of people with less than three years of experience. Loyalty and experience should be rewarded.
- Micromanagement is a major problem. The superintendent has her fingers in every committee and on every campus. She needs to allow committees to work freely and independently so that teachers and staff can express themselves without fear or repercussions.
- As enrollment has declined, the staff at central office has drastically increased district is top heavy.
- I think the election of school board members by single member districts is a detriment to the process. In such small districts, there are few people who are willing to run or to oppose an incumbent who is more than likely their neighbor. The single member district

voting procedure does not give the patrons a significant voice. Board members are (have been) historically unresponsive to the desires of the community.

- As a lifelong resident I have seen the caliber and interest of the school board members decline over the past 10 or so years which I think is due to the method of electing members. The school was forced to elect members by single member districts by a lawsuit. There are many qualified citizens who would probably be willing to serve but are barred from doing so because of single member district lines. There is much apathy among citizens because of confusion about district lines and they only get the opportunity to vote every two years. This district and community are too small to be divided into seven districts.
- The school board over the last few years has not listened to personnel or administrators.
- The management is very poor.
- There have been some 11 superintendents in this district with Mr. Banks staying 19 years. The other nine were employed over a period of some 16 years and no consistency in the central office.
- There is no input from those who know.
- The superintendent disseminates technical information to the principals and teachers very well.
- The Central office is responsive and timely.
- There is an open door policy throughout district.
- There is a solid order of communication.
- The superintendent encourages teachers to ensure accolades of the district and students are made public.
- The Board of Director does not micro-manage. They understand and fulfill their role and allow the superintendent to run the district.
- The coordination and consistency of interoffice communication is poor.
- There are not enough people involved in various meetings and can condense agenda content.
- There is no flexibility.

## **EDUCATIONAL SERVICE DELIVERY AND PERFORMANCE MEASURES**

- My child has brought home homework with misspelled words and improper grammar. When you are given spelling words that are spelled incorrectly, how can you expect the child to know how to spell them?
- The TAAS test is not the most difficult test to pass but many do not pass. Please design curriculum not to "Pass the TAAS test". It shortchanges the children. They are smarter than the test. Many children are not challenged by the curriculum.

- The academic environment at the elementary schools has improved significantly over the past five years. Thanks to grants and creative teachers, HISD children have been exposed to experiences that are common at larger schools. However, improvement must be spread across all demographics and socioeconomic levels.
- This district needs to have more African-Americans in the Gifted and Talented program.
- As a school district, we have invested too much money on too many educational programs. We need to invest and stay invested. Curriculum is being upscale at all times. Student performance is an all time struggle. Many factors play into this community. I think being consistent with one to two educational programs would help. We are always pulling for a miracle program. Let's stay focused. Student's educational growth and well-being is our major concern. Teachers are working their "tales" off to aid in the education of our students.
- I believe that the appearance of the teachers is important. The students are expected to follow dress code and that's great, but the teachers need to be good examples.
- It's sad when the coaches look like they are being punished as they are sitting on the sidelines. They should not be forced to fill a position that they don't want. The children suffer. The coaches' heart isn't in it and the children know it.
- I would like to see an accounting of how many Hitchcock ISD high school graduates enter college and how many of them actually graduate from college.
- There is way too much emphasis on test scores (i.e. TAAS). There is too much stress on students and teachers, and too much teaching to the test. Even though everyone wants to compare districts by test scores, we should be far more interested in teaching course content.
- Tutoring program for TAAS is good.
- We could use more classes at levels that prepare our students for college.
- Too many of our students need remedial course work when they get to college.
- It is imperative to get teachers for Gifted and Talented classes. Spanish and computers have to be offered at a younger age to be competitive with other districts. The children of Hitchcock will have to compete outside of Hitchcock to get anywhere. Curriculum needs to be improved.
- Needs improvement and need some type of standard system for the teachers. They need to learn how to manage student without screaming at them.

- Teachers need to be free to do their jobs without constantly being submitted to "new" programs that are actually old programs that didn't work. Also, there are too few electives at the high school.
- There is too much emphasis on TAAS and benchmark testing. There is not enough time and effort put into teaching basic skills. Some students graduate knowing how to pass these tests and do not know basic skills to function in the real world.
- Hitchcock ISD has nothing to offer students regarding arts and music. A music class is needed for the younger children.
- High school curriculum is limited. I feel I was very lucky going to Texas City High School, because you have a choice of many different extra curricular activities. I would really like to see classes expanded.
- Discipline is handled poorly. Screaming and yelling at a child causes the child to lose respect for the adult and doesn't make the child act better.
- Unnecessary meetings take away time from class preparation and management.
- Volunteers are needed to assist teachers in making copies, etc. to free teachers' time.
- Progress reports are prepared manually every three weeks.
- The principal supports teachers' disciplinary decisions.
- The district provides professional development and training.
- Alignment of organizational values to education (for example, change in administration culture; administration acts on suggestions from professional development and training).
- There should be a tracking of behavior issues.
- Grants result in additional instructional resources (for example, efficient use and spending of grant money to provide additional supplies and materials in the library, etc.)

## **COMMUNITY INVOLVEMENT**

- Community involvement has been a matter of concern in this district as it probably is in many districts. I can say that the superintendent is making a concerted effort to communicate with the patrons.
- From what I can see, the new superintendent is making a good effort to promote community involvement. I think that school board actions at meetings do not get to the public because area newspapers do not cover meetings unless there is controversy. I would like to see the agendas and minutes published in a newsletter or on a school website because not everyone can attend the meetings.
- The Hitchcock Chamber of Commerce, the City of Hitchcock, and the Hitchcock ISD are jointly planning: a) In May 2002 - A

Hurricane Preparedness program to be presented to all citizens of the Hitchcock community. Our Chief of Police and Mayor, Hitchcock's Emergency Management Officials will make the presentation; and b) In July or August (date to be announced) - A School Supply Drive for those students who may not be able to afford them

- Hitchcock ISD projects an image that is unfavorable as compared to neighboring districts. With declining enrollment and low-test scores, the district is not attracting new students. This is a concern to the residents.
- Great strides have been made to involve and better enhance parental involvement and community relations. We are still working at building a better relationship to better the school and parents.
- Parental involvement is abysmal. Something must be done to get through to parents that their involvement is the single most important factor in their child's success in school.
- This district does not need to feel intimidated by strong parental involvement.
- This school district needs more involvement. It is very hard to get anyone to participate in any of the activities.
- Because of the socio-economic factors prevalent in our city, we have few parents involved. Without parental involvement, our schools and students are limited. Please help us find a way to get more parents involved. A three-fold cord is strongest (student-teacher-parent).
- One of the biggest problems with community involvement is that there is none. Everyone wants to complain, but when there are forums to voice these complaints, none shows up.
- There is a monthly community forum held by superintendent.
- People are more receptive to input in informal settings (for example: store, game, library, etc.).
- The district encourages students to participate in community or civic activities.
- The district is making a concerted effort to contact parents and emergency care cards.
- We need to do a better job of positive communication.
- We need more programs to encourage participation.
- We need to bring parents for good news.
- More staff with diverse background should be recruited.
- There should be a higher sensitivity to population.

## **PERSONNEL MANAGEMENT**

- Hire qualified personnel. Salary for teachers should be raised. HISD is at the low-end in surrounding districts. Recruitment is taking place and staff development has been addressed.
- This district needs to hire more African-American teachers. Our children need something or someone to look up to.
- Teacher recruitment is a problem in all school districts. It seems worse in Hitchcock possibly due to the age and practices of the administration. I would like to know that other districts do to make it nice to teach in a small town. I know that "more money" solves all problems. I am interested in competitive pay but I know that there are more important items including an outstanding working environment, better benefits, teamwork, etc. I know that many "benefits" of working, living, and teaching in a small town are not utilized in Hitchcock. What are they and what would it take to implement them.
- Don't pass over experienced employees for less qualified people whose main qualification is the ability to be associated with the superintendent.
- We have some teachers who care about our children and our community.
- We have too many teachers who have too small vision and too low expectations of our children. I have heard too many negative comments and seen students treated as though they have no future. Therefore, those of our students who do not attempt college are ill prepared and easily discouraged. We want more teachers who believe in our children.
- The entire staff needs an increase in salary as an incentive for recruitment of long-term personnel and minority teachers.
- Often, recruitment of non-degreed teachers is a necessary prerequisite. After tenure, those teachers will get certified, and the end result is justified. The students benefit tremendously.
- There are way too many people in the central office.

## **FACILITIES USE AND MANAGEMENT**

- Northside Elementary should be replaced. Six hundred plus students and seven grade levels are too many in a school district that prides itself on community and familiarity. The best thing about Hitchcock ISD is the small campuses where everyone knows everyone else.
- Crosby is in need of serious improvement. More classrooms, better facilities and even the basics like bathrooms need improvement. And it would be nice to be able to utilize technology without blowing out the breakers.
- The school needs a lot of improvement. Crosby and Northside are in bad shape.

- Two custodians come to mind that are very hard workers. They do their job effectively. Custodial and maintenance management is in need of serious restructuring. Inefficient and poor quality work is happening. School energy use is at an all time high. Poor heating and A/C systems are prevalent throughout the district. Facilities use and management are poorly coordinated. The two "new" schools look as if they are deteriorating in a very quick manner.
- Crosby's appearance could be good, if we put some landscape, a little paint, and keep it up for its appearance. All the schools except high school need landscaping. As far as the night custodian's keeping Stewart clean, they could do a better job.
- Maintenance needs to keep grass mowed, weeds cut, grass blown off sidewalks and trash picked up before they mow. The appearance of the school makes a difference.
- Northside is the worst school I have ever been in. It is falling to pieces. My son walks through ankle-deep water when it rains. The principal's office stands in water. The heating and A/C breaks on a regular basis and the plumbing doesn't work at least once a week. Half of the school is closed due to mold. Last year, my child was sick every 10-14 days, faithfully. My husband and I had an excessive amount of time off from work to take care of him. Our medical bills exceeded \$1,000 due to MD office visits and prescriptions, not including two trips to the emergency room. This year, he is in a portable building (2<sup>nd</sup> grade) and has not been sick one time. I would love to present my bills to the school district and show them what we spent. I find it very interesting that last year, he was in the school and sick every two weeks and this year he has not been sick once.
- The bathroom doors in the girl's bathrooms are falling off the hinges. Bathrooms smell like sewer.
- Staff at Stewart Elementary and staff at Northside both do an excellent job of taking care of the schools during the daytime hours, but the clean-up crew for the evening cleaning isn't doing a very good job.
- Northside School is deplorable. Even if it is torn down (which it definitely should be), the property is too narrow to facilitate a school. There is no room for parking, no covered walkways, the sidewalks flood easily, and the entire school is deluged with mold.
- Our facilities have greatly improved with the new buildings.

## **ASSETS AND RISK MANAGEMENT**

- Bonds must be prepared, presented and approved for a new elementary school and new middle school. Six hundred children at Stewart are too many.

- Try direct reimbursement for dental coverage. Lubbock School does it. It seems cost-effective and gives employee the choice to pay for it.

## **FINANCIAL MANAGEMENT**

- We need to be fiscally responsible. Spend our money like it was your money. Why has administrative personnel continued to mushroom while teachers are not being replaced as they leave? Teachers are more important than permanent substitutes. Belts must be tightened so that we can offer more money to young teachers and to keep teachers in the district. Many new graduates and young teachers will not consider Hitchcock ISD because of the low starting salaries, so we are forced to pay more to a very experienced teacher (this is the only level where we are competitive).
- We need to spend tax money wisely. We need to budget appropriately and spend monies for the students' benefit. Don't spend money on foolish one-year programs which will never be mentioned again.
- For Hitchcock ISD to have some of the highest taxes in the county, spend more per student than nearly any district in the county. How can we have some of the poorest test scores in the state? We need to look closely at our individual school administrators and at the quality of some of our teachers.

## **PURCHASING**

- Due to purchasing procedures at this given time, money allotted to aid in the education of our students is not being spent by the teaching staff. Teaching budgets or educational budgets are not being spent due to the process. Another method should be considered. Money is not being spent effectively and to benefit the students.
- Streamline and automate purchasing process to lighten burden on teachers.
- Why do we need three purchasing personnel if the burden falls on teachers to do all of the work?
- We need to have a plan to ensure cheaper price doesn't lead to a lesser product.
- We need to have a planned upgrade for computer services, hardware and software. We need to prepay for services if necessary.
- It takes two to three weeks to get approved.

- We are not notified of approved vendors. We need to ease the purchase requirement for special items. It requires three bids for minor items.

## **FOOD SERVICE**

- I pay for my children's lunch. Running out of food is not an option to me.
- If the government supplies the food that is served in the cafeteria, then it should always be plentiful. There should never be a time that they run out of food by the time the last class comes through the line. When that happens, they pull out weeks old. The looks of some of this food the children eat are unfit in my opinion. This food is the only solid food some of our children get here and it looks awful.
- The food at Stewart is awful. The children on free lunch only get two items. They are still hungry. Sometimes they find hair in the food or mold on the cheese. At Crosby, by the time the last class goes through the snack bar, they ran out of food. Then they charge way too much.
- The food is of very poor quality. Menus are not balanced and portions are very scant. I believe our prison system is serving a higher quality and quantity of food than the students receive at Stewart Elementary.
- We need better quality food.
- The cafeteria is filthy, metal around windows is rusting, floors are dirty, and the building is dilapidated.

## **COMPUTERS AND TECHNOLOGY**

- Are the computers in the classrooms being utilized by all students? Is the curriculum being geared toward making all students computer literate?
- I have been pleased with technology utilization at Stewart and HHS, but technology is seriously underutilized at Crosby and Northside since the electrical systems cannot facilitate the computers.
- We need more computers and we need to teach the children to be computer literate.
- A lot of money has been spent on computers districtwide, so the students should always have access to them. Different programs are started with computers like computer labs, and they don't last.
- Please upgrade school utilization of technology. Plan for new computers every five years. Also, plan on getting software upgrades and support. Use community members to provide these

service contracts. Help keep Hitchcock competitive with other schools.

- Hitchcock High School received several computers in the form of a grant; they are sitting on the floor in storage because there is not electrical service capable of running them. Northside has many computers that are inoperable.
- Great plans are in progress for the next school term.
- The district has started providing computer training.
- The district is planning to install a phone with voice mail in every teacher's room.
- Two schools do not have equitable benefit of technology.

## **TRANSPORTATION**

- I take my children to school because I do feel for their safety. At the junior high, they are getting to school late.
- Bus maintenance and upkeep is a major problem concerning the safety of Hitchcock ISD students. Vans are in terrible shape. I'm concerned for the safety of students who are riding on them to and from school functions.
- More effort is needed from principals, especially Northside, to back-up bus drivers when bus riders misbehave on the buses.
- There are too many children on one bus with no seatbelts.
- The buses are in extremely poor condition. The vans are really bad.
- I know of a young boy (2nd grade), and the bus driver forgets him. The bus driver returned to pick him up after he had picked up the high school children. I don't feel that a 2nd grader should be riding with high school students.
- Any field trip has to be worked around the bus schedule. There are no separate buses allotted for special events.

## **SAFETY AND SECURITY**

- Student discipline policies should be consistent and enforced.
- It is better to have three rules and they are diligently enforced than too many rules and no enforcement. There should be continuity.
- I believe that the rules for the students should be made short and sweet and then they need to be enforced. We have too many rules and they're not being enforced.
- The teachers as a group should be sticking together to have the students obey the rules.
- Security and safety are two issues that need to be addressed. Campuses are very lax-parents and basically anyone can walk into the buildings unannounced and wander through. A security camera system should be in place in all school hallways and this is not

happening. Safety of our personnel and students are lax and in jeopardy.

- We need perimeter and entrance surveillance systems to prevent/deter/monitor unwelcome visitors at all campuses.
- We need background checks of everyone at the school including contractor or employees.
- We need more "bullying" and other violence intervention training. We also need conflict resolution training.
- The student discipline is not good. We need a program like Texas City. Some of the things Hitchcock does are not good. Corporal punishment is wrong and not working. Teachers need to be educated on how to treat children.
- I do agree on what I have from the public that the teachers need to be educated on how to treat the children. The police need to be educated also on how to treat the children. They are not criminals.
- My children claim that drugs are being sold on campus and even in the classes. They play poker in some of the classes. There are way too many videos being shown in the classrooms and they're not educational tapes. They show everything from (G) to (R) rated movies. The students bring them and the teachers show them. My daughter has asked to go to the library more than once because (high school) of the R-rated shows being movies shown in the class was so offensive. There are some (PG-13) movies that are not suitable for my children to be watching at home so I am really unhappy that I'm sending them to school for an education and they're being fed trash.
- Schools should be a controlled environment. The buildings should be safe. Teachers need to have the authority to control the classroom. I don't know if that requires police at the schools or just parental involvement and responsibility to accomplish but it needs to be done.
- What is the school liability with playground equipment? Is there a "safe" playground? If there is, can we still be liable for child injury?
- Given the legal nature of society and the attitude to get paid for your suffering, is it rational to have a playground?
- Playground equipment needs to be replaced.
- Schools are unsafe. Northside Elementary has no security personnel in place. There is no fencing, or any type of structure to protect our children when they go to the bathroom or between classes. Anyone could walk on the grounds and take a child off if the children were by themselves.

# Appendix B

## PARENT SURVEY RESULTS

### Demographic Data/Survey Questions

*(Written/Self-Administered)*

*(n=28)*

#### **Demographic Data**

The review team received survey responses from 28 parents of students of HISD. This data was used to get a better sense of the perceptions and issues confronting the district. It was also used to supplement the work of the focus groups and public forum.

<b>1. Gender (Optional)</b>	<b>Male</b>	<b>Female</b>				
		33%	67%			
<b>2. Ethnicity (Optional)</b>	<b>Anglo</b>	<b>African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>	
		37%	37%	17%	0%	9%
<b>3. How long have you lived in Hitchcock ISD?</b>						
	<b>1-5 years</b>	<b>6-10 years</b>	<b>11 years of more</b>			
	37%	17%	46%			
<b>4. What grade level(s) does your child(ren) attend?</b>	<b>Pre-Kindergarten</b>	<b>Fourth Grade</b>	<b>Ninth Grade</b>			
	32%	16%	8%			
	<b>Kindergarten</b>	<b>Fifth Grade</b>	<b>Tenth Grade</b>			
	4%	8%	12%			
	<b>First Grade</b>	<b>Sixth Grade</b>	<b>Eleventh Grade</b>			
	16%	8%	16%			
	<b>Second Grade</b>	<b>Seventh Grade</b>	<b>Twelfth Grade</b>			
	16%	8%	8%			
	<b>Third Grade</b>	<b>Eight Grade</b>				
	8%	4%				

#### **SURVEY QUESTIONS**

### A. District Organization And Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1.	The school board allows sufficient time for public input at meetings.	18%	41%	15%	22%	4%
2.	School board members listen to the opinions and desires of others.	14%	32%	32%	18%	4%
3.	The superintendent is a respected and effective instructional leader.	11%	32%	43%	0%	14%
4.	The superintendent is a respected and effective business manager.	11%	21%	50%	7%	11%

### B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
5.	The district provides a high quality of services.	18%	14%	18%	46%	4%
6.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	22%	15%	44%	11%	8%
7.	The needs of the college-bound student are being met.	7%	11%	33%	30%	19%
8.	The needs of the work-bound student are being met.	7%	18%	50%	18%	7%
9.	The district has effective educational programs for the following:					
	a) Reading	19%	41%	22%	7%	11%

	b) Writing	18%	39%	18%	21%	4%
	c) Mathematics	19%	41%	22%	7%	11%
	d) Science	14%	39%	32%	11%	4%
	e) English or Language Arts	18%	48%	19%	11%	4%
	f) Computer Instruction	19%	33%	22%	15%	11%
	g) Social Studies (history or geography)	14%	50%	25%	7%	4%
	h) Fine Arts	18%	25%	32%	14%	11%
	i) Physical Education	22%	29%	30%	15%	4%
	j) Business Education	15%	22%	52%	7%	4%
	k) Vocational (Career and Technology) Education	11%	22%	52%	7%	8%
	l) Foreign Language	7%	29%	39%	18%	7%
10.	The district has effective special programs for the following:					
	a) Library Service	25%	21%	32%	22%	0%
	b) Honors/Gifted and Talented Education	15%	33%	41%	11%	0%
	c) Special Education	18%	28%	43%	11%	0%
	d) Head Start and Even Start programs	37%	33%	22%	8%	0%
	e) Dyslexia program	11%	11%	64%	10%	4%
	f) Student mentoring program	4%	15%	63%	11%	7%
	g) Advanced placement program	11%	28%	50%	7%	4%
	h) Literacy program	11%	29%	53%	0%	7%
	i) Programs for students at risk of dropping out of school	7%	21%	50%	4%	18%
	i) Summer school	11%	14%	43%	21%	11%

	programs					
	k) Alternative education programs	11%	32%	39%	7%	11%
	l) "English as a second language" program	15%	26%	52%	0%	7%
	m) Career counseling program	11%	7%	56%	15%	11%
	n) College counseling program	4%	11%	64%	14%	7%
	o) Counseling the parents of students	11%	14%	50%	7%	18%
	p) Drop out prevention program	8%	11%	54%	8%	19%
11.	Parents are immediately notified if a child is absent from school.	7%	29%	18%	14%	32%
12.	Teacher turnover is low.	4%	14%	36%	21%	25%
13.	Highly qualified teachers fill job openings.	22%	7%	14%	18%	39%
14.	A substitute teacher rarely teaches my child.	18%	36%	14%	21%	11%
15.	Teachers are knowledgeable in the subject areas they teach.	28%	32%	18%	18%	4%
16.	All schools have equal access to educational materials such as computers, television monitors, science labs, and art classes.	29%	25%	11%	14%	21%
17.	Students have access, when needed, to a school nurse.	35%	39%	4%	11%	11%
18.	Classrooms are seldom left unattended.	25%	36%	18%	14%	7%
19.	The district provides a high quality education.	21%	22%	18%	7%	32%

20.	The district has a high quality of teachers.	21%	18%	11%	25%	25%
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### C. Community Involvement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
21.	The district regularly communicates with parents.	7%	36%	11%	35%	11%
22.	District facilities are open for community use.	15%	22%	26%	18%	19%
23.	Schools have plenty of volunteers to help student and school programs.	11%	11%	18%	32%	28%

### D. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
24.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	11%	15%	37%	30%	7%
25.	Schools are clean.	18%	53%	11%	4%	14%
26.	Buildings are properly maintained in a timely manner.	18%	32%	18%	18%	14%
27.	Repairs are made in a timely manner.	21%	11%	32%	22%	14%
28.	The district uses very few portable buildings.	14%	22%	14%	25%	25%
29.	Emergency maintenance is handled promptly.	29%	7%	53%	4%	7%

### E. Asset and Risk Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
30.	My property tax bill is reasonable for the educational services delivered.	4%	18%	52%	11%	15%
31.	Board members and administrators do a good job explaining the use of tax dollars.	11%	4%	48%	26%	11%

### F. Financial Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
32.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	14%	11%	64%	7%	4%
33.	Campus administrators are well-trained in fiscal management techniques.	18%	21%	54%	7%	0%
34.	The district's financial reports are easy to understand and read.	11%	11%	48%	22%	8%
35.	Financial reports are made available to community members when asked.	11%	25%	53%	4%	7%

### G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
36.	Students are issued textbooks in a timely manner.	21%	32%	22%	4%	21%
37.	Textbooks are in good	22%	14%	36%	14%	14%

	shape.					
38.	The school library meets students needs for books and other resources.	29%	28%	18%	18%	7%

## H. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
39.	My child regularly purchases his/her meal from the cafeteria.	43%	36%	0%	10%	11%
40.	The school breakfast program is available to all children.	50%	39%	7%	0%	4%
41.	The cafeteria's food looks and tastes good.	18%	25%	21%	22%	14%
42.	Food is served warm.	25%	36%	21%	11%	7%
43.	Students have enough time to eat.	22%	57%	7%	7%	7%
44.	Students eat lunch at the appropriate time of day.	28%	54%	11%	0%	7%
45.	Students wait in food lines no longer than 10 minutes.	15%	33%	26%	19%	7%
46.	Discipline and order are maintained in the school cafeteria.	29%	28%	21%	18%	4%
47.	Cafeteria staff is helpful and friendly.	32%	46%	11%	11%	0%
48.	Cafeteria facilities are sanitary and neat.	28%	50%	11%	11%	0%

## I. Transportation

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
49.	My child regularly rides the bus.	36%	21%	7%	4%	32%
50.	The bus driver maintains discipline on the bus.	22%	22%	52%	0%	4%
51.	The length of the student's bus ride is reasonable.	22%	33%	37%	4%	4%
52.	The drop-off zone at the school is safe.	35%	42%	19%	0%	4%
53.	The bus stop near my house is safe.	37%	15%	33%	7%	8%
54.	The bus stop is within walking distance from our home.	30%	22%	37%	4%	7%
55.	Buses arrive and depart on time.	26%	30%	29%	0%	15%
56.	Buses arrive early enough for students to eat breakfast at school.	26%	30%	33%	0%	11%
57.	Buses seldom break down.	18%	22%	52%	4%	4%
58.	Buses are clean.	23%	27%	35%	11%	4%
59.	Bus drivers allow students to sit down before taking off.	23%	27%	31%	11%	8%
60.	The district has a simple method to request buses for special events.	22%	11%	59%	0%	8%

### J. Safety and Security

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
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61.	Students feel safe and secure at school.	18%	43%	14%	21%	4%
62.	School disturbances are infrequent.	14%	43%	18%	14%	11%
63.	Gangs are not a problem in this district.	32%	28%	25%	11%	4%
64.	Drugs are not a problem in this district.	32%	22%	32%	7%	7%
65.	Vandalism is not a problem in this district.	29%	14%	25%	25%	7%
66.	Security personnel have a good working relationship with principals and teachers.	33%	30%	33%	4%	0%
67.	Security personnel are respected and liked by the students they serve.	41%	18%	33%	4%	4%
68.	A good working arrangement exists between the local law enforcement and the district.	43%	36%	21%	0%	0%
69.	Students receive fair and equitable discipline for misconduct.	32%	25%	15%	14%	14%
70.	Safety hazards do not exist on school grounds.	18%	29%	32%	7%	14%

### **K. Computers and Technology**

<b>Survey Questions</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
71.	Teachers know how to teach computer science and other technology-related courses.	18%	21%	50%	7%	4%
72.	Computers are new enough to be useful to	21%	54%	21%	0%	4%

	teach students.					
73.	The district meets students needs in computer fundamentals.	18%	36%	28%	11%	7%
74.	The district meets students needs in advanced computer skills.	14%	25%	32%	18%	11%
75.	Students have easy access to the Internet.	21%	32%	29%	14%	4%

# Appendix B

## PARENT SURVEY RESULTS

### Verbatim

The following comments are actual narratives from survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- Hitchcock ISD needs more books for classrooms. Uncertain subjects there are not enough books for the kids to bring home to study out of for homework. The subjects that don't send homework home are the ones without enough books to assign to all the students. The bus service could improve. My child does not get home until 4:30 p.m. instead of 3:45 to 3:50 p.m. There are not enough bus drivers.
- The teachers wait until the kids are completely out of control before notifying parents that a problem exists.
- I personally feel that the curriculum needs to be upgraded on the same level as some of the surrounding school districts. This will at least help to prepare our children for the "real world" not only for their future but ours as well. All children should leave school with basic reading, writing and arithmetic skills. They should also leave school with some sense of who they are and goals for the present and future. Spanish should be learned as a second language. It's almost impossible to land a good career without it.
- I think our district could be very successful if different methods were implemented at Northside (EC-2nd) and Stewart (3rd - 5th). For instance, developmentally appropriate curriculum should be available to all students, sensory-motor issues need to be recognized and addressed, 3-dimensional and kinesthetic teaching strategies should be used and efforts should be made to help the children understand that it is their school. Art, music, recess and playgrounds are sorely lacking. Northside's playground is barely adequate and Stewart doesn't even have one. Individuality is discouraged in teachers and students. The district attempts to make everybody a round peg.
- My son attends the Head Start program. I believe that he has learned a lot. Being four years old, he sometimes talks of things learned, sometimes he doesn't. The only problem I've seen at his school is the drive that leads to his classroom. It is full of holes and can be hard to maneuver around after it rains. They need to blacktop it or have limestone put in.
- I am very concerned that my children are not receiving the teaching needed to perform well on college entranced exams. The

elementary schools, I believe, are doing a good job. Once my children reached junior high and high school I became concerned. They very seldom have homework (make A's and B's on report cards) because they have "free time" in classes and do homework then. They both had a difficult time in Algebra II because in Algebra I the teacher would write the answers on the blackboard. My sophomore was in a health class, part of which should have been an Anatomy and Physiology section, yet, she played volleyball or sat in the bleachers the entire semester. Never even received a textbook. I have also heard there are teachers teaching full-time who are not certified. The high school teachers do not send home progress reports. My children tell me they send home progress reports only if the student is not doing well in the class. I would like to know how my children are doing in their classes. (I have talked with the superintendent who says the teachers are required to send home progress reports.) The elementary teachers are very good at sending home progress reports and news about upcoming events at the school. My two children attending the high school are both National Honor Society and Who's Who members and I know they are not being pushed to perform their best.

- Children need to be recognized for their achievements in the paper, not only sports.
- Why are teachers that have control in their classroom being asked to leave and they also have a high success rate for kids who want to learn.
- Children should not be able to pass if they are failing, like teachers being asked to change grades.
- We should know if our children are passing and failing for progress reports.
- There are too many high school children being able to come over on junior high campus.
- There is so much room at the high school. Why aren't there's stuff done over there.
- There needs to be more control in the junior high classrooms and when there is disruption, there should be consequences.
- We signed a release for corporal punishment and I was told you all did not do it, so why have us signed it.
- Cafeteria food needs to be looked at. There are children who have allergic reaction to different foods. Chocolate should never be given to elementary children or anything with sugar.
- The school district feels the TAAS test is more importance than educational learning. The students are not ready for college.
- Crosby's principal needs to be more understanding. She is rude and very nosy. If she doesn't like the parents, she takes it out on the student. She doesn't do her job in a timely manner and lazy. I have

observed this school and feel Crosby Middle School doesn't have our children's interest at heart.

- I know my child is in GT program and the teacher is not as collected as she needs to be. She gets really aggravated easily. The supervisors at lunch need to allow children to eat all of their lunch and allow them to unwind a little bit. My children complain that they get rushed when eating lunch. I also believe that the younger children need to be picked up later than they are being picked up. We live on a busy road and there are certain times of the year that they get picked up and it is still dark. So school times need to be swapped around. And some teachers need to lose their attitudes toward the students and parents. Some parents are getting upset and some of the teachers are going to regret some of the conferences with the parents and principals because some will be brought to the superintendents' office also.
- The state and local offices should also help with the additional training for teachers with the GT programs and their certifications.
- I feel the changes made to the district with the superintendent's arrival will not only hurt the district tremendously, it will affect our community. Pushing papers, documents, and computer skills are not what's important in an administrator/principal. If the principals can't stay in front of the children because of paperwork, something is sincerely wrong. Also, look before you dismiss your staff.
- The schools are very dirty especially Crosby Middle School.
- We have no after school programs or activities for our children.
- In the public library, I feel there is discrimination towards our children at times.
- Please help fund for other activities.
- Please examine decisions based on the future of this district, not just the amount of money we need. Children need to be taught and not tossed around.
- There are too many videos being shown. It angers me because "teachers" are putting R-rated movies in to be viewed. All TV's should be removed from the classes.
- Drugs are being sold on campus and in the classrooms. The students play poker during class. I know that not all the teachers are there just for a paycheck, even though I do realize their checks are very small for what they have to put up with. I am so very disappointed with the High School.
- Hitchcock ISD's performance in the selection of teachers is poor. There are at least 3 to 4 teachers that are not certified at each school. And some of the teachers are so old, they are stuck in the past, and don't want to listen to the ideas or opinions of the children.
- If they would stop being so hard on kids about dress code, then they could teach the children and do what they are there for.

- On the elementary level, teachers have computers in the classrooms, but some of them never get turned on because they don't know how to operate them. There are no Science labs, no Art classes or Music classes offered for these children. They threaten the secondary elementary children with failing grades if they don't turn in a science project. If the teachers and principals do not focus so much on TAAS, then they could teach the other areas of education. As far as the cafeteria goes; they rush the children to eat, the lines are too long, they make the children throw away their food and the food is horrible-they make the children come home starving.
- Regarding college preparation, they only have a select few they offer about what's available as far as loans, scholarships and grants to attend college. When the children leave HISD, they have to take remedial courses before they can take any core classes.
- As far as the dress code, it's not as affordable if you have more than three children to dress especially if you're on a fixed income. When the children get on the junior high and high school level, they should still be able to wear shorts. It does get hot here. Once children reach high school, they shouldn't be required to wear the standardized dress code.
- They really work hard for students to improve their TAAS scores.
- The whole school needs to be evaluated. They need to hire qualified teachers, teacher aids, substitutes, coaches and principals. The school needs to be on same calendar as other school. Intersection does work if you don't have qualified teachers. The girls' baseball field needs to be completed. The boys need a baseball field and not Jack Brooks Park.

# Appendix C

## DISTRICT ADMINISTRATOR AND SUPPORT STAFF SURVEY RESULT

### Demographic Data/Survey Questions

*(Written/Self-Administered)*

*(n=50)*

#### **Demographic Data**

The review team received survey responses from 50 HISD administrators and support staff. This data was used to get a better sense of the perceptions and issues confronting the district. It was also used to supplement the work of the focus groups and public forum. In addition, this was a useful tool in drawing comparisons between the perception and opinions of the district staff versus other stakeholders.

<b>1. Gender (Optional)</b>	<b>Male</b>	<b>Female</b>				
		7%	93%			
<b>2. Ethnicity (Optional)</b>	<b>Anglo</b>	<b>African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>	
	64%	27%	7%	0%	2%	
<b>3. How long have you been employed by Hitchcock ISD?</b>						
	<b>1-5 years</b>	<b>6-10 years</b>	<b>11-15 years</b>	<b>16-20 years</b>	<b>20+ years</b>	
	56%	20%	10%	4%	10%	
<b>4. Are you a(n):</b>						
	<b>a. administrator</b>	<b>b. clerical staffer</b>	<b>c. support staffer</b>			
	24%	40%	36%			
<b>5. How long have you been employed in this capacity by Hitchcock ISD?</b>						
	<b>1-5 years</b>	<b>6-10 years</b>	<b>11-15 years</b>	<b>16-20 years</b>	<b>20+ years</b>	
	59%	17%	11%	7%	6%	

#### **SURVEY QUESTIONS**

##### **A. District Organization and Management**

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1.	The school board allows sufficient time for public input at meetings.	16%	25%	35%	18%	6%
2.	School board members listen to the opinions and desires of others.	10%	36%	27%	23%	4%
3.	The superintendent is a respected and effective instructional leader.	12%	25%	21%	23%	19%
4.	The superintendent is a respected and effective business manager.	13%	27%	25%	23%	12%
5.	Central administration is efficient.	12%	41%	6%	31%	10%
6.	Central administration supports the educational process.	19%	30%	15%	25%	11%
7.	The morale of central administration staff is good.	12%	25%	23%	22%	18%

## B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
8.	Education is the main priority in our school district.	17%	36%	9%	32%	6%
9.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	10%	35%	13%	23%	19%
10.	The needs of the college-bound student are being met.	2%	19%	17%	46%	16%

11.	The needs of the work-bound student are being met.	4%	25%	20%	35%	16%
12.	The district has effective educational programs for the following:					
	a) Reading	14%	29%	18%	25%	14%
	b) Writing	11%	33%	25%	23%	8%
	c) Mathematics	12%	35%	20%	23%	10%
	d) Science	10%	23%	22%	33%	12%
	e) English or Language Arts	10%	33%	22%	25%	10%
	f) Computer Instruction	10%	25%	20%	29%	16%
	g) Social Studies (history or geography)	13%	15%	29%	31%	12%
	h) Fine Arts	8%	16%	25%	16%	35%
	i) Physical Education	15%	29%	29%	17%	10%
	j) Business Education	8%	25%	29%	19%	19%
	k) Vocational (Career and Technology) Education	12%	31%	20%	12%	25%
	l) Foreign Language	4%	14%	35%	22%	25%
13.	The district has effective special programs for the following:					
	a) Library Service	10%	25%	33%	17%	15%
	b) Honors/Gifted and Talented Education	6%	35%	25%	22%	12%
	c) Special Education	14%	39%	27%	12%	8%
	d) Head Start and Even Start programs	17%	48%	29%	4%	2%
	e) Dyslexia program	2%	35%	41%	12%	10%
	f) Student mentoring program	2%	18%	33%	31%	16%

	g) Advanced placement program	8%	29%	22%	33%	8%
	h) Literacy program	8%	22%	39%	27%	4%
	i) Programs for students at risk of dropping out of school	10%	25%	20%	35%	10%
	j) Summer school programs	12%	29%	27%	18%	14%
	k) Alternative education programs	13%	31%	31%	15%	10%
	l) "English as a second language" program	12%	29%	29%	16%	14%
	m) Career counseling program	10%	17%	29%	25%	19%
	n) College counseling program	8%	14%	31%	29%	18%
	o) Counseling the parents of students	10%	16%	22%	29%	23%
	p) Drop out prevention program	8%	12%	31%	39%	10%
14.	Parents are immediately notified if a child is absent from school.	10%	20%	29%	23%	18%
15.	Teacher turnover is low.	2%	21%	25%	31%	21%
16.	Highly qualified teachers fill job openings.	0%	23%	15%	33%	29%
17.	Teacher openings are filled quickly.	0%	18%	20%	39%	23%
18.	Teachers are rewarded for superior performance.	0%	6%	22%	49%	23%
19.	Teachers are counseled about less than satisfactory performance.	4%	31%	24%	33%	8%
20.	All schools have equal	6%	33%	18%	27%	16%

	access to educational materials such as computers, television monitors, science labs, and art classes.					
21.	The student-teacher ratio is reasonable.	8%	48%	17%	12%	15%
22.	Students have access, when needed, to a school nurse.	25%	49%	12%	10%	4%
23.	Classrooms are seldom left unattended.	10%	33%	22%	25%	10%

### C. Personnel Management

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
24.	District salaries are competitive with similar positions in the job market.	4%	20%	10%	26%	40%
25.	The district has a good and timely program for orienting new employees.	2%	20%	20%	40%	18%
26.	Temporary workers are rarely used.	0%	34%	12%	38%	16%
27.	The district successfully projects future staffing needs.	0%	24%	22%	32%	22%
28.	The district has an effective employee recruitment program.	0%	16%	24%	38%	22%
29.	The district operates an effective staff development program.	0%	38%	22%	24%	16%
30.	District employees receive annual personnel evaluations.	13%	65%	12%	6%	4%

31.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0%	14%	18%	34%	34%
32.	Employees who perform below the standard of expectation are counseled appropriately and timely.	2%	16%	26%	32%	24%
33.	The district has a fair and timely grievance process.	2%	38%	24%	18%	18%
34.	The district's health insurance package meets my needs.	0%	28%	18%	22%	32%

#### D. Community involvement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
35.	The district regularly communicates with parents.	10%	36%	18%	26%	10%
36.	The local television and radio stations regularly report school news and menus.	0%	4%	20%	46%	30%
37.	Schools have plenty of volunteers to help student and school programs.	2%	10%	10%	44%	34%
38.	District facilities are open for community use.	6%	36%	28%	18%	12%

#### E. Facilities Use and Management

Survey Questions	Strongly	Agree	No	Disagree	Strongly
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		<b>Agree</b>		<b>Opinion</b>		<b>Disagree</b>
39.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	4%	27%	25%	25%	19%
40.	The architect and construction managers are selected objectively and impersonally.	4%	21%	53%	11%	11%
41.	Schools are clean.	6%	33%	2%	35%	24%
42.	Buildings are properly maintained in a timely manner.	6%	27%	6%	39%	22%
43.	Repairs are made in a timely manner.	10%	35%	4%	33%	18%
44.	Emergency maintenance is handled promptly.	12%	57%	13%	6%	12%

## **F. Financial Management**

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
45.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	2%	29%	33%	25%	11%
46.	Campus administrators are well-trained in fiscal management techniques.	4%	35%	33%	18%	10%
47.	The district's financial reports are easy to understand and read.	0%	27%	43%	22%	8%
48.	Financial reports are made available to community members when asked.	2%	23%	56%	17%	2%

### G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
49.	Purchasing gets me what I need when I need it.	4%	31%	23%	20%	22%
50.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	2%	37%	18%	31%	12%
51.	Purchasing processes are not cumbersome for the requestor.	0%	25%	29%	24%	22%
52.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	6%	39%	21%	18%	16%
53.	Students are issued textbooks in a timely manner.	8%	40%	27%	15%	10%
54.	Textbooks are in good shape.	8%	38%	27%	19%	8%
55.	The school library meets students needs for books and other resources for students.	12%	31%	15%	19%	23%

### H. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
56.	Gangs are not a problem in this district.	14%	43%	23%	12%	8%
57.	Drugs are not a problem in this district.	0%	35%	16%	29%	20%
58.	Vandalism is not a problem in this district.	2%	26%	14%	36%	22%

59.	Security personnel have a good working relationship with principals and teachers.	19%	55%	16%	6%	4%
60.	Security personnel are respected and liked by the students they serve.	14%	45%	21%	14%	6%
61.	A good working arrangement exists between the local law enforcement and the district.	21%	55%	14%	6%	4%
62.	Students receive fair and equitable discipline for misconduct.	8%	27%	10%	26%	29%

### I. Computers and Technology

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
63.	Students regularly use computers.	16%	45%	16%	23%	0%
64.	Students have regular access to computer equipment and software in the classroom.	14%	35%	16%	29%	6%
65.	Teachers know how to use computers in the classroom.	14%	37%	16%	23%	10%
66.	Computers are new enough to be useful for student instruction.	17%	53%	14%	14%	2%
67.	The district meets students needs in computer fundamentals.	10%	42%	14%	28%	6%
68.	The district meets students needs in advanced computer skills.	10%	20%	29%	29%	12%

69.	Teachers and students have easy access to the Internet.	12%	42%	16%	30%	0%
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# Appendix C

## DISTRICT ADMINISTRATOR AND SUPPORT STAFF SURVEY RESUL

### VERBATIM

The following comments are actual narratives from survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- I work for Head Start. Our center is in dire need of improvements. I do not feel as if the restrooms are kept clean enough for our children. Maintenance is not done in a timely manner. The new support staff do not receive the training they need to become successful. We do not work directly with out school district and therefore never know what's going on with the other schools.
- I refuse to work for this group any longer because of ethical and licensure concerns.
- Our superintendent is new this year. I have heard negative as well as positive things about her. I don't believe our high school students are being prepared academically for college level education. I think discipline could be improved upon. Teachers can't teach if they have a disruptive student in the classroom. It only takes one or two students to stop the teaching process.
- Discipline management looks good on paper but does not work in real life.
- HISD's problems have come from years of neglect mostly due to failure to require teachers to perform at high levels, improve, or move on. The new superintendent is systematically dealing with the technology, instruction, finance and facilities problems. She is on the campuses regularly, holds a community forum monthly (one in the housing project), has established a Teacher Advisory Council, and is committed to raising the expectations for all students, faculty, and staff.
- The school has improved a lot. In this past year, children have had the chance to learn more.
- Everything has gone downhill in the last six months.
- There is no Art or Music classes offered in elementary schools. Too much emphasis is placed in TAAS. TAAS is a waste of time and tax dollars. Can you pass the TAAS?
- The superintendent of this district is an over bearing, power hungry woman that will bankrupt the district if something doesn't change. Too much money is being spent in areas that does little or nothing for students or faculty. The personnel are underpaid and overworked.

- College-bound students are not given the information to make the transition easy from high school to college.
- Underclassmen are not exposed to college-bound instruction and the requirements necessary to go to college.
- Junior high students are not prepared to know what to expect after high school.
- This is my first year working in a school district and I have experienced that Hitchcock ISD needs a lot of improvement academically, financially, and supporting staff. There is a lack of concern for the teaching of the children. I have observed poor performance of principal, teachers and other staff. They are far behind in time. There is no modification in the classroom for ESL students. Students being tested for "special education" without giving the student proper teaching in the classroom. Teachers are not being monitored properly.
- I have seen grants written for programs but then programs are not followed out or grant ends as program ends when program was working. Some staff are carrying two or three job titles, but getting paid for one title. The Parental Involvement is needed in the district. There was a grant written for the program for two years, it took Hitchcock ISD a year before staff was hired on the program and so the program only existed for one year and by June 30, 2002, the grant is ending so this Parental program will end. There is a need for better rapport with teachers, parents, principals, and staff. I could go on and on but I know I'm limited.
- We need to benchmark students more often.
- The Vocational Programs are almost non-existent. There is no emphasis at all on vocational education-who's going to fix our cars or build our houses in the future. Not every child is college-bound and needs these skills to survive in the world. Too much is put on the sports programs and none at all on the Fine Arts and it has been this way for over 30 years in Hitchcock ISD. This is only the fault of the administrations. There is more to learning than just passing a TAAS test.
- The equipment is second rate and more money is spent on maintaining than what new equipment would cost. A lot of the equipment is obsolete. Computers are wonderful tools; however, the children are not taught to use the finest computer there is-their brain.
- There is lack of communication between the superintendent and teachers. Too much time is spent on TAAS test taking and not enough time on regular subjects. The superintendent needs to learn to how to talk and respect its employees.
- Hitchcock ISD is floundering because parents are not involved, especially the low-achieving minority families. The other groups pretty much want things to stay the same. The entire community

seems to be about 50 years behind the times. Many families need social services but there is no social worker, which could easily be financed by an initial grant and then Medicaid reimbursement. But who cares?

- Hitchcock ISD has a lot of teachers who care about the students and want to teach them all they can learn. But then there are some teachers who are just drawing a paycheck. We have a lot of students who come from a home with a single parent, having to work several jobs. So it is hard to get parents involved in the students' work. I have a child in the school district and want the best teachers and education.
- Too much time is spent on TAAS and/or TAAS tests. Basically, that is all that is taught. It is very negative this year.
- Hitchcock ISD has a new superintendent this school year that is leading us in the right direction. But it will take time.
- Since I have worked for Hitchcock ISD, I have been very disappointed in the way the buildings are not kept clean and teachers have not gotten the tools and support they require to teach their students. The students have no respect for their schools because they are not clean and constantly need to be fixed (but instead things get "rigged").
- This school needs HELP! Tax money is being misused.
- There are many of us who have strong desires to improve the performance of our students and management of our resources. We have the potential to become the area school district of choice. The review will aid us in improving our weak areas.
- I feel some teachers are only here for the paychecks. I don't think they have the students' interest in mind. Teachers should have to renew their certificates every few years-not just by getting hours in. Some of our teachers have been here for 25+ years and still teaching the same materials they taught me when I was in high school here. I don't feel students are being taught what they need to make it in college. Most of our high ranking seniors end up back home after a semester or a year of college because they can't keep up.
- As a clerical worker, I am not sure on the performance of each campus as far as educational performance.
- The student ratio Hitchcock ISD is majority African-American and minority Anglo and Mexican-American. There are no African-American teachers at the high school. There is one Math teacher and the other teacher is in Physical Education. The rest of the African-American are support staff and it is the same way at both elementary and middle schools. For years in Hitchcock, the administration did not allow African-American teachers (qualified and certified) to apply and if they did apply, they were told that the

positions were already filled. African-American teachers eventually stop applying.

- Hitchcock ISD needs PC in every classroom for teachers. Hitchcock ISD also has a dress code that is barely followed and disciplinary actions are different for all students. The board will not hear of dropping the dress code nor add colors. It would help to add different colors other than red or white. Students feel they wear the same thing everyday.
- Professional support staff are not taken seriously. We are considered expendable. Never a kind word for the hard work presented. The work done by support staff, if the work is good, the credit is taken by the administrators. If it's not academics, our work is not considered important. I present drug prevention programs and feel like we have to struggle to be even accepted seriously in the school. Certainly, there is no teamwork between support staff and administration, superintendent included. One main problem is pay schedule. There is none for support staff, even though we've addressed this issue several times.
- Not only am I an employee for Hitchcock ISD, I am also a parent. After two of my sons dropped out of high school in Hitchcock, I withdrew my youngest son from the junior high and am now sending him to a private school. I feel the schools in Hitchcock are doing a horrible job with the children (with exception to a very few good teachers). I could tell you some things coming from both sides of the fence.
- There are too many positions in this district that have nothing to do with actually teaching children. For example, our "curriculum director" does very little that can be considered valuable to children. It is a cushy job complete with a secretary. Our central administration has grown in personnel, while our student population has declined. Jobs have been handed out to anyone who wanted one, especially in the form of aides. Now our superintendent is talking about laying off teachers, especially the one who have been here longer. Untold amounts of money have been wasted on trips to resort areas for administrators and secretaries. Now the district is \$600,000 in the red. More is spent on athletics than is justifiable for a district this size. Coaches are crawling over each other. Yet more and more coaches are hired, which of course costs more money. This district needs to have its priorities set straight.
- We have people in positions who do not know that they are doing. Hitchcock was on the new recently for something negative. The principal at that elementary school does not know how to manage people and different situations. How can you keep someone who doesn't know how to defuse a parent and keep them from filing charges? I feel that a good (or even great) principal would have

stopped a parent right at the front door of the school. We seem to be hiring a lot of staff with several mental deficiencies. I also believe we hire too many parents. We have parents who didn't even go to college working in the system. Some earn money for doing nothing. Then we have the same elementary principal trying to justify what this parent does, because they want to play all day with that co-worker. Trying not to lose assistants that have been singled out to be your buddy, and the rest of the staff feeling frustrated. The morale in Hitchcock ISD at all schools is very low. I work at the high school and the principal will back you when a situation arrives. He does not sit there listening to one side of the story-there is always two sides to each story and if you will be straight with him, he will see your point of view, but he will always be there for the right thing. If you are wrong, he will let you know and that's a good thing. Support staff feel there's not enough money in the paychecks to justify everything we do.

- Our students are bored. We should have enough computer technology so when a student finishes his classroom work there are computers available in every classroom to work on. We need more fine arts and foreign language. We need to teach to every student. We should know how each student best learns.

# Appendix D

## PRINCIPAL AND ASSISTANT PRINCIPAL SURVEY RESULTS

### Demographic Data/Survey Questions

*(Written/Self-Administered)*

*(n=3)*

### *Demographic Data*

The review team received survey responses from 3 principals and assistant principals in HISD. This data was used to get a better sense of the perceptions and issues confronting the district. It was also used to supplement the work of the focus groups and public forum.

<b>1. Gender (Optional)</b>	<b>Male</b>	<b>Female</b>				
	0%	100%				
<b>2. Ethnicity (Optional)</b>	<b>Anglo</b>	<b>African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>	
	50%	50%	0%	0%	0%	
<b>3. How long have you been employed by Hitchcock ISD?</b>	<b>1-5 years</b>	<b>6-10 years</b>	<b>11-15 years</b>	<b>16-20 years</b>	<b>20+ years</b>	
	33%	33%	33%	0%	0%	
<b>4. What grades are taught in your school?</b>	<b>Pre-Kindergarten</b>	<b>Fourth Grade</b>	<b>Ninth Grade</b>			
	33%	33%				
	<b>Kindergarten</b>	<b>Fifth Grade</b>	<b>Tenth Grade</b>			
	33%	33%				
	<b>First Grade</b>	<b>Sixth Grade</b>	<b>Eleventh Grade</b>			
	33%	33%				
	<b>Second Grade</b>	<b>Seventh Grade</b>	<b>Twelfth Grade</b>			
	33%	33%				
	<b>Third Grade</b>	<b>Eight Grade</b>				
	33%	33%				

## SURVEY QUESTIONS

### A. District Organization and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1.	The school board allows sufficient time for public input at meetings.	50%	50%	0%	0%	0%
2.	School board members listen to the opinions and desires of others.	50%	50%	0%	0%	0%
3.	School board members understand their role as policymakers and stay out of the day-to-day management of the district.	0%	50%	0%	50%	0%
4.	The superintendent is a respected and effective instructional leader.	0%	50%	0%	50%	0%
5.	The superintendent is a respected and effective business manager.	0%	50%	0%	50%	0%
6.	Central administration is efficient.	0%	50%	50%	0%	0%
7.	Central administration supports the educational process.	0%	100%	0%	0%	0%
8.	The morale of central administration staff is good.	0%	50%	0%	50%	0%

### B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
9.	Education is the main priority in our school district.	33%	67%	0%	0%	0%
10.	Teachers are given an	0%	100%	0%	0%	0%

	opportunity to suggest programs and materials that they believe are most effective.					
11.	The needs of the college-bound student are being met.	0%	67%	0%	33%	0%
12.	The needs of the work-bound student are being met.	0%	100%	0%	0%	0%
13.	The district provides curriculum guides for all grades and subjects.	0%	0%	0%	67%	33%
14.	The curriculum guides are appropriately aligned and coordinated.	0%	0%	67%	33%	0%
15.	The district's curriculum guides clearly outline what to teach and how to teach it.	0%	0%	67%	33%	0%
16.	The district has effective educational programs for the following:					
	a) Reading	0%	100%	0%	0%	0%
	b) Writing	0%	100%	0%	0%	0%
	c) Mathematics	0%	100%	0%	0%	0%
	d) Science	0%	67%	0%	33%	0%
	e) English or Language Arts	0%	100%	0%	0%	0%
	f) Computer Instruction	0%	33%	0%	67%	0%
	g) Social Studies (history or geography)	0%	67%	0%	33%	0%
	h) Fine Arts	0%	0%	0%	100%	0%
	i) Physical Education	0%	100%	0%	0%	0%
	j) Business Education	0%	33%	33%	33%	0%
	k) Vocational (Career and Technology)	0%	67%	0%	33%	0%

	Education					
	l) Foreign Language	0%	33%	33%	33%	0%
17.	The district has effective special programs for the following:					
	a) Library Service	0%	33%	0%	67%	0%
	b) Honors/Gifted and Talented Education	0%	33%	0%	67%	0%
	c) Special Education	0%	67%	0%	33%	0%
	d) Head Start and Even Start programs	0%	100%	0%	0%	0%
	e) Dyslexia program	0%	100%	0%	0%	0%
	f) Student mentoring program	0%	33%	33%	33%	0%
	g) Advanced placement program	0%	100%	0%	0%	0%
	h) Literacy program	33%	67%	0%	0%	0%
	i) Programs for students at risk of dropping out of school	33%	67%	0%	0%	0%
	j) Summer school programs	33%	33%	0%	33%	0%
	k) Alternative education programs	33%	67%	0%	0%	0%
	l) "English as a second language" program	0%	67%	33%	0%	0%
	m) Career counseling program	0%	67%	33%	0%	0%
	n) College counseling program	0%	67%	33%	0%	0%
	o) Counseling the parents of students	0%	67%	33%	0%	0%
	p) Drop out prevention program	0%	67%	0%	33%	0%
18.	Parents are immediately	67%	0%	33%	0%	0%

	notified if a child is absent from school.					
19.	Teacher turnover is low.	0%	67%	0%	33%	0%
20.	Highly qualified teachers fill job openings.	0%	67%	33%	0%	0%
21.	Teachers are rewarded for superior performance.	0%	100%	0%	0%	0%
22.	Teachers are counseled about less than satisfactory performance.	33%	67%	0%	0%	0%
23.	All schools have equal access to educational materials such as computers, television monitors, science labs, and art classes.	33%	33%	0%	33%	0%
24.	Students have access, when needed, to a school nurse.	67%	33%	0%	0%	0%
25.	Classrooms are seldom left unattended.	33%	33%	0%	33%	0%
26.	District salaries are competitive with similar positions in the job market.	0%	0%	0%	67%	33%
27.	The district has a good and timely program for orienting new employees.	0%	0%	0%	100%	0%
28.	Temporary workers are rarely used.	0%	33%	0%	67%	0%

### C. Personnel Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
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29.	The district successfully projects future staffing needs.	0%	33%	67%	0%	0%
30.	The district has an effective employee recruitment program.	0%	67%	33%	0%	0%
31.	The district operates an effective staff development program.	50%	50%	0%	0%	0%
32.	District employees receive annual personnel evaluations.	33%	67%	0%	0%	0%
33.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0%	67%	33%	0%	0%
34.	Employees who perform below the standard of expectation are counseled appropriately and timely.	33%	67%	0%	0%	0%
35.	The district has a fair and timely grievance process.	33%	67%	0%	0%	0%
36.	The district's health insurance package meets my needs.	0%	33%	33%	33%	0%

#### D. Community Involvement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
37.	The district regularly communicates with parents.	33%	67%	0%	0%	0%
38.	Schools have plenty of volunteers to help	0%	0%	0%	100%	0%

	student and school programs.					
39.	District facilities are open for community use.	0%	67%	0%	33%	0%

### E. Facilities Use and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
40.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	0%	100%	0%	0%	0%
41.	Schools are clean.	0%	67%	0%	33%	0%
42.	Buildings are properly maintained in a timely manner.	0%	67%	0%	33%	0%
43.	Repairs are made in a timely manner.	0%	33%	0%	67%	0%
44.	Emergency maintenance is handled promptly.	0%	100%	0%	0%	0%

### F. Financial Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
45.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	33%	33%	0%	33%	0%
46.	Campus administrators are well-trained in fiscal management techniques.	0%	67%	0%	33%	0%
47.	Financial reports are allocated fairly and	67%	33%	0%	0%	0%

	equitably at my school.					
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### G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
48.	Purchasing gets me what I need when I need it.	0%	67%	33%	0%	0%
49.	Purchasing acquires high quality materials and equipment at the lowest cost.	0%	67%	0%	33%	0%
50.	Purchasing processes are not cumbersome for the requestor.	0%	33%	0%	67%	0%
51.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	0%	33%	0%	67%	0%
52.	Students are issued textbooks in a timely manner.	0%	100%	0%	0%	0%
53.	Textbooks are in good shape.	0%	100%	0%	0%	0%
54.	The school library meets students needs for books and other resources.	0%	67%	0%	0%	33%

### H. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
55.	The cafeteria's food looks and tastes good.	0%	100%	0%	0%	0%
56.	Food is served warm.	0%	100%	0%	0%	0%
57.	Students have enough	0%	100%	0%	0%	0%

	time to eat.					
58.	Students eat lunch at the appropriate time of day.	0%	100%	0%	0%	0%
59.	Students wait in food lines no longer than 10% minutes.	0%	67%	0%	33%	0%
60.	Discipline and order are maintained in the school cafeteria.	0%	100%	0%	0%	0%
61.	Cafeteria staff is helpful and friendly.	0%	100%	0%	0%	0%
62.	Cafeteria facilities are sanitary and neat.	0%	67%	0%	33%	0%

### I. Transportation

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
63.	The drop-off zone at the school is safe.	0%	67%	0%	0%	33%
64.	The district has a simple method to request buses for special events.	0%	67%	0%	33%	0%
65.	Buses arrive and leave on time.	0%	67%	0%	33%	0%
66.	Adding or modifying a route for a student is easy to accomplish.	0%	33%	67%	0%	0%

### J. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
67.	Students feel safe and secure at school.	0%	100%	0%	0%	0%
68.	School disturbances are	0%	100%	0%	0%	0%

	infrequent.					
69.	Gangs are not a problem in this district.	0%	100%	0%	0%	0%
70.	Drugs are not a problem in this district.	0%	100%	0%	0%	0%
71.	Vandalism is not a problem in this district.	0%	100%	0%	0%	0%
72.	Security personnel have a good working relationship with principals and teachers.	33%	67%	0%	0%	0%
73.	Security personnel are respected and liked by the students they serve.	33%	67%	0%	0%	0%
74.	A good working arrangement exists between the local law enforcement and the district.	33%	67%	0%	0%	0%
75.	Students receive fair and equitable discipline for misconduct.	33%	67%	0%	0%	0%
76.	Safety hazards do not exist on school grounds.	0%	67%	0%	33%	0%

### **K. Computers and Technology**

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
77.	Students regularly use computers.	0%	100%	0%	0%	0%
78.	Students have regular access to computer equipment and software in the classroom.	33%	67%	0%	0%	0%
79.	Computers are new enough to be useful for student instruction.	33%	67%	0%	0%	0%

80.	The district meets students needs in computer fundamentals.	0%	67%	0%	33%	0%
81.	The district meets student needs in advanced computer skills.	0%	33%	33%	33%	0%
82.	Teachers know how to use computers in the classroom.	0%	67%	0%	33%	0%
83.	Teachers and students have easy access to the Internet.	33%	67%	0%	0%	0%

# Appendix D

## PRINCIPAL AND ASSISTANT PRINCIPAL SURVEY RESULTS

### **VERBATIM**

The following comments are actual narratives from survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- The superintendent is working very hard to correct problems in the areas of facilities, maintenance, transportation and vertical and horizontal alignment. These problems did not arise overnight, nor can they be corrected as quickly as we would like.

# Appendix E

## TEACHER SURVEY RESULTS

### Demographic Data/Survey Questions

*(Written/Self-Administered)*

*(n=40)*

#### **Demographic Data**

The review team received survey responses from 40 HISD teachers. This data was used to get a better sense of the perceptions and issues confronting the district. It was also used to supplement the work of the focus groups and public forum. This data was used to gain a more complete picture of the working environment within the district. This data was also used to gain an indication of gaps in perception between the faculty, staff and central office personnel.

<b>1. Gender (Optional)</b>	<b>Male</b>	<b>Female</b>				
	29%	71%				
<b>2. Ethnicity (Optional)</b>	<b>Anglo</b>	<b>African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>	
	82%	9%	3%	3%	3%	
<b>3. How long have you been employed by Hitchcock ISD</b>	<b>1-5 years</b>	<b>6-10 years</b>	<b>11-15 years</b>	<b>16-20 years</b>	<b>20+ years</b>	
	29%	26%	23%	11%	11%	
<b>4. What grade(s) do you teach this year?</b>	<b>Pre-Kindergarten</b>	<b>Fourth Grade</b>	<b>Ninth Grade</b>			
	17%	22%	31%			
	<b>Kindergarten</b>	<b>Fifth Grade</b>	<b>Tenth Grade</b>			
	14%	22%	36%			
	<b>First Grade</b>	<b>Sixth Grade</b>	<b>Eleventh Grade</b>			
	17%	17%	33%			
	<b>Second Grade</b>	<b>Seventh Grade</b>	<b>Twelfth Grade</b>			
	19%	19%	36%			
	<b>Third Grade</b>	<b>Eight Grade</b>				

	17%	19%	
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## SURVEY QUESTIONS

### A. District Organization and Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1.	The school board allows sufficient time for public input at meetings.	3%	60%	22%	10%	5%
2.	School board members listen to the opinions and desires of others.	12%	55%	20%	10%	3%
3.	School board members work well with the superintendent.	3%	15%	59%	20%	3%
4.	The school board has a good image in the community.	5%	55%	32%	8%	0%
5.	The superintendent is a respected and effective instructional leader.	8%	28%	30%	12%	22%
6.	The superintendent is a respected and effective business manager.	5%	25%	38%	12%	20%
7.	Central administration is efficient.	5%	17%	25%	28%	25%
8.	Central administration supports the educational process.	3%	40%	20%	17%	20%
9.	The morale of central administration staff is good.	0%	18%	61%	13%	8%

### B. Educational Service Delivery and Performance Measurement

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
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10.	Education is the main priority in our school district.	15%	50%	5%	22%	8%
11.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	5%	51%	3%	26%	15%
12.	The needs of the college-bound student are being met.	3%	35%	20%	22%	20%
13.	The needs of the work-bound student are being met.	3%	22%	35%	17%	23%
14.	The district provides curriculum guides for all grades and subjects.	10%	20%	17%	23%	30%
15.	The curriculum guides are appropriately aligned and coordinated.	5%	20%	20%	20%	35%
16.	The district's curriculum guides clearly outline what to teach and how to teach it.	5%	15%	20%	22%	38%
17.	The district has effective educational programs for the following:					
	a) Reading	8%	59%	10%	20%	3%
	b) Writing	3%	70%	12%	15%	0%
	c) Mathematics	5%	80%	5%	7%	3%
	d) Science	5%	49%	15%	28%	3%
	e) English or Language Arts	8%	82%	2%	8%	0%
	f) Computer Instruction	8%	37%	8%	25%	22%
	g) Social Studies (history or geography)	0%	53%	12%	30%	5%
	h) Fine Arts	5%	30%	8%	32%	25%

	i) Physical Education	8%	42%	17%	30%	3%
	j) Business Education	5%	25%	47%	15%	8%
	k) Vocational (Career and Technology) Education	5%	20%	45%	18%	12%
	l) Foreign Language	0%	21%	28%	36%	15%
18.	The district has effective special programs for the following:					
	a) Library Service	5%	40%	20%	22%	13%
	b) Honors/Gifted and Talented Education	3%	45%	12%	28%	12%
	c) Special Education	10%	72%	2%	13%	3%
	d) Head Start and Even Start programs	5%	68%	27%	0%	0%
	e) Dyslexia program	3%	48%	32%	17%	0%
	f) Student mentoring program	5%	12%	48%	20%	15%
	g) Advanced placement program	3%	35%	37%	10%	15%
	h) Literacy program	3%	40%	27%	27%	3%
	i) Programs for students at risk of dropping out of school	3%	40%	20%	12%	25%
	j) Summer school programs	5%	40%	15%	25%	15%
	k) Alternative education programs	0%	29%	32%	21%	18%
	l) "English as a second language" program	3%	64%	13%	5%	15%
	m) Career counseling program	3%	15%	46%	28%	8%
	n) College counseling program	3%	18%	54%	18%	7%
	o) Counseling the	3%	26%	23%	43%	5%

	parents of students					
	p) Drop out prevention program	3%	23%	36%	23%	15%
19.	Parents are immediately notified if a child is absent from school.	10%	41%	16%	28%	5%
20.	Teacher turnover is low.	5%	23%	13%	44%	15%
21.	Highly qualified teachers fill job openings.	3%	23%	33%	26%	15%
22.	Teacher openings are filled quickly.	3%	15%	15%	49%	18%
23.	Teachers are rewarded for superior performance.	3%	8%	15%	28%	46%
24.	Teachers are counseled about less than satisfactory performance.	3%	54%	10%	20%	13%
25.	Teachers are knowledgeable in the subject areas they teach.	21%	56%	5%	13%	5%
26.	All schools have equal access to educational materials such as computers, television monitors, science labs, and art classes.	8%	24%	3%	34%	31%
27.	The students-to-teacher ratio is reasonable.	20%	46%	5%	21%	8%
28.	Classrooms are seldom left unattended.	36%	51%	10%	3%	0%

### C. Personnel Management

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
29.	District salaries are competitive with similar	13%	31%	8%	25%	23%

	positions in the job market.					
30.	The district has a good and timely program for orienting new employees.	8%	44%	20%	23%	5%
31.	Temporary workers are rarely used.	3%	15%	25%	44%	13%
32.	The district successfully projects future staffing needs.	3%	8%	48%	28%	13%
33.	The district has an effective employee recruitment program.	3%	8%	51%	30%	8%
34.	The district operates an effective staff development program.	3%	48%	23%	23%	3%
35.	District employees receive annual personnel evaluations.	17%	80%	3%	0%	0%
36.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	3%	8%	25%	27%	37%
37.	Employees who perform below the standard of expectation are counseled appropriately and timely.	3%	32%	22%	30%	13%
38.	The district has a fair and timely grievance process.	0%	28%	52%	15%	5%
39.	The district's health insurance package meets my needs.	8%	40%	20%	12%	20%

**D. Community involvement**

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
40.	The district regularly communicates with parents.	15%	58%	10%	17%	0%
41.	The local television and radio stations regularly report school news and menus.	3%	10%	17%	42%	28%
42.	Schools have plenty of volunteers to help student and school programs.	5%	5%	8%	40%	42%
43.	District facilities are open for community use.	8%	52%	20%	8%	12%

#### E. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
44.	The district plans facilities far enough in the future to support enrollment growth.	3%	12%	20%	45%	20%
45.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	5%	30%	25%	35%	5%
46.	The architect and construction managers are selected objectively and impersonally.	0%	20%	68%	12%	0%
47.	The quality of new construction is excellent.	3%	7%	33%	50%	7%
48.	Schools are clean.	5%	38%	5%	37%	15%
49.	Buildings are properly maintained in a timely	5%	20%	10%	43%	22%

	manner.					
50.	Repairs are made in a timely manner.	5%	22%	10%	53%	10%
51.	Emergency maintenance is handled promptly.	12%	55%	13%	20%	0%

### F. Financial Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
52.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	5%	37%	19%	34%	5%
53.	Campus administrators are well-trained in fiscal management techniques.	8%	37%	42%	8%	5%
54.	Financial reports are allocated fairly and equitably at my school.	11%	26%	26%	32%	5%

### G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
55.	Purchasing gets me what I need when I need it.	8%	33%	8%	33%	18%
56.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	8%	39%	10%	33%	10%
57.	Purchasing processes are not cumbersome for the requestor.	3%	18%	3%	33%	43%
58.	Vendors are selected competitively.	8%	43%	26%	18%	5%

59.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	8%	31%	10%	36%	15%
60.	Students are issued textbooks in a timely manner.	20%	64%	8%	0%	8%
61.	Textbooks are in good shape.	15%	46%	16%	23%	0%
62.	The school library meets students needs for books and other resources.	8%	34%	10%	32%	16%

### H. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
63.	The cafeteria's food looks and tastes good.	0%	31%	13%	33%	23%
64.	Food is served warm.	0%	69%	15%	13%	3%
65.	Students eat lunch at the appropriate time of day.	13%	84%	3%	0%	0%
66.	Students wait in food lines no longer than 10 minutes.	8%	69%	10%	10%	3%
67.	Discipline and order are maintained in the school cafeteria.	5%	56%	8%	23%	8%
68.	Cafeteria staff is helpful and friendly.	20%	64%	3%	5%	8%
69.	Cafeteria facilities are sanitary and neat.	15%	72%	8%	5%	0%

### I. Safety and Security

Survey Questions	Strongly	Agree	No	Disagree	Strongly
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		<b>Agree</b>		<b>Opinion</b>		<b>Disagree</b>
70.	School disturbances are infrequent.	0%	50%	8%	32%	10%
71.	Gangs are not a problem in this district.	3%	67%	20%	10%	0%
72.	Drugs are not a problem in this district.	0%	30%	27%	35%	8%
73.	Vandalism is not a problem in this district.	0%	28%	17%	43%	12%
74.	Security personnel have a good working relationship with principals and teachers.	25%	60%	7%	8%	0%
75.	Security personnel are respected and liked by the students they serve.	15%	57%	25%	3%	0%
76.	A good working arrangement exists between the local law enforcement and the district.	23%	60%	12%	5%	0%
77.	Students receive fair and equitable discipline for misconduct.	12%	35%	8%	25%	20%
78.	Safety hazards do not exist on school grounds.	8%	27%	12%	45%	8%

### **J. Computers and Technology**

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
79.	Students regularly use computers.	15%	62%	5%	10%	8%
80.	Students have regular access to computer equipment and software in the classroom.	12%	60%	3%	15%	10%
81.	Teachers know how to	10%	45%	10%	25%	10%

	use computers in the classroom.					
82.	Computers are new enough to be useful for student instruction.	8%	77%	7%	3%	5%
83.	The district meets students needs in classes in computer fundamentals.	8%	40%	15%	22%	15%
84.	The district meets student needs in classes in advanced computer skills.	3%	23%	27%	27%	20%
85.	Teachers and students have easy access to the Internet.	12%	62%	3%	15%	8%

# Appendix E

## TEACHER SURVEY RESULTS

### VERBATIM

The following comments are actual narratives from survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- I'm afraid that education in general is a matter of money and not education. No one cares what the kids learn are long as they pass TAAS. Of course this is the responsibility of the teacher, not the student or the parent. You can spend \$10,000 per student per day and unless that student wants to learn you are wasting not only your money but also your time. I wish we could focus on learning and not money.
- Better facilities and materials need for teachers.
- Hitchcock ISD is centered in a small community. We have a mixed population of students. Our community's economic status is poverty level to a blue-collar worker status. We have many obstacles to overcome. I believe we should be a recognized school on all levels. We must learn to work together as a team-accepting only the best teachers and administrators.
- I feel the students would learn more if the classes were smaller. The discipline would be better. Better quality aids would be a great asset. Try to find some that could read and have some common sense would be refreshing.
- The school district used to be like one big family in a small town. With the new superintendent, it's not like that anymore-everyone is afraid of losing their jobs here. We have been told that if we did not average 25 students per class then your program would be cut. When you have good teachers that have been doing a great job and all the sudden they are asked to resign or they're not getting a contract, you don't feel secure in your position. It seems funny to me that the district is smaller than we have ever been but we have more people in administration than we have ever had. And if we have a teacher leave (for example, homemaking), they just shut down the program. But when someone from administration leaves they hire someone right away and it seems to me that you would hire a new teacher to keep a successful program going. These things are hard not to think about and sometimes make a day difficult to give your all. I'm not opposed to changes but I am opposed to the way the new superintendent is doing it.
- Hitchcock ISD has too many administrators and related support staff in central office for a class AA school. Administrative duties

often overlap. You get approval from one and a negative from another. Forms are constantly changed so that some that are only months old are rejected as not the current one. Purchase orders are constantly rejected because of lack of PO number. One office says submit them without a budget item number since the one we have are not current and another rejects them because there is no number. Department budgets shows that there is money to be spent but when you try, a branch of central administration has already spent it on something else. One central administrator tells you one thing and another tells you something contrary. Hitchcock ISD central has redundant superfluous positions. They tell us HISD is \$600,000 in the hole then threaten to cut teacher positions while increasing central office support staff. Much money goes to remodeling offices for the increased staff. Student and faculty computer maintenance is put on the back burner while Central's needs take top priority. Some central administrators try to hold onto their positions and justify it with tons of paperwork that is really unnecessary and take away from teaching and preparation time. In conclusion, Hitchcock ISD could do a lot better if its central office were streamlined. Hitchcock High School is a recognized campus due to the hard work of its principals, students and staff. Central Office tries to take credit but they really make it impossible to be efficient. We would do a lot better if certain positions and personnel were cut and/or combined. It's not just the positions; some administrator's attitudes also hinder educational growth. The Curriculum director, belittles faculty members. Even though she was not listed as a teacher evaluator, she decided to do so. Her degrading manner was off-base as she ridiculed an excellent teachers' method of teaching. Another administrator has a crazy idea that even the smallest of items must have three competitive bids, even items under \$5.00. She is supposed to be a lawyer/business administrator but has no concept of how schools operate.

- Teachers still have far too much paperwork and far too many meetings. The paperwork and meetings have little to do with teaching students.
- We have a new superintendent who is making sweeping changes in our reading and math programs with teachers having no say in what they want. Site-based decision-making is a joke.
- I feel the students are getting a great education in Hitchcock. We just have a problem in keeping teachers because the pay scale isn't as high as districts around Hitchcock.
- I feel that most of the problems in the district was brought on by previous administration. I feel that the new administration is trying to do what is best. The one concern I have is the overstaffing at the

central office. More teachers are needed. Certain budget problems need to be fixed.

- The teachers in Hitchcock seem to work very hard to help the students. We do have discipline problems with some of the students. Parent cooperation is not the best here in Hitchcock. We do have a problem getting certified teachers. We have some few teachers teaching that are not certified in the area they are teaching.
- We have a new superintendent and as principal, committed to taking the district to a higher level. Several new programs such as "High School That Work" that will improve student performance are underway. The administration is supportive of students and staff. Tax dollars are widely spent for education.
- With the new principal, discipline at the high school has improved. He doesn't bow down to parents which is nice. Some school board member seems to expect special treatment for her children and has regularly received it in the past. The local judge has been extremely disrespectful and rude to our campus police officer and teachers. Some students have gotten away with assault on teachers several times. I teach Health Science Technology without any facilities or equipment except a hospital bed. When I have asked for major purchases, there is never any money, but there is always money for anything the computer teacher wants. There are minimal elective choices available to students. As far as computer skills, the children do not have any keyboard skills for the computers.
- There is very little parental involvement at our school, except for basketball of course. I have taught four years now and I'm not sure I'll return in the future. I have not been given a written or verbal salary notification since I was hired in August 1998.
- There is \$50,000 worth of grant money equipment in my room that has been there since September and has never been used for distance education and no one seems to know when it will be.
- I have constant interruptions to my classes from the Internet workers several times a day and so do others that use my room. They use a key, walk in, talk loud to each other and hang around or walk in and out. This disrupts any lesson going on.
- Poverty and race relations are problems affecting education in our school and general area.
- I feel we have very hardworking and loyal teachers at Hitchcock ISD. Teachers who have stayed with the district are not only concerned with student performance, but also with the welfare of each child. As a teacher, I am proud of the academic progress our students have made over the past several years. I feel our teachers should be recognized and rewarded for their hard work. At this time in Hitchcock ISD, there are many hurdles we as teachers face both in and out of the classroom. Disagreement among administration and school board, negativity in the community, and

a feeling that our staff has no support has made this a difficult year for our district.

- We have been for the last six months driving on a road that is filled with large potholes, which whenever it rains (and it rains frequently in this area), the holes become larger, making for very messy and uncomfortable driving conditions. The undersides of vehicles can be heard "scrapping" the surface, when attempting to maneuver around these very burdensome potholes. Parents have also complained about the condition of this road, but the only thing I can suggest is that they bring the matter to the superintendent and school board. So far, no repair or improvement to the road has been made. It's like driving on an obstacle course every morning and afternoon.
- We need more materials and workshops for math instruction, as well as more math equipment.
- Reading programs are very essential in the district. We need more computer software for Math and Reading in classroom.
- Discipline needs to be improved. Most in Hitchcock do not believe in Chapter 37 nor alternative classrooms. New buildings need to be built for Northside Elementary and Crosby Middle School. The superintendent's relationship with teachers needs to improve. The district budget for the four Hitchcock schools need to be structured and emphasized.

# Appendix F

## STUDENT SURVEY RESULTS

### Demographic Data/Survey Questions

*(Written/Self-Administered)*

*(n=78)*

#### **Demographic Data**

The review team received survey responses from 78 HISD students. This data was used to get a better sense of the perceptions and issues confronting the district. It was also used to supplement the work of the focus groups and public forum. This data was used to gain a more complete picture of the learning environment within the district.

<b>1. Gender (Optional)</b>	<b>Male</b>	<b>Female</b>				
		38%	62%			
<b>2. Ethnicity (Optional)</b>	<b>Anglo</b>	<b>African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>	
		22%	48%	21%	4%	5%
<b>3. What is your classification?</b>	<b>Junior</b>	<b>Senior</b>				
		60%	40%			

### **SURVEY QUESTIONS**

#### **A. Educational Service Delivery and Performance Measurement**

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1.	The needs of the college-bound student are being met.	1%	24%	38%	30%	7%
2.	The needs of the work-bound student are being met.	4%	34%	39%	18%	5%
3.	The district has effective educational programs for the following:					

	a) Reading	14%	56%	14%	13%	3%
	b) Writing	9%	57%	13%	16%	5%
	c) Mathematics	10%	54%	15%	13%	8%
	d) Science	16%	41%	27%	13%	3%
	e) English or Language Arts	12%	56%	14%	13%	5%
	f) Computer Instruction	10%	42%	23%	20%	5%
	g) Social Studies (history or geography)	16%	52%	17%	13%	2%
	h) Fine Arts	9%	41%	21%	23%	6%
	i) Physical Education	15%	38%	26%	17%	4%
	j) Business Education	8%	33%	37%	16%	6%
	k) Vocational (Career and Technology) Education	9%	29%	40%	11%	11%
	l) Foreign Language	14%	43%	16%	13%	14%
4.	The district has effective special programs for the following:					
	a) Library Service	10%	32%	33%	16%	9%
	b) Honors/Gifted and Talented Education	10%	40%	22%	16%	12%
	c) Special Education	17%	35%	36%	7%	5%
	d) Student mentoring program	10%	19%	34%	18%	19%
	e) Advanced placement program	14%	46%	15%	16%	9%
	f) Career counseling program	8%	31%	20%	27%	14%
	g) College counseling program	12%	25%	21%	28%	14%
5.	Students have access, when needed, to a school nurse.	6%	8%	9%	35%	42%

6.	Classrooms are seldom left unattended.	13%	26%	25%	27%	9%
7.	The district provides a high quality education.	4%	9%	25%	35%	27%
8.	The district has a high quality of teachers.	4%	19%	19%	34%	24%

### **B. Facilities Use and Management**

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
9.	Schools are clean.	6%	21%	19%	27%	27%
10.	Buildings are properly maintained in a timely manner.	4%	25%	32%	26%	13%
11.	Repairs are made in a timely manner.	4%	18%	18%	31%	29%
12.	Emergency maintenance is handled timely.	10%	26%	37%	10%	17%

### **C. Purchasing and Warehousing**

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
13.	There is enough textbooks in all my classes.	4%	43%	13%	27%	13%
14.	Students are issued textbooks in a timely manner.	6%	57%	12%	16%	9%
15.	Textbooks are in good shape.	0%	27%	13%	35%	25%
16.	The school library meets students needs for books and other resources.	8%	29%	18%	26%	19%

### **D. Food Services**

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
17.	The school breakfast program is available to all children.	10%	53%	22%	10%	5%
18.	The cafeteria's food looks and tastes good.	5%	13%	22%	29%	31%
19.	Food is served warm.	5%	39%	20%	20%	16%
20.	Students have enough time to eat.	7%	18%	13%	23%	39%
21.	Students eat lunch at the appropriate time of day.	14%	59%	10%	8%	9%
22.	Students wait in food lines no longer than 10 minutes.	9%	16%	16%	36%	23%
23.	Discipline and order are maintained in the schools cafeteria.	5%	28%	26%	18%	23%
24.	Cafeteria staff is helpful and friendly.	20%	34%	26%	9%	11%
25.	Cafeteria facilities are sanitary and neat.	14%	46%	18%	13%	9%

### E. Transportation

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
26.	I regularly ride the bus.	5%	18%	29%	19%	29%
27.	The bus driver maintains discipline on the bus.	8%	15%	57%	11%	9%
28.	The length of the student's bus ride is reasonable.	12%	15%	55%	9%	9%
29.	The drop-off zone at the school is safe.	16%	28%	45%	4%	7%

30.	The bus stop near my house is safe.	13%	21%	55%	4%	7%
31.	The bus stop is within walking distance from our home.	14%	24%	47%	10%	5%
32.	Buses arrive and depart on time.	7%	15%	52%	13%	13%
33.	Buses arrive early enough for students to eat breakfast at school.	7%	12%	53%	20%	8%
34.	Buses seldom break down.	8%	19%	55%	9%	9%
35.	Buses are clean.	8%	15%	52%	15%	10%
36.	Bus drivers allow students to sit down before taking off.	13%	18%	52%	9%	8%

#### F. Safety and Security

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
37.	I feel safe and secure at school.	11%	31%	24%	18%	16%
38.	School disturbances are infrequent.	7%	24%	26%	24%	19%
39.	Gangs are not a problem in this district.	32%	24%	16%	11%	17%
40.	Drugs are not a problem in this district.	16%	19%	13%	17%	35%
41.	Vandalism is not a problem in this district.	8%	12%	20%	22%	38%
42.	Security personnel have a good working relationship with principals and teachers.	15%	32%	33%	12%	8%
43.	Security personnel are respected and liked by	9%	30%	25%	22%	14%

	the students they serve.					
44.	A good working arrangement exists between the local law enforcement and the district.	8%	24%	45%	13%	10%
45.	Students receive fair and equitable discipline for misconduct.	9%	29%	34%	10%	18%
46.	Safety hazards do not exist on school grounds.	7%	16%	50%	14%	13%

### G. Computers and Technology

	<b>Survey Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>No Opinion</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
47.	Students have regular access to computer equipment and software in the classroom.	8%	31%	18%	27%	16%
48.	Teachers know how to use computers in the classroom.	12%	45%	19%	14%	10%
49.	Computers are new enough to be useful for student instruction.	10%	35%	29%	12%	14%
50.	The district offers enough classes in computer fundamentals.	5%	18%	35%	30%	12%
51.	The district meets student needs in classes in advanced computer skills.	5%	15%	34%	29%	17%
52.	Teachers and students have easy access to the Internet.	13%	31%	23%	22%	11%

# Appendix F

## STUDENT SURVEY RESULTS

### Verbatim

The following comments are actual narratives from survey respondents. These comments do not necessarily reflect the findings or opinions of the Comptroller or review team.

- This school is weird. People smoke weed in the bathroom. People dip skoal in their trucks (including me).
- The people are rude and don't allow the students to further their education. The local law officers are rude and harass the students.
- The principal is not good. A lot of changes goes on in the school.
- The school does not give students the opportunity to take many AP classes. No disciplinary programs. There are not too many good teachers.
- The school is not very good.
- The school's dress code is not good.
- I feel the school should better prepare the students for the real world as well as college. The lunch food needs serious help.
- I have been a student here in this district for the last ten years. I have yet felt like I was challenged to get the education needed. Now that I'm about to graduate I don't feel like I'm prepared for college. This doesn't have anything to do with the teachers but the district. I hope in the near future those coming up will get a better education.
- We should be able to have more access to the Internet. Teachers should be certified to teach. There should be more variety in honor and regular students.
- The cafeteria plans should be re-worked so the amount of food you receive equals the amount of money you pay.
- I think there should be more AP and PAP courses for students who wish to fulfill their requirements to graduate with honors. We need more teachers to teach these courses.
- The school itself is okay, but could shape up on a lot.
- Speaking as an honor student and distinguish achievement student, I feel that there aren't enough honor classes. I also feel that there are not enough certified teachers. I think more access to computers would be nice and more one-on-one in the classroom. I also feel that there is nothing more important than my education that's why Hitchcock ISD needs a change.
- HISD is unorganized and the teacher quality is poor. There are always substitutes.
- I don't like the dress code.
- It's a nice school but needs more teachers.

- I believe that there should be a wider variety of class options to better prepare a student for the future.
- I personally think that our learning could be better and I would like to have teachers longer than half a semester or just one year.
- I think that the educational performance is only preparing students for TAAS test. Teachers do not prepare us for college level work. They neglect to help us sufficiently with problems we have with work.
- Educational performance would be better if we were challenged more and more focus was taken off of dress code and the TAAS test and more would be placed on academics.
- Since junior high, I have had about 12 different Math teachers, and I still have trouble with math. Most teachers are too easy. The school is going down and no one cares about anything.
- Sometimes I feel that we are behind compared to other schools and that the health program could be better instead of just going to the gym.
- Hitchcock ISD is a very broke school district. We have no rooms for trips. The high school students have no support from the school. The principal is very unfair and quick with a temper. To me, anybody can graduate from here. The dress code is not good. I do not think we need a dress code.
- They don't have a one-on-one relationship and they all have attitudes.
- I think the school is strong in Mathematics. However, in U.S. History, nothing is being taught. The bathrooms are in awful condition. The teachers are more worried about dress code. They will yell at all class about dress code rather than teach. The librarian's aide is very rude. One told a group of students that students weren't allowed in library. The principal is the best thing that happened in Hitchcock.
- The school is way behind all other schools. This school has teachers that don't prepare us for our future education or jobs. This school can't even keep any teachers for more than a year. I have not learned much in any of my English classes. I do have to say that the Science and Math department are the only good part.
- I have learned close to nothing.
- The principal is not that bad.
- We need teachers that are strongly qualified for the job and not teachers who tell us about their family problems. We also need better food and better cafeteria ladies. We have no education. We need a new principal.
- It's horrible and many children have had damage done to their cars.
- I feel that the dress code should be changed.

- The principal is a little too serious about the way he treats the students. Most of the time he is way out of line. But deep down, I know he has a sense of humor somewhere.
- The dress code is not good. We should at least be able to wear any color shirt.