

Nacogdoches Independent School District



LEGISLATIVE BUDGET BOARD

JUNE 2005



LEGISLATIVE BUDGET BOARD

Robert E. Johnson Bldg.
1501 N. Congress Ave. - 5th Floor
Austin, TX 78701

512/463-1200
Fax: 512/475-2902
<http://www.lbb.state.tx.us>

June 30, 2005

Dr. Tony Riehl
Superintendent, Nacogdoches Independent School District

Dear Dr. Riehl:

The attached report reviews the management and performance of the Nacogdoches Independent School District's (NISD) educational, financial, and operational functions.

The report's recommendations will help NISD improve its overall performance as it provides services to students, staff, and community members. The report also highlights model practices and programs being provided by NISD.

The staff of the Legislative Budget Board appreciates the cooperation and assistance that your staff and SDSM, Inc. provided during the preparation of this report.

The report is available on the LBB website at <http://www.lbb.state.tx.us>.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John O'Brien", written over a horizontal line.

John O'Brien
Deputy Director
Legislative Budget Board

cc: Tom Davis
Almarie Henderson
T.D. Howarth
Jay Knott
Phil Mahar
Esiquio "Zeke" Martinez
Leann West

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EXECUTIVE SUMMARY

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

Nacogdoches Independent School District's (NISD) school review report noted 20 accomplishments and made 60 findings/recommendations for improvement. The following is a summary of the significant accomplishments, findings, and recommendations that resulted from the review. A copy of the full report can be found at www.lbb.state.tx.us.

SIGNIFICANT ACCOMPLISHMENTS

- Due to reassigning central and campus administrators, focused student interventions, and reconfiguring grade levels for better vertical alignment of instruction, student performance increased significantly in NISD.
- NISD's police department is a full partner with school administrators in maintaining a safe learning environment for all students by combining education and community outreach with law enforcement to comprehensively address student and staff safety issues.
- NISD has a process for identifying and applying for grant opportunities, resulting in its selection in 2003 to participate in a competitive Title II part D grant. The grant facilitates improvements in student achievement by integrating technology more effectively into the curriculum aligned with the Texas Essential Knowledge and Skills (TEKS).
- NISD has restructured its Career and Technology Education (CATE) program, eliminating underused course offerings and updating or adding courses to meet the needs of students.
- NISD's Disciplinary Academic Resource Team (DART) at McMichael Middle School addresses the needs of at-risk students by analyzing problems, identifying root causes, and developing custom solutions for each participating student. While the program is new, of the 44 DART students, 27 percent have improved grades, 27 percent have decreased disciplinary referrals, and several have exited the program due to significant improvement.
- NISD provides incentives to hourly employees who do not have a work-related accident or injury each month. Hourly employees with an accident free record receive safety scratch off tickets that have a 20 percent chance to receive a prize provided by the district's worker's compensation carrier.
- The district's gifted and talented students have partnered with business and civic organizations to establish a nationally recognized, student-directed recycling program that provides additional revenue for district schools, saves taxpayer dollars by reducing waste removal costs, and benefits the community by reducing landfill waste.
- The district has structured its recruitment program to minimize vacancies at the start of the school year by contacting recruits in the previous fall, completing employee transfers in a timely manner to identify remaining vacancies, and following up with the recruits to attend the district's spring job fair.

SIGNIFICANT FINDINGS

- The prolonged rift between the superintendent and the board has affected the ability of the board to govern effectively, and hindered the superintendent in managing district operations. It has also negatively affected teacher and student morale.
- NISD inappropriately used bond and debt service funds for operating expenditures in 2003–04. NISD does not segregate bond funds in a separate checking account and deposited state funding for debt service into the general operating bank account.
- In July 2001, NISD extended its contract for student transportation services in violation of state procurement laws.
- NISD's contract for student transportation services benefits the contractor as written and is not complete.
- The district lacks a clearly defined organizational structure and effective reporting relationships in the non-instructional portion of the central administration, resulting in a lack of accountability and significant compliance and management issues.
- NISD has not maximized state or local revenue because of its optional 20 percent homestead tax exemption for owner-occupied residences claimed as homesteads. In 2003–04, the district did not levy \$1.7 million in maintenance and operations taxes and did not receive \$306,542 in

Tier 2 state funding due to the optional homestead exemption.

- NISD does not have an internal audit function to independently monitor and report compliance with policies, regulations, or laws to the board.
- NISD does not comply with state purchasing laws because it has a highly decentralized purchasing process coupled with insufficient staff in the Business Office to provide the necessary control and oversight to ensure compliance.
- NISD does not consistently monitor and evaluate vendor and contractor performance because it does not have a central contract management function. Individual departments have oversight of contracts for goods and services they purchase.
- NISD lacks a custodial staffing formula and its custodial staffing levels exceed recommended industry standards for custodial operations, resulting in unnecessary costs for the district.
- The district does not routinely analyze bus routes to optimize efficiency of service.
- NISD spends significant time and resources to evaluate and improve student performance but does not use this information to formally evaluate its instructional programs except in limited cases or as required by law.
- NISD uses the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) as its primary planning tool to increase student achievement but continues the same goals and objectives for multiple years while not measuring performance from year-to-year.
- The Technology Services Department lacks a technology staffing formula for reaching the appropriate staffing level; as a result, the department does not have sufficient staff to maintain its computer hardware or provide adequate application support to its instructional and administrative technology users.
- NISD does not have a compensation schedule that maintains market competitiveness and ensures pay equity within the district.
- NISD does not have job classifications or accurate descriptions that reinforce compliance with the federal Fair Labor Standards Act (FLSA).
- NISD has an online warehouse requisition system, but it does not require schools and departments to purchase office supplies from its

central warehouse using the system. As a result, the district does not realize potential cost savings resulting from volume purchases for these supplies and materials.

- The director of Plant Services does not use the available automated work order system to effectively manage district maintenance operations.
- The district's discipline management model is not effective. The existing NISD discipline management model does not apply progressive consequences to students who violate the standards.
- NISD's police department lacks staffing guidelines to ensure there is sufficient staff to meet its workload, which includes coverage in times of officer absence.

SIGNIFICANT RECOMMENDATIONS

- **Recommendation: Employ an outside mediator agreed to by both parties to work with the board and superintendent to address relationship issues.** The prolonged rift between the superintendent and the board has affected the ability of the board to govern effectively, and hindered the superintendent in managing district operations. It has also negatively affected teacher and student morale. Both the board and the superintendent are at fault for the poor working relationship. The superintendent's lack of communication and failure to provide timely and complete information to the entire board feeds the lack of trust and confidence on the part of the board. The willingness of some board members to interfere in district operations and take actions that are the function of district administration, such as the attempted policy change giving teachers authority over administrators to determine specified punishment of students, clearly oversteps board authority. These actions of both the board and the superintendent undermine the ability of central and campus administrators to implement needed change and hold teachers and other staff accountable for their actions. By failing to find a way to work together, the board and superintendent place the recently achieved improvements in student performance by the district at risk. Managing the level of change needed to truly improve student achievement is a significant undertaking even with the support of the entire governance structure, including the board. Until the board and the superintendent develop the ability to work together or resolve the impasse by another method, the district cannot focus on appropriate

goals and objectives. The board and superintendent should employ an outside mediator agreed to by both parties to work with them to address relationship issues. The mediator should be independent, with no ties to the district, Stephen F. Austin State University (SFASU), or the Nacogdoches community. The certified mediator should not only have experience in mediation but also in subject matter knowledge as well. A mediator with subject matter knowledge in such areas as board governance or school law can address legal and process questions in an efficient manner without having to refer to other subject matter experts in most cases.

- **Recommendation: Segregate bond and debt service funds into separate accounts to ensure the funds are not being loaned to operating funds.** NISD inappropriately used bond and debt service funds for operating expenditures in 2003–04. NISD does not segregate bond funds in a separate checking account and deposited state funding for debt service into the general operating bank account. Although the investments are segregated and the district maintains a debt service bank account, other funds are commingled with operating funds in the district’s general operating account. Failing to appropriately segregate and use bond and debt service funds is a violation of state laws and regulations. The district used bond funds for operating expenditures at the end of 2002–03 and for eight months in 2003–04. The district should immediately segregate bond and debt service funds into separate accounts to ensure the funds are not being loaned to operating funds. By segregating the funds, the district will protect itself from potential legal action for commingling funds. This will also eliminate the perception that the district is not using the bond funds appropriately.
- **Recommendation: Prepare a cost-benefit analysis to compare projected internal transportation costs against contracted costs to determine the most efficient method of providing student transportation.** In July 2001, NISD extended its contract for student transportation services in violation of state procurement laws. Five months before the expiration of the contract, the district entered into a 5-year contract extension agreement without requesting proposals or bids from other potential vendors. The district paid more than \$2.4 million to the contractor for 2003–04 per the contract extension agreement. By failing to comply with state procurement laws, the district

has placed its officers, employees, and agents at risk of criminal penalties. The district should prepare a cost-benefit analysis to compare projected internal transportation costs against contracted costs to determine the most efficient method of providing student transportation. If privatization is determined to be the most efficient transportation option, then NISD should issue a request for proposals in order to comply with state purchasing laws. NISD should develop bidding documents to facilitate the selection of a student transportation services provider. If the district determines it is most efficient to provide transportation services with district personnel, the administration should develop job descriptions for all necessary positions and determine the appropriate pay ranges and related benefits for each position.

- **Recommendation: Negotiate a transportation contract that is equitable and complete.** NISD’s contract for student transportation services benefits the contractor as written and is not complete. The contract should include performance measures, require annual evaluations based on the performance measures, establish responsibility for fleet acquisition and disposal with the district, eliminate inclusion of lease payments from the contract, establish a fleet replacement schedule and related penalties for failing to maintain the schedule, contain the rate structure for the contractor operating the fleet, require the contractor to provide proof of insurance on the fleet, define the responsibilities and rights of each party, and provide that the service provider shall reimburse the district for any funds the district has to pay TEA as the result of an audit. The district’s attorney should review the contract to ensure that all essential elements of a contract are present, that all sections of the contract are enforceable, and that the contract and procurement method comply with Texas law.
- **Recommendation: Restructure the central administrative roles and responsibilities to improve accountability and provide clear reporting relationships.** The district lacks a clearly defined organizational structure and effective reporting relationships in the non-instructional portion of the central administration, resulting in a lack of accountability and significant compliance and management issues. The review team found the absence of basic management controls and non-compliance with state laws in the purchasing, transportation, and finance functions. In

addition, the review team observed the lack of basic management controls in maintenance and food services. The team also found significant overstaffing in custodial and food services. The district does not have a written organization structure. Instead, the superintendent relies on each administrator to understand his or her responsibilities and the reporting relationships among the staff. The district should restructure the non-instructional portion of central administration under a chief financial officer who is a certified public accountant or the equivalent and has extensive school business experience and sufficient management experience. Restructuring the non-instructional portion of the district's administration will provide clear reporting relationships and affix individual accountability for compliance and management issues.

- **Recommendation: Consider eliminating the 20 percent optional homestead exemption.** NISD has not maximized state or local revenue because of its optional 20 percent homestead tax exemption for owner-occupied residences claimed as homesteads. The district has not levied \$7.9 million in local taxes from 1999–2000 through 2003–04 because of the optional homestead exemption. On average, this is equal to \$0.152 of tax effort for each of the years, or approximately \$1.9 million. In 2003–04, the district did not levy \$1.7 million in maintenance and operations taxes and did not receive \$306,542 in Tier 2 state funding due to the optional homestead exemption. The district should consider eliminating the 20 percent optional homestead exemption. Eliminating the homestead exemption would maximize local revenue and Tier 2 funding and provide additional resources to meet district needs.
- **Recommendation: Create an internal audit function that operates under a board-approved charter.** NISD does not have an internal audit function to independently monitor and report compliance with policies, regulations, or laws to the board. The external audit firm provides a report to the board about internal control weaknesses that could have a negative impact on the district's ability to prepare financial information in accordance with established standards, and reports any compliance issues found during the audit. The only review of internal control and compliance by an independent entity is the external audit. The district should create an internal audit function that operates under a board-approved charter. The auditor should have unrestricted

access to upper management and the governing body. Such access should be in form as well as in fact to ensure that the auditor's independence is unimpaired. Additionally, the board and administration must define the functional and administrative reporting arrangement to ensure that the board is very clear about its role and responsibilities and does not take this opportunity to insert itself in the day-to-day district operations. The district will benefit from having an internal auditor by achieving cost savings associated with recommended efficiencies and by reducing losses due to theft and fraud because of improved internal controls. Internal auditors also assist a district in improving operations by monitoring the district's implementation of recommendations from the external auditor and other independent reviews.

- **Recommendation: Create a certified governmental purchasing agent position to oversee the purchasing function and ensure compliance with state law.** NISD does not comply with state purchasing laws because it has a highly decentralized purchasing process coupled with insufficient staff in the Business Office to provide the necessary control and oversight to ensure compliance. Each school or department enters requisitions in the purchasing system, and the Business Office prints the purchase orders, files one copy in accounts payable, and returns the purchase order to the school or department for distribution to the vendor. Schools and departments routinely make purchases without a purchase order. The business manager signs all purchase orders but does not have sufficient time with his other assigned duties to thoroughly review the purchase to ensure that it uses the appropriate account code for the purchase and that it is in compliance with state purchasing laws. There is no single position that has the defined responsibility and oversight to ensure compliance. The limited controls and reviews of purchases by the Business Office and the decentralization of responsibility for purchasing compliance result in the district not complying with state purchasing laws. NISD should create a certified governmental purchasing agent position and then fill the position to oversee the purchasing function and ensure compliance with state law. The district should ensure the candidate selected to oversee the purchasing function has certification in governmental purchasing and preferably experience with Texas school districts. This position should be responsible for enforcing purchasing policies

and procedures to ensure the district complies with state purchasing laws, rules, and regulations.

- **Recommendation: Centralize contract management.** NISD does not consistently monitor and evaluate vendor and contractor performance because it does not have a central contract management function. Individual departments have oversight of contracts for goods and services they purchase. Ineffective contract performance costs the district in terms of performance and funding. NISD should centralize contract management. An effective contract management process monitors and evaluates the services a district receives from external entities. By assigning contract management responsibilities to the assistant superintendent of Administrative Services, the district will have oversight of contract provisions so that it receives the quantity and quality of services as specified in each contract, and it knows that the vendor is in compliance with all terms of the contract.
- **Recommendation: Develop a custodial staffing formula that meets industry standards and reduce custodial staff accordingly.** NISD's custodial staffing levels exceed recommended industry standards for custodial operations, resulting in unnecessary costs for the district. Custodians clean 933,331 square feet of space out of 986,718 square feet of space in the district. The amount of space cleaned by each custodian currently averages 12,362 square feet per custodian, based on 75.5 FTE positions. When the new ninth grade center opens in August 2005, adding 114,939 square feet of space to clean, the average area cleaned by each custodian will increase to 13,884 square feet. Even though the district's custodial staff exceeds industry standards (20,000 square feet per custodian) the cleanliness of NISD facilities varies due to the lack of documented cleaning standards for supervisors and head custodians and the limited training programs. The supervisor of Grounds and Custodial and the director of Plant Services should develop custodial staffing based on industry standards and use the standards to develop budget needs and assign custodians to district facilities. The director of Plant Services and the supervisor of Grounds and Custodial should also review work schedules, cleaning practices, and tasks to ensure that custodians are performing their assigned duties efficiently.
- **Recommendation: Require the transportation contractor to regularly review NISD routes to ensure route optimization and periodically obtain an independent review of district bus routes to verify the use of optimal routes.** The district does not routinely analyze bus routes to optimize efficiency of service. NISD redesigned many routes for 2004–05 to meet the needs of revised school zones, but after the school year began, it had to add two more routes. The provider designs routes primarily based on ridership from the previous year and then by using data provided for the projected enrollment of the upcoming year. NISD should require the transportation contractor to regularly review NISD routes to ensure route optimization and periodically obtain an independent review of district bus routes to verify use of optimal routes. The independent route evaluation and development will help ensure that route design results in the maximum state reimbursement rates, minimum costs, and time students must spend on buses.
- **Recommendation: Require evaluation of all district programs on a rotating basis and assign the responsibility for developing guidelines for program evaluation to, and redefine the role of, the director of Accountability/Research/ Reporting as a full-time program evaluator.** NISD spends significant time and resources to evaluate and improve student performance but does not use this information to formally evaluate its instructional programs except in limited cases or as required by law. School and central administrators use the state test, the Texas Assessment of Knowledge and Skills (TAKS), to assess student progress on the statewide curriculum guidelines, the Texas Essential Knowledge and Skills (TEKS). NISD analyzes information across the district by individual student, teacher, each grade level in a school, by school, and by grade levels. This information is used to update the goals, objectives, and strategies in the District Improvement Plan (DIP) and the Campus Improvement Plans (CIPs), the district's instructional planning documents. This information has only been used to a limited extent to evaluate instructional programs or to meet state or grant requirements. Recent evaluations include the reading recovery program and the dual language program. In both cases student performance was used to compare the results of the program being evaluated to

other similar programs currently offered in NISD. The decision was made to eliminate the programs under consideration and channel resources to the alternative programs. Neither of these examples included specific cost-benefit analyses or formal comparisons of student performance under both programs. Some grant programs, such as the TARGET grant, use student TAKS data as well as more subjective measures, such as teacher and student surveys, to measure performance over the period of the grant. This evaluation takes place at the regional level. The district has not conducted its own evaluation to identify specific results for NISD. NISD should require evaluation of all district programs on a rotating basis and assign the responsibility for developing guidelines for program evaluation to, and redefine the role of, the director of Accountability/Research/Reporting as a full-time program evaluator. The district should develop an evaluation calendar based on a risk assessment of its programs. This calendar should help ensure that NISD reviews all major instructional programs every two to three years. A formal program evaluation function will ensure the district is not spending resources needlessly or continuing programs that no longer benefit the instructional programs of the district.

- **Recommendation: Revise the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) process and documentation to include assessment of progress in meeting district goals and objectives.** NISD uses the DIP and CIPs as its primary planning tool to increase student achievement but continues the same goals and objectives for multiple years while not measuring performance from year-to-year. Baseline data is not provided to form a beginning point to determine progress toward meeting goals or objectives. NISD should revise the DIP and CIPs process and documentation to include assessment of progress in meeting district goals and objectives. NISD should define its goals and objectives annually in measurable terms. If a goal will take longer than one year to achieve, the district should specify an annual goal. The NISD administration should define strategies in actual outcomes such as “percentage increase in student performance” and actual outputs such as “number of students served.” The district should discontinue the practice of providing extensive lists of all available assessment data. Instead, NISD should select the assessment data to use and provide baseline information.

- **Recommendation: Develop and employ a technology staffing formula on a periodic basis as technology variables change.** The Technology Services Department lacks a technology staffing formula for reaching the appropriate staffing level; as a result, the department does not have sufficient staff to maintain its computer hardware or provide adequate application support to its instructional and administrative technology users. In March 2002, one of the technology specialists, assigned to computer maintenance, was promoted to the interim director of Technology Services, and eventually became permanent director in July 2002. The vacated technology specialist position was not backfilled and was eliminated in the 2002–03 budget. Until the fall of 2004, the district did not have processes that consistently evaluated and standardized software districtwide. Principals at the school level made decisions related to the purchase and use of software. As a result, many different software programs requiring technical support are used throughout the district. The district should develop and employ a technology staffing formula to maintain staffing levels, ensuring the Technology Service Department’s ability to maintain technology assets and support technology users. The district should hire a technology specialist to focus on computer hardware repair and maintenance, to address existing backlogs, and to provide responsive technical support to its schools. It should also hire an applications software technology specialist to address administrative and instructional technology user training, application support, software evaluation, and maintenance needs.
- **Recommendation: Align the salary schedule with district compensation goals and develop procedures for continuing analysis and maintenance of a competitive salary schedule.** NISD does not have a compensation schedule that maintains market competitiveness and ensures pay equity within the district. Although the human resource department presents suggested compensation changes to the board every other year, the presentation is not an analytical document. The presentation identifies compensation goals in an abbreviated conclusion format, with cost projections for implementation of the goal. The goals are not associated with a specific concern or long-term objective developed because of surveys, needs assessments, or other planning based processes. To reach its compensation goals, the board

should take steps to align its pay structure and any affected positions. Once aligned, the board should consistently apply those standards when making compensation decisions. Changes to compensation must consider not only budget but also each position's relationship to the market and to other jobs in the district. The district should apply standards consistently when considering the compensation of all employees.

- **Recommendation: Maintain appropriate job classifications by periodically auditing positions and job descriptions, and making necessary corrections.** NISD does not have job classifications or accurate descriptions that reinforce compliance with the federal Fair Labor Standards Act (FLSA). NISD personnel documents such as job descriptions and personnel action forms do not contain evidence of how the human resource department determined FLSA position classification or supporting information. The district has not performed a formal districtwide review of all job descriptions since 1998. It adopted and compiled changes from the 1998 review in a binder. The department has updated only a few of the district's job descriptions since then. In addition, some positions do not have a description. While the employee or position has remained constant since the 1998 review, NISD has added new jobs, tasks, and titles without updating the corresponding job description. By establishing a schedule, the district can balance the workload while periodically reviewing each group. As the district creates new positions, it should adopt a job description and classification at the same time it considers the appropriate range of compensation. The job description should reflect the essential duties of the position and include a notation on the FLSA classification.
- **Recommendation: Require schools and departments to purchase supplies and materials from the warehouse stock using the online warehouse requisition system.** NISD has an online warehouse requisition system, but it does not require schools and departments to purchase office supplies from its central warehouse using the system. The warehouse stocks standard supplies and materials that schools and departments use. These items are listed in a central warehouse catalog that is distributed to the schools and departments. The warehouse supervisor said that few schools and departments order from warehouse stock on a regular basis, even though

the items stocked in the warehouse are determined by surveys of schools and departments for frequently used items. A review of selected items in warehouse stock indicates that prices from the warehouse are competitive with retail prices. The district can benefit from volume purchases made by the warehouse. The district owns financial software with a warehouse requisition and inventory module. However, the district does not use the software, which prevents the individual schools and departments from inputting orders that warehouse staff then fill and deliver. NISD should require schools and departments to purchase supplies and materials from the warehouse stock using the online warehouse requisition system. The district will be able to benefit from the volume purchases made by the warehouse and ensure compliance with district purchasing policies and procedures. Using the online system will also automate the accounting necessary to charge schools and departments for items shipped from the warehouse. The district will also benefit because it can monitor inventory levels, turnover, and slow-moving stock items.

- **Recommendation: Update the district's automated work order system and produce management reports to monitor productivity and track costs.** The director of Plant Services does not use the available automated work order system to effectively manage district maintenance operations. The Plant Services Department has an automated work order system, the Applied Computer Technology (ACT) system, purchased in 1995. Currently the director uses the system primarily as a log to track open work orders for which the staff has not performed the work. The system does not track the information necessary to effectively monitor workloads and costs. The staff does not enter all work orders into the system, including grounds, custodial, and emergency requests. Work order processing is inefficient, relying on manual preparation and faxing rather than an electronic process. The director of Plant Services, with the assistance of the director of Technology, should analyze the current system, identify desired features, and determine whether to purchase an updated version of the district's existing work order system or purchase a new system. The system selected should be web-based to enable users to enter work requests and electronically send them to the Plant Services Department to eliminate work order data entry by the Plant Services Department staff.

- **Recommendation: Revise the discipline management model to provide clear guidelines, uniform application, and appropriate opportunities for rehabilitation.** The district's discipline management model is not effective. The existing NISD discipline management model does not apply progressive consequences to students who violate the standards. The NISD code of conduct requires that severity of the discipline given to a student must be equal to the seriousness of the offense, the student's age, grade level, frequency of misbehavior, attitude, and effect of the misconduct on the school environment. The code also includes consequences for misconduct and lists examples of the types of corrective action, but it does not link corrective actions to a particular offense. The district formed a work group in 2004 to review the disciplinary alternative education program and the alternative education program. The purpose of the work group is to study the effectiveness of the district's current organization and make suggestions for improvement. The district should determine the number of actual students assigned and denied to the Nacogdoches County Alternative Education Cooperative (NCAEC) due to capacity restrictions. The district should revise the code of conduct for clarity and link standards to consequences. School and central administrators should review and analyze discipline reports annually to determine whether staff understands and applies the disciplinary plan in a consistent manner. NISD should optimize current facility resources by ensuring that effective behavioral change programs are available to both the NCAEC and the disciplinary assignment center (DAC) students. The district should evaluate, coordinate, and enhance the alternative program/counseling component to ensure DAC and NCAEC students have access to equivalent rehabilitative services.
- **Recommendation: Develop police department staffing level guidelines and adjust the number of police officers to ensure appropriate coverage.** NISD's police department lacks staffing guidelines to ensure there is sufficient staff to meet its workload, which includes coverage in times of officer absence. With fixed assignments, there is no relief factor for officer absences. A relief factor indicates how many persons it takes to fill a single job position for a single shift, taking into account vacation, sick leave, training days, and other types of leave.

When an officer is sick or takes vacation, the assigned school is uncovered. Nacogdoches County does not have a juvenile detention center; NISD officers must transport arrested juveniles to distant facilities in Tyler and Kilgore, which take officers away from their normal duties. A trip to an available detention facility can range from 50 to 140 miles round trip. To transport a female juvenile, two officers must transport the student due to the district's standard practices, leaving the district at 50 percent of its law enforcement staffing. The district should develop police department staffing guidelines and add an officer to increase support for officer absences and enhance elementary school and NCAEC service call response. The district should not assign the additional officer position to a particular school, which will enable the position to assist in booking and transporting arrestees. Stationary secondary school officers would be able to increase training opportunities to the elementary schools, as well as provide a more consistent daily presence at the assigned school.

GENERAL INFORMATION ABOUT NISD

- Nacogdoches Independent School District (NISD) is located in East Texas and is served through Regional Education Service Center VII (Region 7).
- The district uses many Region 7 services, including professional development offerings for Gifted and Talented, Special Education, curriculum alignment, and general teacher training. The district also has obtained Technology Application Readiness Grants for Empowering Texas students (TARGET grants) and uses co-op purchasing services.
- The district contracts with Region 4 for educational software and recently traveled on the Region 4 sponsored recruiting trip to Mexico which resulted in two contracts with bilingual teachers.
- NISD had a deficit fund balance in the general fund of \$637,821 in 2002–03. The deficit fund balance resulted from deficit spending for four of the five previous years. Also, a \$1.1 million receivable from the district's defunct self-insurance health plan and a \$261,467 receivable from a grant were written-off in 2002–03. In 2003–04, the district's fund balance in the general fund rebounded, due to budget reductions and a mid-year spending freeze, and was \$730,463.

- Four of the district’s seven rated schools were rated *Recognized* or *Exemplary* under TEA’s Academic Excellence Indicator System (AEIS).
- In 2003–04, 63 percent of NISD’s students passed all tests on the Texas Assessment of Knowledge and Skills (TAKS), below the 68 percent state average. Student scores on eight of the twenty-six tests given met or exceeded the state average. Five of nine grades tested in math exceeded the corresponding state average. The eighth grade was the only student population to exceed the state average for all tests. (71 percent compared to 64 percent).
- The percentage of economically disadvantaged students is 65.4 percent, significantly above the state average of 52.8 percent. The district has 1,026 limited English proficient (LEP) students or 16.1 percent, which is slightly above the state average of 15.3 percent.
- In 2001, the district passed a \$46.6 million bond package to fund a new elementary school, new middle school, new ninth grade center at the high school, new gym, and renovations at other schools.
- The 2003 certified taxable value after exemptions for NISD was \$1.3 billion; the district’s taxable property value per student after exemptions was \$207,107.
- NISD has a 2004–05 operating budget of \$35.4 million.
- The district is represented by: Senator Todd Staples, Senate District 3, Representative Roy Blake, House District 9.

2004–05 SCHOOLS

- Ten total campuses and an alternative center:
 - ◆ six elementary schools;
 - ◆ two middle schools;
 - ◆ one high school separated to serve 9th grade students in one building;
 - ◆ one charter campus; and
 - ◆ one alternative center.

2004–05 STAFF AND STUDENT DATA

- 844.3 total staff, 411.8 of which are teachers
- 6,365 total students
- 30 percent African American
- 35 percent Hispanic

- 34 percent Anglo
- 1 percent Other
- 65.4 percent economically disadvantaged compared to 52.8 percent for the state.

2003–04 AUDITED FINANCIAL DATA

- General Fund expenditures of nearly \$34.8 million.
- Unreserved, undesignated General Fund balance of \$730,463 or 2.1 percent of General Fund expenditures.
- 2003 Total Tax Rate \$1.713: \$1.500 Maintenance & Operations, \$0.213 Interest and Sinking.

2003–04 PERCENT SPENT ON INSTRUCTION*

- NISD spent 35.4 percent of total actual expenditures on instruction, below the state average of 45.7 percent.
- NISD spent 53.6 percent of total operating expenditures—actual expenditures less capital outlay and bond indebtedness—which is below the state average spent of 56.7 percent.

NOTE: *NISD percentages spent on instruction computed using actual expenditures from Audited Financial Statement ending August 31, 2004; State percentages computed using March 2004 PEIMS Report, 2003-04 Actual Financial Data.

The chapters that follow contain a summary of the district’s accomplishments, findings, and numbered recommendations. Detailed explanations for accomplishments and findings/recommendations follow the summary and include fiscal impacts. Each recommendation also lists the page number that corresponds to its detailed explanation.

At the end of the chapters, a page number reference identifies where additional general information for that chapter’s topic is available. Each chapter concludes with a fiscal impact chart listing the chapter’s recommendations and associated savings or costs for 2005–06 through 2009–10.

Following the chapters are the appendices that contain general information, comments from the Community Open House and Focus Groups, and the results from the district surveys conducted by the review team.

The following table summarizes the fiscal implications of all 60 recommendations contained in the report.

FISCAL IMPACT

	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
Gross Savings	\$623,237	\$3,010,179	\$3,105,972	\$3,110,772	\$3,105,972	\$12,956,132	\$99,181
Gross Costs	(\$431,351)	(\$444,062)	(\$444,062)	(\$444,062)	(\$444,062)	(\$2,207,599)	(\$108,773)
Total	\$191,886	\$2,566,117	\$2,661,910	\$2,666,710	\$2,661,910	\$10,748,533	(\$9,592)



Chapter 1

Educational Service Delivery

Nacogdoches Independent School District

CHAPTER 1

EDUCATIONAL SERVICE DELIVERY

Student learning is dependent on a variety of tools, including the following: effective classroom instruction by qualified teachers; an approach or curriculum that defines the content to be learned and organizes that content in ways that help students learn; and a thorough understanding of students' instructional needs.

Nacogdoches Independent School District (NISD) served 6,365 students in 2004–05 in ten schools not counting the alternative center: one high school, two middle schools, six elementary schools, and a charter campus that is a collaborative effort between the district and Stephen F. Austin State University (SFASU) in Nacogdoches.

At the beginning of 2004–05, NISD opened a second middle school and reconfigured all of its elementary schools into a K–5 grade configuration. Brooks Quinn Jones Elementary School also provides pre-kindergarten classes. Mike Moses Intermediate School became a middle school, and T.J. Rusk Junior High changed from a junior high school to an elementary school. The district made these changes to improve student achievement by aligning elementary grades in a vertical arrangement. The changes are the result of years of planning and effort, including a successful bond program.

The district is the fourth largest district in Regional Education Service Center VII (Region 7). The peer districts used for comparative purposes were Lufkin, Seguin, and San Marcos Consolidated. The student population is split among three major ethnic groups: 34 percent Anglo, 35 percent Hispanic, and 30 percent African American and 1 percent Other. The percentage of economically disadvantaged students is 65.4 percent, significantly above the state average of 52.8 percent. The district has 1,026 limited English proficient (LEP) students, or 16.1 percent of the total, slightly above the state average of 15.3 percent.

ACCOMPLISHMENTS

- Due to reassigning central and campus administrators, focused student interventions, and reconfiguring grade levels for better vertical alignment of instruction, student performance increased significantly in NISD.
- NISD has a process for identifying and applying for grant opportunities, resulting in its selection in 2003 to participate in a competitive Title II part D grant. The grant facilitates improvements in student achievement by integrating technology more effectively into the curriculum

aligned with the Texas Essential Knowledge and Skills (TEKS).

- NISD has restructured its Career and Technology Education (CATE) program, eliminating underused course offerings and updating or adding courses to meet the needs of students.
- NISD's Disciplinary Academic Resource Team (DART) at McMichael Middle School addresses the needs of at-risk students by analyzing problems, identifying root causes, and developing custom solutions for each participating student.

FINDINGS

- NISD spends significant time and resources to evaluate and improve student performance but does not use this information to formally evaluate its instructional programs except in limited cases or as required by law.
- NISD uses the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) as its primary planning tool to increase student achievement but continues the same goals and objectives for multiple years while not measuring performance from year-to-year.
- Despite efforts to increase enrollment, the district lacks a fully developed process to encourage and monitor minority placement in Advanced Placement (AP) courses.
- The district has not used the charter campus as a teaching resource for NISD schools in terms of providing professional development support to NISD teachers or piloting innovative instructional programs that it can transfer to the district schools.

RECOMMENDATIONS

- **Recommendation 1 (p. 18): Require evaluation of all district programs on a rotating basis and assign the responsibility for developing guidelines for program evaluation to, and redefine the role of, the director of Accountability/Research/Reporting as a full-time program evaluator.** The district should develop an evaluation calendar based on a risk assessment of its programs. This calendar should help ensure that NISD reviews all major instructional programs every two to three years.

- **Recommendation 2 (p. 19): Revise the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) process and documentation to include assessment of progress in meeting district goals and objectives.** The district should modify the DIP and CIP assessment to establish annual goals and objectives with measurable outcomes and assess performance based on documented measures. The DIP and CIPs should incorporate these measures, including baseline data.
- **Recommendation 3 (p. 23): Increase participation of minority students in advanced courses and SAT/ACT testing by developing mentoring strategies and focused support services.** The district should take immediate steps to increase minority student participation by developing mentoring strategies and focused support services. The plan should identify specific benchmarks and action items.
- **Recommendation 4 (p. 24): Expand successful teaching approaches at the NISD/Stephen F. Austin State University Charter Campus to all elementary schools in the district.** The district should incorporate the approaches into the strategies in the DIP and individual CIPs. As part of the assessment, the district should determine the number of teachers, number of students served, and the results based on Texas Assessment of Knowledge and Skills (TAKS) benchmarks.

reconfiguring grade levels for better vertical alignment of instruction, student performance increased significantly in NISD. NISD student performance improved significantly between 2002–03 and 2003–04 as the district narrows the gap between district performance and the state averages for minority students.

Exhibit 1-1 provides information on the percent of students statewide that passed each of the Texas Assessment of Knowledge and Skills (TAKS) sub-tests at each grade level. **Exhibit 1-2** provides the same information for NISD students. NISD student performance met or exceeded the state average in eight of the 26 tests given. NISD student performance improved from 2002–03 to 2003–04, from 57 percent to 63 percent for all tests taken, but not as much as the state’s average student performance, which improved from 58 percent to 68 percent. **Exhibit 1-2** shows the 2002–03 scores in parentheses.

Exhibit 1-3 describes the differences by percentage points between NISD student performance and that of the state. In reading, NISD was below the state in every grade tested, 8 percentage points below the state for all grades tested. In math, NISD exceeded the state in five of the nine grades tested. In writing, NISD met the state average in both grades tested. In English Language Arts, the district lagged significantly behind the state in grades tested, 17 points for Grade 10 and 11 points for Grade 11. In science, the district was below the state in two of the three grades tested. In social studies, the district was below the state in all three grades tested.

An analysis of the test scores by grade indicates that NISD was below the state average in all grades except Grade 8. Grades 5 and 6 were the most deficient with TAKS passing percentages that were

**DETAILED ACCOMPLISHMENTS
STUDENT PERFORMANCE**

Due to reassigning central and campus administrators, focused student interventions, and

**EXHIBIT 1-1
PERCENT OF STUDENTS TESTED STATEWIDE
MEETING TAKS STANDARD BY SUB-TEST AND GRADE
2003–04**

GRADE	PERCENT OF STUDENTS TESTED MEETING TAKS STANDARD**						
	READING	MATH	WRITING	ENGLISH / LANGUAGE ARTS	SCIENCE	SOCIAL STUDIES	ALL TESTS
Grade 3	91%	90%	*	*	*	*	86%
Grade 4	86%	87%	91%	*	*	*	76%
Grade 5	80%	82%	*	*	70%	*	63%
Grade 6	87%	78%	*	*	*	*	74%
Grade 7	83%	71%	91%	*	*	*	66%
Grade 8	90%	67%	*	*	*	88%	64%
Grade 9	85%	61%	*	*	*	*	59%
Grade 10	*	64%	*	76%	65%	88%	50%
Grade 11	*	85%	*	87%	85%	97%	73%
All Grades	85%	76%	91%	85%	72%	91%	68%

NOTES: *Content area not tested at that grade level.

**1 Standard Error Measurement (SEM) below panel recommendations. This represents the passing standard for 2003–04. Data provided for the English administration of TAKS only.

SOURCE: Texas Education Agency, Texas Assessment of Knowledge and Skills, Summary Report, January 2005.

**EXHIBIT 1-2
PERCENT OF NISD STUDENTS TESTED
MEETING TAKS STANDARD BY SUB-TEST AND GRADE
2002-03 AND 2003-04**

GRADE	PERCENT OF STUDENTS TESTED MEETING TAKS STANDARD**						
	READING	MATH	WRITING	ENGLISH/ LANGUAGE ARTS	SCIENCE	SOCIAL STUDIES	ALL TESTS
Grade 3	(77%) 89%	(79%) 88%	*	*	*	*	(69%) 82%
Grade 4	(70%) 83%	(77%) 89%	(78%) 91%	*	*	*	(61%) 75%
Grade 5	(62%) 60%	(60%) 61%	*	*	(53%) 55%	*	(45%) 44%
Grade 6	(70%) 84%	(56%) 67%	*	*	*	*	(51%) 64%
Grade 7	(78%) 78%	(69%) 73%	(83%) 91%	*	*	*	(63%) 65%
Grade 8	(83%) 89%	(68%) 77%	*	*	*	(85%) 87%	(64%) 71%
Grade 9	(73%) 76%	(65%) 56%	*	*	*	*	(58%) 54%
Grade 10	*	(73%) 70%	*	(70%) 59%	(61%) 68%	(78%) 82%	(48%) 46%
Grade 11	*	(73%) 86%	*	(73%) 76%	(62%) 82%	(85%) 96%	(50%) 66%
All Grades	(73%) 77%	(68%) 73%	(81%) 91%	(73%) 77%	(57%) 67%	(83%) 88%	(57%) 63%

NOTES: *Content area not tested at that grade level.
 **1 SEM below panel recommendations. This represents the passing standard for 2003-04. 2002-03 results shown in parentheses (). Data provided for the English administration of TAKS only.

SOURCE: Texas Education Agency, Texas Assessment of Knowledge and Skills, Summary Report, January 2005.

**EXHIBIT 1-3
DIFFERENCE IN PERCENT PASSING TAKS BY SUB-TEST AND GRADE
NISD AND STATE
2003-04**

GRADE	NISD PERCENTAGE POINTS ABOVE/(BELOW) STATE**						
	READING	MATH	WRITING	ENGLISH/ LANGUAGE ARTS	SCIENCE	SOCIAL STUDIES	ALL TESTS
Grade 3	(2)	(2)	*	*	*	*	(4)
Grade 4	(3)	2	0	*	*	*	(1)
Grade 5	(20)	(21)	*	*	(15)	*	(19)
Grade 6	(3)	(11)	*	*	*	*	(10)
Grade 7	(5)	2	0	*	*	*	(1)
Grade 8	(1)	10	*	*	*	(1)	7
Grade 9	(9)	(5)	*	*	*	*	(5)
Grade 10	*	6	*	(17)	3	(6)	(4)
Grade 11	*	1	*	(11)	(3)	(1)	(7)
All Grades	(8)	(3)	0	(8)	(5)	(3)	(5)

NOTES: *Content area not tested at that grade level.
 **1 SEM below panel recommendations. This represents the passing standard for 2003-04. Data provided for the English administration of TAKS only.

SOURCE: Texas Education Agency, Texas Assessment of Knowledge and Skills, January 2005.

19 and 10 percentage points below the state averages respectively.

NISD began a multi-year effort in 2000 to improve student performance with the reassignment of many central and campus administrators along with the placement of curriculum specialists at each campus. This work has continued through the 2004-05 school year with the opening of a new middle school that allowed the reconfiguration of NISD schools into a traditional K-5 elementary configuration for better vertical alignment of instruction. The district

has implemented a number of major recognized strategies and best practices to address student performance issues, including:

- Reconfiguration of the elementary and middle school grade structures to improve vertical alignment of curriculum and ensure consistency of content from grade to grade. Starting with the 2004-05 school year, NISD reconfigured all its elementary schools as K-5 campuses. The district converted the Brooks Quinn Jones Early Childhood Center to the K-5 grade level

arrangement. Mike Moses Intermediate School was converted to a grade 6-8 middle school and grade 5 students were returned to their neighborhood elementary school. For the first time in many years, the district opened a new school, McMichael Middle School.

- Focused analysis of student performance by student, teacher, grade, and school. The district now analyzes student benchmark and test data on a timely basis, with teachers receiving information within 2-3 days after the assessment. This allows them to modify their teaching strategies, reteach a missed objective, or provide additional instructional support to students who are not successful.
- More timely data using the new software student assessment system. NISD completed a districtwide implementation of new student assessment software that collects information on student performance down to individual TEKS objectives in a given content area. That information is made available to principals and can be viewed by TEKS objective, type of assessment, student, teacher, grade, school, or districtwide. The timeliness of the information has been significantly enhanced, as data is now available within 2-3 days following the assessment or test. The prior software system was not as flexible and took up to 30 days to provide information, which greatly diminished its usefulness.
- Frequent conferences with teachers to review benchmark and test results. The assistant superintendent and superintendent meet with each principal every six weeks to discuss student data and help develop strategies to address performance issues. Principals then meet with each teacher to review student performance results.
- Assignment of curriculum specialists to each campus to support these efforts by analyzing benchmark and assessment results, working with teachers to identify appropriate intervention strategies, and modeling teaching methods for the teachers in that school.
- Faster and more comprehensive responses to address performance problems. In 2003–04, NISD met all the requirements of “Adequate Yearly Progress” (AYP) under the No Child Left Behind Act (NCLB) at the district level and for each school except Nacogdoches High School where the performance in reading failed to meet AYP requirements. Improvement is required for African American, Hispanic, and

economically disadvantaged students. The results were analyzed when first published as draft results in September 2004 as part of the district’s analysis of all student assessment data. The central instructional staff and the high school instructional staff developed short-term strategies, such as immediate student interventions, to address the problems, but also focused on strategies to address districtwide reading deficiencies for specific student groups. The staff identified research-based programs that met the requirements of the strategies. The assistant superintendent of Curriculum and Instruction, working with the central and campus based instructional team, selected a self-paced interactive program that the district began implementing in April in the high school and both middle schools to provide additional instructional support in reading to students with identified performance problems.

NISD only fully implemented many of these initiatives, such as the school grade reconfigurations, the assignment of curriculum specialists to all campuses, and the full implementation of the student assessment software, beginning in 2003-04. It will take some time before the district fully realizes the full value of these practices. Preliminary data from the 2004–05 TAKS tests for Grade 5 reading indicates that the district is beginning to realize the results of these initiatives. **Exhibit 1-4** shows the rate of change for NISD subgroups compared to the state averages.

**EXHIBIT 1-4
GRADE 5 READING RATE OF CHANGE
OF NISD STUDENTS TESTED MEETING
TAKS STANDARD BY SUBGROUP
FROM 2004 TO 2005**

SUBGROUP	NISD	STATE
All Grade 5 Students	25.0%	2.5%
African American	42.0%	1.6%
Hispanic	17.4%	4.6%
Anglo	13.0%	2.3%
Economically Disadvantaged	38.0%	NA

SOURCE: NISD, Assistant Superintendent of Curriculum and Instruction, March 2005.

Benchmark information indicates substantial improvement over 2004 TAKS results. Benchmark information consists of internal results for tests of TAKS objectives that the district conducts on a regular basis to help teachers and administrators identify areas of the curriculum that need additional attention. Benchmark information available for Grade 7 reading for 2005 indicated that the percentage of district students passing the benchmark tests increased from 46 percent for the first nine weeks to 67 percent for the third nine weeks. Benchmark information for Grade 8 students

showed a similar increase from 64 percent for the first nine weeks to 74 percent for the third nine weeks. **Exhibit 1-5** shows increases for all ethnic groups and economically disadvantaged groups. Benchmark testing for math including Grades 3, 4, 6, 7, algebra, and geometry also showed increases, but the percent change was less.

Another important indicator of student performance is the percentage of students that have passed all portions of the TAKS. The class of 2005 is the first class required by the state to pass all portions of the TAKS exit test as well as completing their high school course work to receive a high school diploma. At NISD, 94.5 percent of the high school seniors have passed all portions before the fifth and final administration of the test before graduation. The passing rate exceeds the state average of 89 percent for the same time period. The class of 2004 had to pass the Texas Assessment of Academic Skills (TAAS), an easier test. The 2005 passing rate of 94.5 percent on the more difficult TAKS exit test exceeds the 2004 TAAS passing rate of 92.8 percent, another indicator of substantial progress for the district.

TECHNOLOGY APPLICATION READINESS GRANTS FOR EMPOWERING TEXAS (TARGET) GRANT PROJECT

NISD has a process for identifying and applying for grant opportunities, resulting in its selection in 2003 to participate in a competitive Title II part D grant. This grant facilitates improvement of student academic achievement by integrating technology more effectively into the curriculum aligned with TEKS. The three-year grant is in the second year of operation. The first year of the grant focused on high school students and provided training for five teachers in integrating technology into curriculum through inclusion in lesson plans; curricula development after training in varying charting, presentation, and word processing software; and topics such as assessment writing, benchmarking with scanners, and benchmarking software. Each of the participating teachers received a laptop with wireless capabilities, a printer, and an overhead projector. Nacogdoches High School received a mobile lab. **Exhibit 1-6** sets out the identified specific goals for participating high schools and the results of the first year of the grant.

**EXHIBIT 1-5
GRADE 7 AND GRADE 8 READING 2004-05 BENCHMARK TESTS
PERCENT OF NISD STUDENTS TESTED MEETING TAKS STANDARD BY SUBGROUP**

GRADE	GRADE 7 STUDENTS			GRADE 8 STUDENTS		
	FIRST NINE WEEKS	SECOND NINE WEEKS	THIRD NINE WEEKS	FIRST NINE WEEKS	SECOND NINE WEEKS	THIRD NINE WEEKS
African American	26%	51%	44%	41%	59%	60%
Hispanic	26%	49%	57%	41%	65%	64%
Anglo	67%	86%	87%	82%	96%	95%
Economically Disadvantaged	26%	53%	56%	40%	38%	66%

SOURCE: NISD, Assistant Superintendent of Curriculum and Instruction, March 2005.

**EXHIBIT 1-6
TARGET GRANT PROJECT
2003-04**

GRANT GOALS	MEASUREMENT INSTRUMENTS	FIRST YEAR RESULTS
(1) Improve student achievement as measured by standardized tests and local assessments.	<ul style="list-style-type: none"> ▪ Pre/post TAKS test results in the core curricula areas of English/Language Arts, Social Studies, Science and Math ▪ Pre/post teacher, student, and principals surveys ▪ Student logs and journals 	<ul style="list-style-type: none"> ▪ TAKS scores increased 6 percentage points.
(2) Build capacity to integrate technology effectively into curricula and instruction aligned with TEKS.	<ul style="list-style-type: none"> ▪ Pre/post profiler documenting the progress of the participating high school in terms of technology improvements ▪ Online curriculum tracker ▪ Teacher lesson plans ▪ Interviews with participating teachers, principals and mentor teachers 	<ul style="list-style-type: none"> ▪ Principals in total population perceived that 100 percent of the teachers used the technology to communicate more effectively with parents. In the teacher survey 84 percent of the teachers agreed. ▪ Students in total population perceived a slight increase in their own computer ability, 3.57 to 3.58, and that of their teacher, 3.54 to 3.56, respectively on a scale of 1-5 (1=very poor, 5=very good)*.
(3) Provide greater accessibility to technology by students and teachers.	<ul style="list-style-type: none"> ▪ Texas STaR chart data activity logs of mobile technology labs ▪ Pre/post interviews with participating teachers and students 	<ul style="list-style-type: none"> ▪ Principals in total group indicated improvement, especially in Key Area III, Administration and Support Services, which moved from "Developing" (Level 2) to "Advanced" (level 3). NISD principal indicated no change in Key Area III, which remained at "Early" (Level 1)**.

NOTES: * No NISD specific information available.

** STaR chart is an interactive tool for planning and assessing school technology and readiness completed annually by schools as part of the district's annual long-range plan for technology. The tool assesses six key areas of focus from the teacher's use of technology to patterns of student use. The assessor rates each area by level: Level I (early technology), Level II (developing technology), Level III (advanced technology), and Level IV (target technology).

SOURCE: TARGET Grant Project First Year Report prepared by the University of Texas at Tyler, 2003-04.

The second year of the grant (2004–05) focuses on Grade 5 science teachers, two in each elementary school. Each teacher has received training and is developing curriculum that integrates technology into Grade 5 TEKS. The grant has provided laptop computers to each participant, and the district will receive one mobile computer lab for the elementary schools. The third year of the grant will focus on middle schools with the subject area yet undetermined. The estimated value of the three-year grant is approximately \$150,000 to the district.

The grant benefits the district by exposing teachers in each school level to current technology, both hardware and software. It will also add approximately 57 laptop computers with wireless access to the district’s technology inventory.

CAREER AND TECHNOLOGY EDUCATION (CATE)

NISD has restructured its Career and Technology Education (CATE) program, eliminating underused course offerings and updating or adding courses to meet the needs of students. Beginning in 2001–02, the NISD CATE director began building a modern CATE program, including the development of community advisory committees, alignment and sequencing of CATE courses, and a detailed review of all existing CATE courses. The district reviewed the courses based on the criteria recommended by Objective 4: Curriculum State Plan for Career and Technology Education 2003-2005 which stated in part, “Curriculum should be developed using the State Board of Education-approved essential knowledge and skills as a framework; that programs should be of sufficient size, scope, and quality as to be effective in improving academic and technical skills of all students, while providing strong experience in and understanding of all aspects of the industries students are preparing to enter.” The district examined CATE courses to determine whether there was sufficient interest to continue the course and whether the content of the course was still relevant.

Exhibit 1-7 shows that the percent of NISD students taking CATE classes is above the state average but below the Region 7 level, and higher than San Marcos and Seguin but lower than Lufkin.

Tech Prep prepares students for the future by placing emphasis on higher-level academic courses in conjunction with career and technology education courses. Tech Prep focuses on the academic, technical, problem-solving, and critical thinking skills needed to prepare students for the requirements of work in the future. Tech Prep prepares students for advanced course work at the post-secondary level by the added rigor of the courses. Articulation agreements with community colleges make it possible for students to earn college credit for courses successfully completed in high school. The credits are held in escrow until the student successfully completes the requirements of the articulating college/university. NISD has local articulation agreements in 11 classes with Angelina College, Blinn College, and Texas State Technical College/Waco to provide classes. NISD has secured agreements about teacher certification with Deep East Texas College Tech Prep Partnership or program area professional development in 22 classes.

NISD has restructured its CATE program over the past three years to provide a structured sequence of classes and increase student enrollment. **Exhibit 1-8** provides a listing of the courses offered in 2004–05 by CATE area, credits offered, and fall 2004–05 student count.

DISCIPLINARY ACADEMIC RESOURCE TEAM (DART)

NISD’s Disciplinary Academic Resource Team (DART) at McMichael Middle School addresses the needs of at-risk students by analyzing problems, identifying root causes, and developing custom solutions for each participating student. NISD’s DART is a middle school “intensive care” program for seriously at-risk students. NISD developed the concept and implemented it at McMichael Middle

**EXHIBIT 1-7
PERCENT OF STUDENTS, TEACHERS, AND BUDGETED INSTRUCTIONAL OPERATING EXPENDITURES IN CATE PROGRAMS IN NISD AND PEER DISTRICTS 2003–04**

DISTRICT	CATE STUDENT ENROLLMENT	CATE TEACHERS	CATE OPERATING EXPENDITURES
Nacogdoches	22.7%	20.5	5.0%
Lufkin	28.6%	26.3	4.0%
San Marcos	18.1%	9.7	3.1%
Seguin	21.3%	22.9	3.3%
Region 7	24.0%	NA	5.2%
State	20.1%	NA	4.1%

SOURCE: Texas Education Agency, Academic Excellence Indicator System, 2003–04.

**EXHIBIT 1-8
CATE COURSES AND STUDENT ENROLLMENT
FALL 2004-05**

CATE PROGRAM AREA	COURSE TITLE	SEMESTER COURSE CREDITS	STUDENT COUNT
Agricultural Science	Agricultural Mechanics I	2.0	8
	Agricultural Mechanics II	2.0	2
	Agricultural Metal Fabrication	0.5	15
	Agricultural Power Technology	0.5	22
	Animal Science	0.5	19
	Canine Science	0.5	18
	Diversified Career Prep	3.0	49
	Floral Design – Ag 363	0.5	52
	Home Maintenance and Improvement	0.5	32
	Introduction to Agricultural Science	0.5	38
	Introduction to Veterinary Technology	0.5	36
	Wildlife and Recreation Management	0.5	11
	Total		302
Business Education	Accounting	0.5	15
	Business Computer Information Systems I	1.0	170
	BCIS I and Independent Study	1.0	34
	BIMM and BCIS II	1.0	16
	Business Computer Programming	1.0	19
	Keyboarding	0.5	86
	Recordkeeping	0.5	21
	Telecommunications and Networking	1.0	19
	Total		380
FCST	Culinary Arts	2.0	30
	FCSCP I and II	3.0	21
	Personal Family Development	1.0	125
	Prep – Parenting and PSAP1	0.5	15
	Ready, Set, Teach!	2.0	10
	Sports and Nutrition	0.5	19
	Total		220
HSTE	Anatomy and Physiology	1.0	25
	Clinical Nutrition	0.5	17
	Introduction to Health Science	0.5	29
	Health Science Technology I	1.0	38
	Health Science Technology II	2.0	7
	Health Science Technology II/III	2.0	14
Total		130	
Marketing	Fashion Marketing	0.5	15
	Marketing Dynamics and Marketing	3.0	21
	Marketing Yourself	0.5	19
	Sports and Entertainment (leadership skills)	0.5	20
	Total		75
Technology Education	CMAT, Comm Graphics, EET	1.0	14
	CMAT, Comm Graphics, EET, RDD	1.0 or 0.5	18
	Computer Applications	1.0	106
	Engineering Graphics	0.5	19
	IT 1 and 2	2.0	20
	Technology Systems	1.0	300
	Total		477
TI Auto	Auto 1/Specialization	2.0	11
	Auto 2/ Trans Serv Tech	2.0	16
	ITSC		36
	Total		63

EXHIBIT 1-8 (CONTINUED)
CATE COURSES AND STUDENT ENROLLMENT
FALL 2004–05

CATE PROGRAM AREA	COURSE TITLE	SEMESTER COURSE CREDITS	STUDENT COUNT
TI Building	Building Trades 1 & 2	2.0	
	Introduction to Construction Careers	1.0	70
	Total		79
TICJ	Introduction to Criminal Justice	0.5	128
	Total		128
TI Cosmo	Introduction to Cosmetology	1.0	66
	Cosmetology I	3.0	24
	Cosmetology II	3.0	20
	Total		110

SOURCE: NISD, Director of Career and Technology Program, January 2005.

School at the beginning of 2004–05. The DART team consists of the principal, assistant principals, the school nurse, a diagnostician, social workers, counselors, and the chief of police.

The DART team meets at least twice a month or more frequently if necessary. The DART team identifies students with continuing problems that other programs have not addressed. Each team member provides individualized services in his or her field of expertise. The team reviews a variety of information about the student and creates a custom program to address possible causes. For example, the program may identify previously unnoticed learning disabilities and initiate the testing process. The team may change student schedules to enhance chances for daily success. The team communicates the customized plan to the student's teachers so that they are aware and can reinforce it. Team members may go to extraordinary lengths to support these at-risk students. In January, the assistant principal at McMichael picked up one student at home and took him to school each day because he was having a very difficult time getting to school and got little support at home. For two weeks, the assistant principal called the student each morning to wake him up and then drove him to school.

When the DART program adds a student, the chief of police identifies past criminal or behavioral problems. If a pattern or cause can be identified, steps are taken to correct the instigating circumstance. For example, a child whose misbehavior occurs consistently before school may have before-school activity limited, reducing the opportunities for making bad choices. The chief also mentors four students in the program. He checks with their teachers at least weekly to see how the students are progressing. He meets with each mentored student to discuss any problems and provide encouragement and guidance on school issues.

While the program is new, early results show the program has been effective. Of the 44 DART students, 27 percent have improved grades, 27 percent have decreased disciplinary referrals, and several have exited the program due to significant improvement.

DETAILED FINDINGS

INSTRUCTIONAL PROGRAM EVALUATION (REC. 1)

NISD spends significant time and resources to evaluate and improve student performance but does not use this information to formally evaluate its instructional programs except in limited cases or as required by law.

School and central administrators use the state test, TAKS, to assess student progress on the statewide curriculum guidelines, the TEKS. NISD analyzes information across the district by individual student, teacher, each grade level in a school, by school, and by grade levels. This information is used to update the goals, objectives, and strategies in the District Improvement Plan (DIP) and the Campus Improvement Plans (CIPs), the district's instructional planning documents.

This information has only been used to a limited extent to evaluate instructional programs or to meet state or grant requirements. Recent evaluations include the reading recovery program and the dual language program. In both cases student performance was used to compare the results of the program being evaluated to other similar programs currently offered in NISD. The decision was made to eliminate the programs under consideration and channel resources to the alternative programs. Neither of these examples included specific cost-benefit analyses or formal comparisons of student performance under both programs. Some grant programs, such as the TARGET grant, use student TAKS data as well as more subjective measures, such

as teacher and student surveys, to measure performance over the period of the grant. This evaluation takes place at the regional level. The district has not done its own evaluation to identify specific results for NISD.

Without a formal program evaluation function, the district may spend resources needlessly or may continue programs that no longer benefit the instructional programs of the district. The lack of a structured program also limits accountability on the part of program sponsors and may deprive the district of useful information that could guide decisions about other programs or staffing issues.

The steps in program evaluation are similar to those in many administrative tasks in that it requires deliberate and thoughtful planning to ensure that efforts are fruitful and lead to improvement. Guidelines and procedures must be developed early in the process to ensure that the evaluation conducted is comprehensive.

The process of evaluation involves gathering information so that decisions are supported and applying accepted criteria to the data collected in order to arrive at justifiable decisions. Districts complete the process systematically and record it so that program evaluators can trace and replicate or modify it if needed. The results must be communicated clearly and accurately so that decisions related to program continuation and resource allocation can be made.

To cause personnel to focus on the importance of program evaluation, Dallas ISD requires all program managers to include evaluation methods in any program proposal. All evaluation designs must receive approval from the appropriate offices and the executive team before the proposals can be submitted for either internal or external funding consideration. In addition, the district developed a monitoring system that allows administrators to evaluate program performance on a monthly basis and to report various performance measures to the superintendent.

Kerrville ISD identifies three programs a year for in-depth evaluation using the locally developed Program Evaluation Model. The seven-step model includes three phases: organization and design, information collection, and analysis and conclusion. All activities that have to be performed are detailed and associated forms and examples provided.

Killeen ISD uses a committee of peers to evaluate use of compensatory funds in improving students' academic performance in low-performing schools. Schools conduct self-evaluations, and the committees collect data through interviews and other

sources and make recommendations about continued use of the funds. Brownsville ISD and Dallas ISD also use peer committees at schools on a number of student- and program-related factors.

NISD should require evaluation of all district programs on a rotating basis and assign the responsibility for developing guidelines for program evaluation to, and redefine the role of, the director of Accountability/Research/Reporting as a full-time program evaluator. The director should develop an evaluation calendar based on a risk assessment of its instructional programs. At a minimum, the evaluation should include the following:

- description of the program;
- goal of the program (describe in one sentence);
- eligibility criteria;
- students actually served;
- funding sources for multiple periods including matching funds if appropriate;
- program requirements;
- focus of the evaluation including measures used such as quantitative/results or qualitative/process;
- expected outcomes;
- identification of concerns and barriers; and
- determination of how to use the report.

NISD should require schools or departments implementing new programs that meet the threshold requirements to evaluate the proposed program using the criteria as appropriate.

DISTRICT IMPROVEMENT PLAN AND CAMPUS IMPROVEMENT PLANS (REC. 2)

NISD uses the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) as its primary planning tool to increase student achievement but continues the same goals and objectives for multiple years while not measuring performance from year-to-year. Baseline data is not provided to form a beginning point to determine progress toward meeting goals or objectives.

In the fall at the beginning of the planning process for the next school year, the central instructional team analyzes the results of the student assessments and other performance indicators, such as minority student participation, graduation rates, and special education placements, to identify changes needed in the next year's DIP and CIPs. This information is documented by objective and strategy. Lists of available assessment data are provided as well as mid-

year and end-of-year measurement activities. However, changes in student performance are not documented or used as a baseline to modify goals or objectives.

Once the analysis is completed, the central instructional team meets with principals, assistant principals, and campus instruction specialists on a regular basis, at least monthly, to evaluate the results and develop draft plans for the next year. The superintendent reviews and approves draft plans for the next year and then presents them to the board for formal approval in May or June for the next school year. The district is expending significant resources at all levels to address student performance issues. Student assessment results are analyzed in many different ways, as shown above. However, the district focuses its assessment efforts on addressing strategies and does not extend the process to goals or objectives. NISD does not use student assessment results to measure its success in meeting overall goals and objectives or to evaluate the validity of the

strategies. The 2004–05 goals and objectives have remained the same over the past two years with only changes to the date for accomplishment. Baseline information is not included in assessment data, progress toward meeting the goals is not provided and no conclusions are made regarding the effectiveness of the strategies. **Exhibit 1-9** provides a summary of the 2004–05 goals and objectives. Many of the objectives are vague or not specific in terms of measurement.

No measurement of these goals or objectives has been documented. The review team looked at the content of the DIP and CIPs for 2003–04 and 2004–05 and the additions being developed for the 2005–06 DIP and observed that the level of specificity and the amount of investment have increased in both the DIP and the CIPs. NISD is increasingly defining and targeting strategies. **Exhibit 1-10** provides a listing of the types of improvements NISD is making based on the analysis of 2003–04 assessment data and the 2004–05 benchmark data

**EXHIBIT 1-9
GOALS AND OBJECTIVES
NISD 2004–2005 DISTRICT IMPROVEMENT PLAN**

GOAL	PERFORMANCE OBJECTIVE*
1. By the year 2005, 100% of Grade 7 from the 1999–2000 school year will graduate with no more than 5% TAKS exemptions.	1.1. During the 2004–05 school year, there will be an increase in numbers of special education students in the Least Restrictive Environment (LRE). 1.2. During the 2004–05 school year, there will be an increase in special education student performance on the TAKS/SDAA tests. 1.3. During the 2004–05 school year, instruction for all bilingual/ESL and/or migrant students will be targeted to increase student participation on TAKS and performance (80%) on the TAKS and RPTE.
2. By the year 2005, 100% of NISD graduates will be involved in postsecondary collegiate or training programs within six months of graduation.	2.1. During the 2004–05 school year, the NISD Counseling Department will implement initiatives designed to increase post secondary success. 2.2. During the 2004–05 school year, the NISD Career and Technology program will implement initiatives designed to increase post secondary success.
3. By the year 2005, all campuses will or based on AEIS standards.	3.1. During the 2004–05 school year, all student groups (with special emphasis on Hispanic, African American, At-Risk and economically disadvantaged student groups) will attain at 80% or above on all TAKS tests. 3.2. By June 2005, all NISD campuses will be rated exemplary or recognized by state accountability standards. 3.3. By June 2005, all staff will exhibit proficiency in technology software and hardware. 3.4. By June 2005, all students and staff will utilize technology to meet state academic standards. 3.5. By June 2005, all staff and students will access technology that assists them in meeting academic standards. 3.6. During the 2004–05 school year, the addition of safe school initiatives will decrease substance abuse, discipline incidents, and lead to school completion. 3.7. During the 2004–05 school year, the implementation of initiatives will increase academic success for students in homeless situations, leading to school completion. 3.8. During the 2004–05 school year, the implementation of initiatives will increase academic success for pregnant and parenting students, leading to school completion.

NOTE: *Goal 3 also included technology plan goals that are not addressed in this exhibit.
SOURCE: 2004–2005 NISD District Improvement Plan.

**EXHIBIT 1-10
2005-2006 DISTRICT IMPROVEMENT PLAN
REVISIONS/ADDITIONS FROM 2004-2005 DISTRICT IMPROVEMENT PLAN**

2004-2005 DIP STRATEGY		2005-2006 DIP STRATEGY REVISION/ADDITION	
NUMBER	TEXT	NUMBER	TEXT
1.2.3	Emphasize participation of at-risk and special education students in campus intervention programs during and after school to improve TAKS/SDAA scores.	1.2.3	Special education students should be given special consideration when developing master schedules (assignments to classes, tutorials, paraprofessional assignments, common planning time for general and special education teachers).
		1.2.4	Determine and provide appropriate assessment (state-mandated and district-wide) for special education students with needed accommodations.
		1.2.5	Review and improve district-wide behavioral intervention strategies for special education students and include teachers in applicable behavioral training.
		1.2.6	Continue to emphasize participation of special education students in campus intervention programs during and after school to improve TAKS/SDAA scores.
1.3	During the 2004-2005 school year, instruction for all bilingual/ESL and/or migrant students will be targeted to increase student participation on TAKS and performance (80%) on the TAKS and RPTE.	1.3	During the 2005-2006 school year, instruction for all LEP and/or migrant students will be targeted to increase student participation and performance 90% meet standard on the TAKS.
		1.3.5	Employ Bilingual Teacher Specialist.
		1.3.8	Provide Parent Action Committee for the Migrant Education Program.
2.1.2	Implement the NISD Guidance and Counseling Plan and Career Education Programs (activities/materials) for students PK-12.	2.1.2	Implement the NISD Guidance and Counseling Plan and Career Education Programs (activities/materials) for students PK-12. Include Keystone Curriculum emphasizing relationships and behavior modification for grades K-5.
3.1	During the 2004-2005 school year, all student groups (with special emphasis on Hispanic, African American, At-Risk, and economically disadvantaged student groups) will attain at 80% or above on all TAKS tests.	3.1	During the 2005-2006 school year, 90% of all student groups (with special emphasis on Hispanic, African American, At-Risk, and economically disadvantaged student groups) will meet standard on all TAKS tests.
3.1.2	Continue to support accelerated programs for all students identified at-risk including migrant such as extended day/year activities, materials, printing, supplies, etc.	3.1.3	Continue to provide and support intensive accelerated instruction for all students as identified by district and state assessments.
		3.1.5	Implement a district-wide focus on appropriate vocabulary (the Language of the Experts), particularly in the areas of Math and Science, K-12.
3.1.5	Continue implementation of researched-based balanced literacy framework and emphasize implementing reading intervention strategies at <u>all levels</u> and content areas as well as those prescribed in the TPRI/Tejas Lee for grades K-2.	3.1.6	Continue implementation of Scientifically Based Reading Research (SBRR) implementing the 3-Tier reading Model and intervention strategies at <u>all levels</u> and content areas.
		3.1.7	Employ campus Reading Coaches to assist in monitoring and implementing the Reading First Grant
		3.1.8	Utilize Scott-Foresman Reading program as the core-reading program in grades K-3 with Tier II and III intervention provided.
		3.1.9	Implement SBRR Read 180 program at the middle school and high school level serving at-risk and ESL populations.
		3.1.10	Develop timeline for progress monitoring for Read 180 program.
		3.1.11	Review TAT/504 logs to provide consistent implementation of processes.
		3.1.12	Increase family awareness of the advantages of student engagement in advanced placement courses and distinguished achievement plan.
		3.1.13	Continue to access G/T teacher training and G/T student services from Region VII ESC.

**EXHIBIT 1-10 (CONTINUED)
2005–2006 DISTRICT IMPROVEMENT PLAN
REVISIONS/ADDITIONS FROM 2004–2005 DISTRICT IMPROVEMENT PLAN**

2004–2005 DIP STRATEGY		2005–2006 DIP STRATEGY REVISION/ADDITION	
NUMBER	TEXT	NUMBER	TEXT
		3.1.14	Improve the support for campus G/T teachers and G/T student services by continuing to train and empower G/T chairpersons to be G/T campus leaders.
3.1.18	Implement a parental involvement plan that ensures effective communication concerning all school programs/initiatives. FFA-M01	3.1.18	Implement a parental involvement plan that includes a community forum on TAKS awareness and ensures effective communication concerning all school programs/initiatives. FFA-M01
3.3.5	Maintain and expand the NISD website to include parent resources.	3.3.5	Continue to develop, maintain, and improve the NISD website as a method of communicating with students, parents, staff, and the community.
		3.3.8	Provide a computer in every classroom and office for staff communication, classroom management, and administrative management.
		3.3.9	Ensure all staff computers have access to the internet and e-mail.
		3.3.10	Facilitate communication to the community and parents through projects such as online grade reports and an automated voice messaging system.

SOURCE: NISD, Assistant Superintendent of Curriculum and Instruction, March 2005, and NISD District Improvement Plan, 2004–05.

developed by the district internally. New strategies or additions appear in italics. However, the lack of measurement and specificity continues for the goals and objectives.

The primary reason for measuring progress toward meeting goals and objectives is to collect information or data that will help drive decision-making and resource allocation. Knowing the extent to which a program supports the accomplishment of district goals will assist greatly in determining whether to continue with limited changes, make significant modifications, or terminate the program.

NISD does not use a structured approach to answer basic questions about the goals and objectives it sets for instructional programs. These include the following:

- Are the goals meaningful? Will successful completion of the goals help ensure that NISD accomplishes its stated mission to “produce graduates who have the academic, career, and social skills needed to succeed in a competitive and ever-changing society?”
- Are the goals realistic? Can the district accomplish the goals set out in the DIP by the target dates? Can all schools become exemplary or recognized by 2004–05 if only the elementary schools met those criteria in 2003–04?
- Are the objectives meaningful and realistic? Will successful completion of the stated objectives lead to the accomplishment of the goal?
- How does the district measure success? Many of the objectives are not quantified and use generic

measurements such as “increase” or terms such as “leading to success.” How are these terms defined? What are the results expected from implementation of the strategy?

- What is the baseline data? What is the condition at the beginning of the year or when the district first set this goal?
- How will the district measure progress during the year and at year-end? Do the identified measurements measure activity or results?
- What are the results of the efforts of the current year and what needs to be changed or restructured to move the district forward?

By not addressing these questions, NISD loses the opportunity to use the collected assessment data and analysis in the DIP and CIPs to help drive the district’s student performance initiatives.

NISD should revise the DIP and CIPs process and documentation to include assessment of progress in meeting district goals and objectives. NISD should define its goals and objectives annually in measurable terms. If a goal will take longer than one year to achieve, the district should specify an annual goal. The NISD administration should define strategies in actual outcomes such as “percentage increase in student performance” and actual outputs such as “number of students served.” The district should discontinue the practice of providing extensive lists of all available assessment data. Instead, NISD should select the assessment data to use and provide baseline information.

MINORITY STUDENT ADVANCED PLACEMENT AND COLLEGE ENTRANCE EXAM PREPAREDNESS (REC. 3)

Despite efforts to increase enrollment, the district lacks a fully developed process to encourage and monitor minority placement in Advanced Placement (AP) courses. NISD minority students do not take advanced placement courses at the same rate as other NISD students and do not perform at the level of other district students. In addition, NISD minority students do not perform at the level of minorities statewide on advanced assessments, including the Scholastic Aptitude Test (SAT), Academic College Test (ACT), and AP exams.

District minority students take fewer advanced courses and fewer assessments such as SAT and ACT used for admittance to education beyond the secondary level. NISD minority students are less prepared for college than other minority students in the state with only 1.0 percent of the district’s African American students passing the college readiness assessment—Texas Success Initiative (TSI) in English Language Arts—compared to 19 percent for the state as a whole. The number of Hispanic students passing the test was not listed due to Family Education Rights and Privacy Act (FERPA) restrictions. Student performance on the math portion of the TSI was better, with 22 percent of African American students passing the test compared to 21 percent statewide, and 40 percent of the Hispanic students compared to 29 percent statewide.

NISD recognized this problem in its 2004–05 DIP and addressed it in a limited manner as a strategy in Goal 3 of the DIP. This goal states: “By the year 2005, all NISD campuses will be *Exemplary* or *Recognized* based on AEIS standards.” The plan calls

for the district to determine minority enrollment in each AP and pre AP course and implement strategies as needed. No specific objectives or targets have been set.

Exhibit 1-11 shows the percent of minority students taking advanced courses and the percent taking SAT/ACT and AP exams. It also shows the percent of students meeting nationally established criteria for the SAT/ACT, used by colleges for students to qualify for entrance, or to award college credit through AP exams.

The College Board developed the AP program in 1955 in collaboration with the Education Testing Service to give well-prepared students the opportunity to demonstrate mastery of college-level materials learned in high school. In 2003-04, there were 558,993 students participating in the program nationally, almost 21 percent of all students. Only six percent of African American students took AP courses nationwide. AP courses are an increasingly important consideration in college admissions programs.

By not participating in AP courses and the SAT/ACT testing programs, NISD minority students severely limit their opportunities for higher education. Minority students often arrive in high school unprepared to participate in AP or pre-AP courses due to a lack of prerequisite courses, poor grades, or inability to pay the \$82 fee per test. Students arrive not ready for Algebra I and stay behind all four years. NISD middle and high school principals cited low expectations and unawareness by both parents and students as two of the key reasons that so few minority students participate.

Recent educational research has shown that these students can be successful if districts make rigorous

**EXHIBIT 1-11
PERCENTAGE OF STUDENTS TAKING ADVANCED COURSES,
TAKING AP AND SAT EXAMS, AND MEETING CRITERIA**

DISTRICT	ADVANCED COURSE ENROLLMENT	STUDENTS TAKING SAT/ACT EXAMS	STUDENTS MEETING SAT/ACT CRITERIA	STUDENTS TAKING AP EXAMS	STUDENTS MEETING AP CRITERIA
African American					
Nacogdoches	5.9%	38.8%	7.9%	2.3%	*
State	12.7%	59.5%	7.2%	7.8%	30.0%
Hispanic					
Nacogdoches	5.0%	19.7%	0.0%	5.5%	71.4%
State	15.3%	45.7%	10.8%	12.2%	46.4%
Anglo					
Nacogdoches	26.0%	70.5%	33.3%	26.4%	62.6%
State	24.4%	66.4%	37.2%	19.5%	61.1%
Asian/Pacific Islander					
Nacogdoches	50.0%	100.0%	16.7%	46.2%	66.7%
State	37.7%	79.3%	44.5%	37.6%	69.8%

NOTE: *Not published per Family Education Rights and Privacy Act (FERPA) regulations.
SOURCE: Texas Education Agency, AEIS Report, 2003-04 for the latest year available 2002–03.

efforts to recruit them and if the classroom teaching is effective. Successful efforts include the following examples:

- ensuring that middle schools identify students early enough so that they can take the required prerequisite courses;
- finding funds so that every student can take the courses regardless of ability to pay;
- raising teacher, student, and parent expectations (students do not believe that they can participate and parents and teachers often reinforce those beliefs); and
- changing attitudes—students may not participate in classes due to peer pressure, believing that they will lose their membership in their peer group or even their cultural identity if they take AP courses.

Typically, AP teachers are the primary recruiters for AP courses. This may not be true for minority students. These students may need a collaboration of teacher, school, district, and parents. Minority students in AP courses may need additional support to be successful. This will require external support, as teachers cannot do it all themselves. A report prepared by the College Board in 2002 found that “AP teachers who are successful in teaching minority students are good teachers of all AP students, set high expectations for themselves and all students in their school, cover the most fundamental content and skills in the AP curriculum, and emphasize integral and applications of the curriculum content in AP Calculus and critical reading and writing skills and applications of the curriculum content in AP English Literature and Composition.” These teachers need external support to be successful.

The district should increase participation of minority students in advanced courses and SAT/ACT testing by developing mentoring strategies and focused support services. The superintendent should ensure completion of the district’s plan to increase minority enrollment in AP and pre AP courses. The plan should identify specific benchmarks or measurements such as “increase minority enrollment in district AP courses by 25 percent as measured by numbers of students enrolled in advanced classes in the fall of 2004 compared to the number enrolled in the fall of 2005.”

Action items in the plan should include at a minimum the following steps:

- determine the baseline fall enrollment by course in both middle schools and the high school;

- consider requiring all students to take the PSAT during their sophomore year to identify likely candidates;
- develop recruiting plan using current minority AP students as the spokespersons;
- communicate benefits in concrete terms that students can understand. Discussions of increased earning over an entire career do not reach middle and high school students. The district needs to express benefits in terms that appeal to the immediate desires of this age group such as the ability to buy a brand new sports car versus a six-year-old subcompact sedan;
- offer to pay the costs of testing for any student who cannot afford the costs of the tests;
- provide external support in terms of tutoring outside the class itself; and
- assign a peer mentor to each new student by pairing that student with a successful AP student, providing training for both, and providing time during the class day for them to meet and work together.

The cost to implement this program is estimated to be an annual cost of \$27,641, based on the time and materials needed to develop recruiting materials, the cost of running the recruitment and mentoring program at each of the secondary schools, and the cost of testing. The cost of the PSAT test is \$11 per student, although fee waivers are available from the College Board for students who cannot afford the fees. The maximum cost for NISD if the district paid the cost of testing for all sophomores is \$5,159 (469 students x \$11). The cost of running the programs at each secondary school is estimated to be \$18,000 (\$25 per hour x 240 hours annually x 3 schools) plus \$500 for materials at each school, or \$1,500. If NISD offered scholarships for at least one AP course test for any student who could not pay, the cost would be a maximum of \$2,982 (cost per test (\$80) x number of additional students (57 additional minority students or 0.25 x 228 students) x the percent of economically disadvantaged students (65.4 percent)).

NISD/STEPHEN F. AUSTIN STATE UNIVERSITY CHARTER CAMPUS (REC. 4)

The district has not used the charter campus as a teaching resource for NISD schools in terms of providing professional development support to NISD teachers or piloting innovative instructional programs that it can transfer to the district schools.

The district's charter campus provides an outstanding education to its students, but NISD is only now beginning to apply the experience gained in its successful programs to other district elementary schools.

The charter campus was established in August 1998, as a collaborative effort between NISD and SFASU. The school began as an Early Childhood (ECH) Lab School model for training teachers through the fourth grade. One of its goals is to provide a more diverse population within the model school to better prepare teachers to meet the needs of the student population of Texas. Both educational entities are interested in researching the effectiveness of the non-traditional educational approach with a group of children who closely mirror the population of the school district. Neither of these goals has been achieved.

As a charter school, it operates under a charter, or contract, negotiated between the organizers (NISD and SFASU, who create and operate the school) and a council that oversees the provisions of the charter. Each year the NISD board approves the continued operation as a NISD school. The NISD superintendent serves as the head of the council in rotation with the dean of the SFASU Department of Education.

The school is located on the SFASU campus and has 137 students in kindergarten through Grade 5. The Charter Campus added Grade 5 in the fall of 2004. The university continues to operate an early childhood lab school at the same location. Many of the charter students start out in the lab school and move into the charter school as they become older. Admission is by application.

The principal or academic leader is a faculty member at SFASU. Fifty percent of her salary comes from NISD funds while the remainder is paid out of university funds. There are seven teachers. Numerous SFASU teacher candidates spend time at the school during the university academic year. As many as seven teacher candidates can be in the classroom at any one time.

The school's demographic makeup is different from that of NISD as a whole. In 2004–05, African American students comprised 18.0 percent of the school, Hispanic students comprised 8.8 percent, Anglo students comprised 67.0 percent, and Asian/Pacific Islander students comprised 5.8 percent. The percentage of economically disadvantaged students has declined from 24.3 percent in 2003–04, the latest year available.

The Charter Campus uses a constructivist learning approach as the foundation for teaching specific academic skills required by the state. The learning program of the Charter Campus is built on the belief that (1) curriculum must be student-centered and designed to accommodate the interests and learning styles of each student, and (2) learning takes place more effectively if there is involvement and commitment to learning on the part of the teachers, students, and his/her parents. The curriculum includes traditional essential academic subjects, technology, and fine arts, as well as a broad curriculum that provides students with physical, emotional, and social skills. The daily schedule is flexible and focuses on students' needs and interests. Learning centers are used to provide students with active learning of all subjects. The curriculum integrates the area of citizenship, physical, intellectual, social, aesthetic, and career development into the classroom instructional program. The delivery of classroom instruction includes technology and project-based experiences.

The charter school has received a *Recognized* or *Exemplary* ranking under TEA's accountability system since the first year of operation. The school's academic leader attributes this outstanding performance to the quality of the teachers who have master's degrees and almost 15 years of experience teaching. The other key factor is the constructivist approach to teaching, which is very interactive in nature and provides many opportunities for independent learning. Teachers use an early assessment of each child when they arrive at the school to identify strengths as well as areas of weakness. The program aims to meet students "where they are" and support them as they learn throughout the year.

In 2004–05, the charter campus began working with T. J. Rusk, one of the district's elementary schools, on professional development. Rusk teachers are observing the math problem solving approaches used on the Charter Campus. Interns who are students at SFASU working at T. J. Rusk before practice teaching also use this approach in their lessons. A particular value of the system is the math vocabulary used in the process. Other NISD elementary schools such as Brooks Quinn Jones have worked with the charter school during 2003–04 on math problems.

The NISD/SFASU charter campus with its success in student achievement is another resource that the district should consider in its research. While there are significant differences in the demographics of the student body and the instructional methods used, the continued success of that program makes it a logical

resource for instructional and staff development ideas.

The district should expand successful teaching approaches at the NISD/SFASU Charter Campus to all elementary schools in the district. The district should incorporate the approach into the strategies in the DIP and individual CIPs based on a preliminary program evaluation of the collaboration at Rusk elementary. Once incorporated into the DIP

and individual CIPs, the district should determine a baseline measurement. As part of the assessment, NISD should determine the number of teachers trained, number of students served, and the results based on TAKS benchmarks.

For background information on Educational Service Delivery, see p. 155 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
1. Require evaluation of all district programs on a rotating basis and assign the responsibility for developing guidelines for program evaluation to, and redefine the role of, the director of Accountability/Research/Reporting as a full-time program evaluator.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Revise the District Improvement Plan (DIP) and Campus Improvement Plans (CIPs) process and documentation to include assessment of progress in meeting district goals and objectives.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. Increase participation of minority students in advanced courses and SAT/ACT testing by developing mentoring strategies and focused support services.	(\$27,641)	(\$27,641)	(\$27,641)	(\$27,641)	(\$27,641)	(\$138,205)	\$0
4. Expand successful teaching approaches at the NISD/Stephen F. Austin State University Charter Campus to all elementary schools in the district.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 1	(\$27,641)	(\$27,641)	(\$27,641)	(\$27,641)	(\$27,641)	(\$138,205)	\$0



Chapter 2

District Management and Community Relations

Nacogdoches Independent School District

CHAPTER 2

DISTRICT MANAGEMENT AND COMMUNITY RELATIONS

The senior administrative organization of the Nacogdoches Independent School District (NISD) includes the superintendent, three assistant superintendents (Administrative Services, Curriculum and Instruction, and Human Resources), and the school principals who report directly to the superintendent. The business manager; the directors of Technology Services, Student Nutrition, and Plant Services; and the police chief report to the assistant superintendent of Administrative Services, as does the manager for the outsourced transportation program operated by Southwest Student Transportation Services.

The directors of Special Education, Career and Technology Education (CATE), Bilingual Education, and Accountability/Reporting/Research; the Coordinators of Deaf Education and Federal Programs; and two central curriculum teacher specialists report to the assistant superintendent of Curriculum and Instruction. A contract position, the Gifted and Talented teacher specialist, also reports to assistant superintendent of Curriculum and Instruction.

This staff, plus the assistant principals and school-based curriculum specialists, form the administrative leadership team. This team works with the superintendent and assistant superintendents to plan and implement new district initiatives. The academic leader of the charter school, a collaborative effort of the district and Stephen F. Austin State University (SFASU), is on the faculty of SFASU and reports to a charter school board that is led in rotation by the superintendent. The district does not have a formal organizational structure.

NISD does not have a central community involvement organization. Community involvement activities occur throughout the district and focus on the campus level. Staff throughout the district shares community involvement duties.

ACCOMPLISHMENTS

- The superintendent has created a cohesive instructional leadership team that has initiated instructional change, resulting in improved student academic performance.
- The district used a collaborative process including broad community participation as part of its recent successful bond program.
- The district's gifted and talented students have partnered with business and civic organizations to establish a nationally recognized, student-

directed recycling program that provides additional revenue for district schools, saves taxpayer dollars by reducing waste removal costs, and benefits the community by reducing landfill waste.

- NISD uses its media program to communicate district information and events to the community, offsetting its operating costs by selling tapes and DVDs of special events.
- NISD participated in a collaborative effort with the Nacogdoches Police Department, SFASU, and local businesses to implement the Marathon Challenge Program designed to improve student health, attendance, and achievement as well as develop positive relationships between students and the police.

FINDINGS

- The prolonged rift between the superintendent and the board has affected the ability of the board to govern effectively, and hindered the superintendent in managing district operations. It has also negatively affected teacher and student morale.
- The board has not developed a process to comply with TEA's guidelines of appraising the superintendent and failed to evaluate the superintendent since 2002–03 according to the administrative rules established by the Commissioner of Education.
- The district lacks a clearly defined organizational structure and effective reporting relationships in the non-instructional portion of the central administration, resulting in a lack of accountability and significant compliance and management issues.
- NISD does not have a district-level community relations program with allocated staff to provide consistent and focused coordination of district communications, volunteer management, and business and community partnerships.
- The district has reduced staff funded by existing federal and state compensatory education funds that limit community outreach.
- NISD does not have an education foundation to assist with providing funding to support its educational programs.
- The NISD Website does not provide an effective communications tool for staff, parents,

and community members. The district's Website is maintained on an *ad hoc* basis by the director of Technology and does not contain many effective design features or current content.

RECOMMENDATIONS

- **Recommendation 5 (p. 32): Employ an outside mediator agreed to by both parties to work with the board and superintendent to address relationship issues.** The district should hire an experienced mediator to negotiate the issues between the board and the superintendent and develop a strategy to move beyond the current impasse in the relationship between some of the current board members and the superintendent. The mediator should be an independent third party, experienced in mediation with subject matter knowledge of school governance issues.
- **Recommendation 6 (p. 36): Provide training to board members on an appropriate process to evaluate the superintendent that complies with the commissioner's administrative rules.** All board members should receive training in the appropriate superintendent evaluation process. The board, working with the superintendent, should develop an annual evaluation calendar that includes at a minimum the following steps: goal setting, at least one interim meeting or formative conference, and an evaluation meeting or summative conference. The board should also assess its own performance before the summative conference.
- **Recommendation 7 (p. 38): Restructure the central administrative roles and responsibilities to improve accountability and provide clear reporting relationships.** The district should restructure the non-instructional portion of central administration under a chief financial officer who is a certified public accountant or the equivalent and has extensive school business experience and sufficient management experience.
- **Recommendation 8 (p. 40): Establish a district-level community relations program with allocated staff.** A district-level community relations program will provide focus for the entire district by establishing coordinated efforts in communications, volunteer management, and business and community partnerships. The district should upgrade the coordinator of Federal Programs position to oversee the program and create a half-time community relations specialist position to provide assistance in these areas.

- **Recommendation 9 (p. 43): Fill the social worker and New Generation System (NGS) data specialist positions to reestablish outreach to various communities.** The district should reinstate the social worker and data entry positions funded by state compensatory education and federal funds. The social worker position should be bilingual and should focus on the homeless students. The district should fill the NGS data specialist position with a focus on recruiting for the migrant program. With the NGS data specialist position filled, the parent liaison position that assumed the migrant duties should return to full-time duty as the parent liaison for Title I.
- **Recommendation 10 (p. 44): Establish an education foundation.** By establishing an education foundation, the district will tap additional resources to provide scholarships, awards, and grant opportunities. The district should solicit business support to fund any associated start-up costs.
- **Recommendation 11 (p. 45): Add a dedicated Webmaster to update and maintain the content and appearance of the NISD district and individual campus Websites.** The Webmaster should create a Website development plan and use CATE students to support implementation of the plan. The Webmaster should actively work with principals and administrators to develop a plan that identifies the Websites' purposes and desired target audiences. Based on this input, the Webmaster should include class projects in the plan for CATE students to help design and develop Website content and format.

DETAILED ACCOMPLISHMENTS

INSTRUCTIONAL LEADERSHIP TEAM

The superintendent has created a cohesive instructional leadership team that has initiated instructional change, resulting in improved student academic performance. The team includes central instructional administrators, campus principals, assistant principals, and curriculum specialists that have successfully improved student achievement. When the board appointed the superintendent in July 1998, the district had 6,313 students who were 47 percent Anglo, 32 percent African American, and 21 percent Hispanic. Approximately 56 percent of the students were considered economically disadvantaged. One of the district's seven rated schools, Raguet Elementary, was a *Recognized* school under the Texas Education Agency (TEA) Academic Excellence Indicator System (AEIS). The district

spent \$5,377 per student, 97 percent of the state average of \$5,597 per student.

Today NISD has almost the same number of students, 6,365 in 2004–05 compared to 6,313 students in 1997–98, but student demographics have changed significantly. The percentage of Anglo students has declined to 34 percent. The percentage of African American students has declined to 30 percent, and the percent of Hispanic students has grown to 35 percent. Almost 67 percent are economically disadvantaged. AEIS rated the district's elementary schools and the charter school *Recognized* or *Exemplary*. Student achievement increased under the more rigorous TAKS testing system. District scores for 2004 showed increases ranging from 1–20 percentage points for multiple grade levels. Other areas either remained the same, such as Grade 7 Reading, or dropped, such as Grades 9 and 10 Mathematics and Grade 10 English/Language Arts. TAKS scores administered in Spanish showed even greater gains of up to 40 percentage points in grades 3 and 4. All schools in NISD except the high school are meeting the requirements of the federal No Child Left Behind Act (NCLB) program.

In addition to improved test scores, in January 2005 the district was removed from the TEA watch list of approximately 90 districts with more than 125 percent of their special education students in restricted environments. NISD had been on the list for six years, since the inception of the watch list program.

After his appointment in July 1998, the superintendent, with the support of the board, began a series of changes designed to increase student performance in the district. The activities included:

- aligning the curriculum to reflect TEKS objectives and developing or updating curriculum documents for all academic subjects and most elective and CATE courses ;
- observing and evaluating current campus and central administrative staff;
- reassigning or replacing all school principals over a period of three years;
- passing a bond construction program to provide new facilities and renovate existing facilities;
- developing a comprehensive leadership team that met monthly at first and then quarterly to address student performance problems and implement corrective actions;
- expanding professional development activities to include workshops and seminars by nationally known educators;

- implementing a student software system that provides timely detailed information on student performance on standard tests, including district benchmark tests;
- beginning an intensive frequent review process with central and school administrators of all student performance indicators to identify performance issues early in the school year and address them in a timely manner;
- assigning curriculum specialists to each campus to support the analysis of student data and help teachers and principals address student performance issues; and
- reconfiguring schools so that all elementary schools offered grades K-5 and the middle schools offered grades 6-8 to improve the vertical alignment of curriculum.

School administrators attributed much of the success achieved by the district to date to the leadership provided by the superintendent, including his willingness to initiate new programs such as placing curriculum specialists on each campus, providing meaningful staff development, and rigorously focusing on student performance.

COLLABORATIVE BOND PLANNING AND CONSTRUCTION PROCESS

The district used a collaborative process including broad community participation as part of its recent successful bond program. NISD's effective collaborative bond planning and implementation process has achieved results as the project is on time and below budget through the spring of 2005. The superintendent said that the bond and construction process started long before the bond election took place. To assist in planning for the bond program, the district assembled a team of experts. The team included a demographer, an architect, a financial manager, and a construction contractor.

To build community support and understanding of facility needs, the superintendent formed a task force of community members. The task force developed recommendations and made presentations to the board based on the advice and information provided by the team of experts. After the board approved the bond package, the superintendent presented the bond proposal to a variety of public groups and clubs. As a result, the bond package passed by a substantial 60 percent favorable vote.

Once the bond package passed, the district implemented several measures to effectively manage the program and to provide continuing opportunities for public participation. The district assigned the director of Plant Services to be its construction

manager, with oversight by the assistant superintendent of Administrative Services. The superintendent also assembled a committee to oversee the bond projects and approve changes during the construction phase. This oversight committee was composed of members of the original task force, the architect, contractor, and assistant superintendent of Administrative Services.

The oversight committee solicited input from NISD teachers, food service staff, maintenance staff, and parents during the actual project design. The assistant superintendent of Administrative Services kept the board and public informed of each project's progress by preparing a monthly construction status report. The outside construction-manager-at risk briefed the board frequently on the status of the projects.

The use of the construction-manager-at risk method of construction has been a key factor in NISD's successful construction program. A number of school districts have used this method successfully, including many that, like NISD, do not have in-house construction experience. The construction-manager-at risk method transfers the risk of cost overruns from the owner or district to the outside contractor. Contractors bid a guaranteed price on construction projects as defined in detailed specifications by the architect. Any cost overruns are borne by the contractor, hence the name "construction manager at risk." The district projects completed –to date have come in under budget and on time. According to the outside construction-manager-at risk, the projected savings as of January 2005 is \$1.3 million. The district will use its savings to make additional improvements to facilities in existing schools.

DISTRICT RECYCLING PROGRAM

The district's gifted and talented students have partnered with business and civic organizations to establish a nationally recognized, student-directed recycling program that provides additional revenue for district schools, saves taxpayer dollars by reducing waste removal costs, and benefits the community by reducing landfill waste. Although many districts have recycling programs, NISD's is unique because it is entirely student-directed and student-supported.

In the spring of 2002, NISD identified seven students in grades 5–12 as gifted and talented in leadership. The district decided that it should pull the identified students out once each nine-week grading period to engage in a program designed to develop their leadership skills by involving them in issues faced by community leaders. The district gave students complete autonomy in determining what

they would do to benefit NISD and the community. The seven students voted to focus on recycling.

In 2002–03, once the students decided on recycling, they worked with Keep Nacogdoches Beautiful to study and evaluate the feasibility of implementing a recycling program. The seven students who comprised the NISD gifted and talented student leadership team formed the Keep Nacogdoches Beautiful Youth Advisory Board (YAB). They did research using the Keep America Beautiful *Guide to School Recycling* and performed a mock solid waste audit of the NISD administration building to understand how the program worked. To evaluate the feasibility of the program, students completed a solid waste audit at T.J. Rusk Elementary School to identify the amount of potential recyclable paper and then extrapolated the audit results districtwide. They also wrote and recorded public service announcements for the SFASU radio station to promote recycling.

In May 2003, the students presented the audit results to the board along with a proposal for a pilot recycling program. In their presentation, students estimated that the district could generate income and savings to NISD taxpayers of between \$28,692 and \$34,346, based on a combination of potential income from the sale of recyclable paper and reductions in waste disposal and landfill costs.

In 2003–04, the program added 10 middle and high school gifted and talented leadership students to the original 7. The 17 students developed the recycling plan and established the pilot recycling program at Carpenter Elementary School in October 2003. They worked with teachers, students, and staff to raise awareness and train them in recycling. Abitibi Consolidated, a wood products company and affiliate of Keep Nacogdoches Beautiful, delivered a recycling trailer to Carpenter in time for the initial kickoff. The initial program expanded in March 2004 to include Raguet Elementary.

In the fall of 2004, the students also solicited continuing school and community support and participation in the recycling program by holding recycling kickoff blitzes at six additional elementary schools. The students used the blitzes to train the other students and teachers in recycling. Keep Nacogdoches Beautiful moved the recycling trailer to the newspaper office parking lot and provided the community with an additional recycling drop-off site. Keep Nacogdoches Beautiful volunteers, parents, students, and community members staff the trailer on Saturdays. In addition, students collect paper weekly from each classroom for parents and volunteer staff to pick up and deliver to the trailer.

In the initial year of operation with two schools participating, the district delivered four trailer loads of approximately 80 tons of recyclable school paper and newspapers, which generated revenue of \$1,729. In 2004–05, the program was again expanded to include all but one elementary school. In December 2004, the program received a second place National Award for Waste Reduction from Keep America Beautiful. Students traveled to Washington, D.C., to accept the award.

MEDIA PROGRAM

NISD uses its media program to communicate district information and events to the community, offsetting its operating costs by selling tapes and DVDs of special events. NISD has four hours of daily television programming time on an access channel provided through an agreement with SFASU. NISD broadcasts in two-hour blocks from 5:00-7:00AM and from 8:00-10:00PM Monday through Friday.

To support its media operations, the district sells tapes of special events. Prices range from \$5–\$20, depending on the event. Guests for a specific program or the teacher or class highlighted in a special event receive free DVDs. In 2004–05, the media specialist estimates that the district will generate \$1,900 from sales, with \$1,650 in expenses for blank tapes and supplies.

The district uses its broadcast time to promote special events as well as air public service announcements, as shown in **Exhibit 2-1**.

MARATHON CHALLENGE PROGRAM

NISD participated in a collaborative effort with the Nacogdoches Police Department, SFASU, and local businesses to implement the Marathon Challenge Program designed to improve student health,

attendance, and achievement as well as develop positive relationships between students and the police. The program consists of students running or walking a marathon of 26.2 miles over a 26-week period. In addition to the physical component, participants accept a new challenge or message each week such as “I accept the challenge of being drug-free.”

The challenges are designed to address issues such as respect for self and others, discipline, physical fitness, drug abuse, responsibility, self-discipline, and maintaining alcohol-, drug- and tobacco-free lifestyles. A curriculum aligned to the Texas Essential Knowledge and Skills (TEKS) learning standards accompanies each challenge. Staff from SFASU developed and provided the curriculum for the program

Each week, police officers and guest speakers from SFASU and the community present the challenge and run or walk a mile with the participating students. The students’ physical education teachers maintain progress sheets. Participants completing the program receive a medal and certificate.

The assistant chief of police for the city of Nacogdoches contacted NISD to outline the program. The district scheduled a presentation at its next regularly scheduled principals’ meeting to provide information and generate interest. Based on support from the principals, the assistant chief of police met with district coaches and physical education teachers to explain the program and provide the progress sheets. He also coordinated with NISD to develop and send a letter to parents explaining the program. Supporters contacted local businesses, which provided funding and t-shirts for the program.

EXHIBIT 2-1

**NISD MEDIA PROGRAMS
2004–05**

PROGRAM	NUMBER OF BROADCASTS	INFORMATION PROVIDED
Inside NISD	370	Topical information about district departments and programs. Examples of topics: NISD construction program, goals and expectations for each school as identified by its principal and teachers.
NISD Bulletin Board	370	Announcements of upcoming district events.
Dragon Athletic Show	370	Highlights of all athletic programs. Includes interviews with coaches and athletes.
La Conexión Hispana	180	Spanish program providing public service information, such as how to access social and health services, to the Hispanic community.
CATE Spotlight	190	Provides information about each CATE program offered by NISD.
Beginning of School Special	20	School locations (including maps), drop-off and pick-up zones, hours of operation, school supplies, and building tours.
Specials (winter/spring)	20	Two-hour special of compiled musical programs from all grade levels throughout the district broadcast at the end of each semester.
SFASU Football Games	10	Broadcast of 10 SFASU football games.
Board of Trustees Meetings	5	Broadcast of regular board meetings beginning in January 2005.

SOURCE: NISD, Media Specialist, December 2004, and Superintendent’s Office, April 2005.

There are 355 participants in the program. Fifth graders from five NISD schools, Raguet, Brooks Quinn Jones, Fredonia, and Carpenter elementary schools, plus the charter campus, are participating. The program has benefited students by promoting physical activity, providing information about healthy lifestyle choices, and presenting positive role models. In addition, it has fostered relationships between NISD and the city of Nacogdoches. In January 2005, the Board of Trustees recognized the program and the efforts of the assistant chief of police at its scheduled meeting.

DETAILED FINDINGS

BOARD AND SUPERINTENDENT RELATIONSHIP (REC. 5)

The prolonged rift between the superintendent and the board has affected the ability of the board to govern effectively, and hindered the superintendent in managing district operations. Fractures in the relationship are visible at board meetings, in private discussions, and in the public media. The issue has polarized district staff, community members, and even students. There appears to be a lack of trust and confidence on the part of both parties. Numerous interview participants indicated their belief to the review team that the issue was not resolvable.

In 1999, individuals elected to the NISD board began to reflect a different view of district performance and the superintendent’s role and responsibility. Prior board members, who participated in the selection of the current superintendent, had been supportive of the superintendent and the performance of the district. **Exhibit 2-2** lists the board members by district as of January 2005, including their years of experience, occupation, and end of term.

Disagreements between the recently elected board members and the superintendent focus around a number of issues, including:

- discontinuation of the dual language program offered at some elementary schools;
- changes in the leadership of the special education department and efforts to mainstream special education students by placing them in regular classroom settings for at least part of the day;
- the reassignment of the high school principal;
- the perception that schools are focused too heavily on testing to the detriment of overall student learning;
- board interference in district operations;
- the number of central administrators;
- teacher morale;
- level of cooperation with SFASU and its faculty;
- financial decisions regarding contracts and spending practices; and
- financial reporting.

When board members began in June 2003 to request additional financial data, the district staff developed the current board agenda package, which consists of two bound volumes numbering several hundred pages. Before this change the board agenda consisted of one bound volume containing the following items:

- posted notice of meeting and posted agenda;
- Consent Agenda, which includes items for consideration that the board will consider and address as a group; any board member can request that the board pull and discuss an item on the consent agenda before consideration and approval;
 - ◆ minutes of prior board meetings;

**EXHIBIT 2-2
NISD BOARD MEMBERS
JANUARY 2005**

DISTRICT NUMBER	MEMBER	YEARS OF BOARD EXPERIENCE	PROFESSION	END OF TERM
1	Almarie Henderson	4	Social Worker	2007
2	Richard Fischer, President	6	Attorney	2005
3	Rex Humphreys	9	Retired Minister	2005
4	Phil Mahar, Secretary	2	Corporate Controllor	2006
5	Jay Knott, Vice President	2	Nurse	2006
At Large	Duncan Rogde	9	Department Director	2005
At Large	Tom Davis	1	Texas Ranger	2007

NOTE: During the elections held on May 7, 2005, the district elected the following new board members: Esiquio “Zeke” Martinez to District 2; T.D. Howarth to District 3; and Leann West to the At Large position replacing Duncan Rogde.
SOURCE: NISD, Superintendent’s Office, December 2004.

- ◆ monthly financial reports;
 - summary of revenue and expenditure report;
 - check register for the preceding month;
 - bank reconciliation report;
 - budget amendments;
 - investment report;
 - tax collection report; and
 - detailed expenditure report for the general fund—by function and object;
- ◆ various legal and local board policies (first and second readings);
- ◆ various programs; and
- Action Agenda—all other action items.

When the board agenda changed, all financial information, including the summary of revenue and expenditure report, moved to the second volume. Only four members of the board receive the second or financial portion of the board agenda. The other three members have requested not to receive it so they are not receiving the same financial information affecting the district that the other four board members receive.

Communication is so poor that in the summer 2004, the superintendent stopped sending weekly updates to the board members about district operations and school activities.

According to interviews with board members and the superintendent, after the May 2003 elections, board meetings became battlegrounds at times with supporters of the superintendent, disaffected parents, and community members vying to be heard and understood. Board members overrode decisions made by district staff without a complete understanding of the effect of the actions taken. At the same time, the superintendent and the administration ignored questions and concerns of

board members. The monthly board packet prepared by the superintendent contains little analysis of information, forcing board members to rely on verbal presentations supported by PowerPoint slides. The former board president in his interview stated that this increased the board’s wariness regarding administration actions. He cited several examples of the board unknowingly approving items such as the closure of the teen pregnancy program because it was buried in the voluminous budget document.

Another result of the breakdown in the board/superintendent relationship is the perception by stakeholders in the community of the poor relationship. **Exhibit 2-3** displays rankings given by survey participants to the following statement, “The level of cooperation between the superintendent and the board in working together.” Only 6.8 percent of the participants ranked the level of cooperation between the superintendent and the board as good or excellent, while 67.1 percent ranked their cooperation as poor or below average.

These issues increased after the board election in May 2004, when the board majority changed from four to three in support of the superintendent to three to four not in support of the superintendent on many issues. The disagreements reached the point that TEA initiated a governance investigation at the request of a community member. The investigative team composed of staff members from TEA’s School Governance Division conducted fieldwork during September 2004. TEA issued the results of the investigation on January 20, 2005, after reviewing written objections to the draft report made by the superintendent and two board members. **Exhibit 2-4** lists the concerns raised in the written complaint against the board, the findings, and corrective action required by the report.

The report concluded that: “There is a lack of understanding or acceptance of the board’s roles and responsibilities among some board members of Nacogdoches ISD, which is strongly aggravated by a lack of cooperation and a lack of communication by the superintendent.” The report stated: “At this

**EXHIBIT 2-3
NISD BOARD AND SUPERINTENDENT LEADERSHIP SURVEY RESULTS**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSES
Administrator	50.0%	36.4%	4.5%	4.5%	4.5%	0.0%
Parent	69.0%	6.9%	20.7%	0.0%	0.0%	3.4%
Principal	40.0%	53.3%	6.7%	0.0%	0.0%	0.0%
Professional Staff	40.0%	32.0%	18.7%	1.3%	0.0%	8.0%
Student	28.9%	20.4%	28.9%	11.1%	1.3%	9.3%
Support Staff	26.1%	37.0%	21.7%	4.3%	0.0%	10.9%
Teacher	54.5%	27.2%	7.9%	4.2%	0.0%	6.3%
Grand Total	41.1%	26.0%	18.6%	6.1%	0.7%	7.5%

SOURCE: NISD, School Review Surveys, January 2005.

**EXHIBIT 2-4
TEA FINAL INVESTIGATIVE REPORT ON SCHOOL GOVERNANCE**

CONCERN	FINDING	CORRECTIVE ACTION
Board member violations of the Texas Open Meetings Act.	Not under the jurisdiction of TEA.	Not investigated. Referred to the appropriate prosecutorial office for review and determination.
Direction the board is taking.	Unsubstantiated allegation falls under the purview of the NISD board.	None.
Manner of decision-making.	Unsubstantiated allegation falls under the purview of the NISD board.	None.
Lack of professionalism.	Unsubstantiated allegation falls under the purview of the NISD board.	None.
Governance violations.	Substantiated. <ul style="list-style-type: none"> ▪ Some board members visit campuses. ▪ Individual board members have taken action on behalf of the entire board of trustees without board authorization. ▪ Some board members have brought items to the board for discussion without having them properly placed on the agenda. ▪ Some board members have interjected their presence into district operations. 	Board members should make inquiries regarding district business to the superintendent and refrain from directly communicating with district employees. Board members should carefully and routinely review the powers and duties of members of the board as found in board policy BAA (Legal). All board members and the superintendent should complete, as a group, board training that focuses on the duties and responsibilities of board members and superintendents within 60 calendar days from the date this report becomes final. Note: The group completed this training on March 3, 2005, at a posted special board meeting.
Lack of observation of parliamentary procedures.	Some board members violate their own district policy, BE (LOCAL), when they do not observe parliamentary procedures as found in <i>Robert's Rules of Order Newly Revised</i> .	Board members should review board policy BE (LOCAL), be provided a copy of <i>Robert's Rules of Order Newly Revised</i> , and should receive training in proper parliamentary procedure. The district must submit copies of all board meeting agendas, minutes, audiotapes, and/or videotapes to TEA monthly for 180 calendar days.

SOURCE: Texas Education Agency, Final Investigative Report School Governance, dated January 20, 2005.

point, even the most common elements of mutual trust and honest communication are almost non-existent among some members of the board and administration, clearly impeding the governance of the district.”

The review team agrees with the findings of the TEA school governance investigation, finding similar evidence in reviews of board minutes, audiotapes, and CDs of board meetings and interviews with board members, district staff, parents, and community leaders.

The perception of board interference has continued after the issuance of the TEA governance report in January 2005. One example occurred at the regular February 17, 2005, board meeting. Administrator contracts are typically renewed or extended in February of each year. All administrators with the exception of the Coordinator of Assessment and beginning principals have two-year contracts. The action item to renew administrator contractors was on the agenda as part of the executive session. The superintendent provided board members with a list

of administrator contracts up for extension approximately 48 hours before the meeting. At the board meeting, the board went into executive session to discuss the renewal of the administrators on the list.

The superintendent and the assistant superintendents were present for part of the executive session. After executive session, the board returned to the open session to vote on the contract extensions. Before taking the votes, the board president announced that the board would not announce the names during the meeting. The board then voted unanimously to extend the contracts of the administrators on one list. Board member Mahar called this list the long list or “A List.” The board voted on six administrators on a “B List” separately. The board did not announce the names of these administrators. Rather, the board called the administrators B-1, B-2, and so forth, based on a list that the board had developed while in executive session. Renewals for two administrators were approved, one by a 6-1 vote and the other by a 4-3 vote. Board members’ motions to

approve the extension of the other four administrators failed by 3-4 votes.

According to the superintendent, after the meeting, the former board president invited administrators to gather around him to learn whether the board had extended their contracts. In the meantime, some administrators had left the building and were not aware until the next morning that the board had not extended their contracts. At least one board member held a different viewpoint of the situation, stating that the superintendent refused to deal with the notification issue or facilitate the communication, thus exacerbating the problem.

The superintendent cited the actions taken by the board that evening and the methods used as another example of interference in district operations and a demonstration of the board's unwillingness to work with the administration. According to the superintendent, there had been no communication from any members of the board that they had concerns about the performance of any of these administrators. Board members had not reviewed the evaluations of any of the administrators before the board meeting.

The review team observed that the board appeared to act within its authority as defined in board policies TERM CONTRACTS DFBB (LEGAL) and TERM CONTRACTS DFBB (LOCAL) when the board voted not to extend the contracts of specific administrators. In addition, there is no documented evidence that the board violated the Open Meetings Act by making decisions while in executive session.

However, the methods used by the board during the meeting and the lack of coordination with the superintendent served to worsen the already poor relationship between the board and the superintendent and to increase the lack of trust in the board by administrators. This lack of coordination by both sides continues through the spring 2005.

In another example, the board called a special meeting on April 28, 2005, to consider the replacement of the athletic director, based on newspaper reports that another district had selected the athletic director. At the time the board called the meeting, the athletic director had not submitted his resignation. The reason given by one board member for calling the meeting was that the superintendent refused to discuss the matter with them. Under NISD board policy DK (LOCAL), the superintendent is responsible for the assignment and reassignment of all personnel.

In yet another example, the administration decided to go out for bids for transportation services without

any notification of the board, although the district had a five-year contract in place. A board member learned of the bid process by reading the legal notices in the paper.

Both the board and the superintendent are at fault for the poor working relationship. The superintendent's lack of communication and failure to provide timely and complete information to the entire board feeds the lack of trust and confidence on the part of the board. The willingness of some board members to interfere in district operations and take actions that are the function of district administration, such as the attempted policy change giving teachers authority over administrators to determine specified punishment of students, clearly oversteps board authority.

These actions of both the board and the superintendent undermine the ability of central and campus administrators to implement needed change and hold teachers and other staff accountable for their actions. By failing to find a way to work together, the board and superintendent place the recently achieved improvements in student performance by the district at risk. Managing the level of change needed to truly improve student achievement is a significant undertaking even with the support of the entire governance structure, including the board. Until the board and the superintendent develop the ability to work together or resolve the impasse by another method, the district cannot focus on appropriate goals and objectives. The poor relationship harms the district in the following ways:

- The district is focusing resources on addressing the rift rather than district goals, for example, the time spent preparing the second volume of financial information used by only four board members and unneeded if the board had confidence in the district's financial operations.
- The district staff and board continually question and reassess decisions. The dual language program issue and the special education complaints have occupied board members and administrators for over two years. The parties have not completely resolved either of these issues as evidenced by the non-renewal of the director of Special Education contract and the stated desire of some board members to reinstate the dual language program.
- As demonstrated by the review team's survey results, the district staff, students, and parents have a lack of confidence in the ability of the board and superintendent to work together to solve problems and move the district.

The district can also measure the cost of not taking action to address the rift as it relates to the superintendent's contract. The superintendent has more than two years left in his current contract. If the board opted to buy out the superintendent's multi-year contract, the district would be without the money paid to buy-out the contract and receive less Foundation School Program funding. Under Texas Education Code (TEC) §11.201, the commissioner of education can deduct any payments to the superintendent made in excess of one year's salary and benefits from the Foundation School Program funds provided to the district.

Effective school districts have developed methods of resolving conflict that focus on finding common areas of agreement and developing strategies to move beyond the immediate points of disagreement. When normal management and governance processes fail to resolve the issues, school districts often introduce an unbiased third party that guides the participants in resolving their disputes and developing mutually acceptable agreements. Often these third parties serve as facilitators who work with the group as a whole to find areas of agreement that they can use to build relationships and collegial teams. School districts often use this type of third party to lead board retreats.

An emerging trend for private and public sector organizations is to introduce a mediator who functions in some ways as a facilitator by guiding discussion, exploring options, and introducing negotiation processes. Mediation is unlike arbitration, where a third party makes a decision. Mediators may meet with each party before mediation to define the issues and organize needed information. During mediation sessions, the mediator often meets with each party in a separate setting, providing a reality check by reviewing the strengths and weaknesses of their cases.

Mediators may also serve after mediation to help ensure that the parties honor agreements and deal with new issues.

Mediation differs from both facilitation and arbitration. All of these processes have different focuses. In facilitation, the third party focuses on building consensus and a collegial approach to problem-solving. During mediation, the third party focuses on settling the dispute and preventing further conflict by clarifying agreements made with concrete specificity. It alerts and encourages parties to discuss related issues and decisions that are likely to arise. The results of a successful mediation may be to dissolve the relationship by an agreed-upon method. In arbitration, the third party makes the decision and enforces that decision on the parties.

Mediation is voluntary and differs from arbitration in that both parties retain control over the outcomes and find their own solutions.

In addition to the recommendations and improvement actions cited in the TEA school governance report, the board and superintendent should employ an outside mediator agreed to by both parties to work with them to address relationship issues. The mediator should be independent, with no ties to the district, SFASU, or the Nacogdoches community. The certified mediator should not only have experience in mediation but also in subject matter knowledge as well. A mediator with subject matter knowledge in such areas as board governance or school law can address legal and process questions in an efficient manner without having to refer to other subject matter experts in most cases. The American Bar Association as well as universities such as Southern Methodist University in Dallas and Sam Houston State University in Huntsville offer mediation or conflict resolution services staffed by certified mediators.

The board and superintendent should employ an outside mediator agreed to by both parties to work with the board and superintendent to address relationship issues. The board and the superintendent should separately develop a list of three to five qualified certified mediators. The district should use a request for qualifications to further rank the candidates and select the best match for this particular situation. The best-ranked candidate should provide a written scope of work and fees based on that scope of work.

The basis for the cost of these services is the time spent by the mediator at an hourly rate ranging from \$150 to \$300 per hour plus expenses. Depending on the scope of work, the fees could range up to \$15,000 plus expenses of 15 percent, or \$17,250.

SUPERINTENDENT EVALUATION (REC. 6)

The board has not developed a process to comply with TEA's guidelines of appraising the superintendent and failed to evaluate the superintendent since 2002–03 according to the Administrative Rules established by the Commissioner of Education. The rules require that the parties set goals at the beginning of the process, that they hold a mid-year conference where they discuss the progress toward meeting those goals, and hold a year-end conference where the board evaluates the superintendent's performance. The board has performed only one of the activities in the last two years. The board did not conduct goal-setting activities in either year, and it did not hold mid-year or formative conferences. **Exhibit 2-5**

**EXHIBIT 2-5
REQUIREMENTS IN THE SUPERINTENDENT’S EVALUATION PROCESS**

STEPS	DESCRIPTION	NISD BOARD/SUPERINTENDENT ACTIONS	
		2003-04	2004-05
1	Participate in annual team-building training.	Conducted August 12, 2003, for the next school year.	Conducted March 3, 2005*.
2	Establish an annual calendar.	Done informally.	Done informally.
3	Set goals that define expectations and set priorities.	Not performed.	Not performed.
4	Conduct formative or mid-year conference.	Not performed.	Not performed.
5	Conduct summative conference or year-end conference.	Performed on January 15, 2004.	Performed on February 17, 2005.

NOTE: * This training took place in March 2005 at the direction of Texas Education Agency in its report on its governance investigation. The training occurs before the start of school. SOURCE: Texas Administrative Code §150.1022, Board minutes, and superintendent interview, December 2004.

provides the requirements under the commissioner’s rules (Texas Administrative Code section 150.1022) and the actions performed in each of the last two years.

Chapter 21 of the Texas Education Code (TEC) sets out major statutory provisions that school boards must follow in evaluations of the district superintendent. The statutes provide for a written evaluation of the superintendent at least annually based on a process authorized by the commissioner of education. The board may use this process or develop its own. If it chooses to use its own process, it must do so in consultation with the statutorily prescribed district planning committee and campus-level planning committees (TEC §21.354).

The commissioner’s rules appear in Chapter 19 of the Texas Administrative Code (TAC) as follows: (1) setting goals that define expectations and priorities for the superintendent; (2) at least one formative conference, or interim meeting, where the board and superintendent measure progress in meeting expectations and discuss ideas for improving performance; and (3) an evaluation conference, where the board completes an instrument summing up performance for the year and discussing that assessment (19 TAC §150.1022(a)). The board, in consultation with the superintendent, must include these steps in an annual calendar for appraisal (19 TAC §150.1022(a)). The board must include the superintendent in developing the evaluation tool or the evaluation process (19 TAC §150.1022(b)). The code requires the board to get training in the appropriate evaluation skills (19 TAC §150.1022(c)). The Texas Association of School Boards recommends that school boards first conduct a self-assessment of their own performance before evaluating the superintendent’s performance. This helps board members make their evaluation after considering all aspects of the matter, including their own participation. The review team found no evidence that board self-assessments had taken place during the last two years.

Effective school boards follow the law by complying with the specific requirements of both the Texas Administrative Code and the Texas Education Code. They also take the opportunity to use the superintendent evaluation process as part of a larger planning process. The process focuses on the superintendent’s progress in meeting previously established goals. The parties develop an evaluation calendar and agree upon it very early in the annual cycle, often in June or July before the beginning of the following school year. All board members and the superintendent collaboratively develop and agree upon final goals. The goals for the superintendent come from the district’s goals and priorities, initiatives related to major areas of district operations, and data related to student performance. After establishing goals at an interim meeting, the board holds a formative conference to check on the superintendent’s progress toward meeting the established district goals and to discuss any recent or pertinent developments.

An evaluation or summative conference takes place usually at the end of the cycle to discuss the results of the year. The evaluation process often begins with a self-assessment by board members of their performance and that of the board as a whole. Recently many boards have chosen to conduct the summative conference shortly after the district receives new student performance data. In addition, the superintendent’s evaluation is not an average of individual assessments. Rather, it is the considered judgment of the board as a whole after thoughtful discussion. In cases where board members are unable to reach a consensus, the board should use majority scores and note the division in the evaluation document.

By failing to comply with the Texas Administrative Code, the board increases the risk of an adverse finding by the commissioner of education on complaints filed by the superintendent or other district employees who may feel that the process has harmed them. These adverse findings could range

from no action to reinstatement of an employee with back salary and benefits.

The district should provide training to board members on an appropriate process to evaluate the superintendent that complies with the commissioner's administrative rules. The board, working with the superintendent, should develop an annual evaluation calendar that includes at a minimum the following steps: goal setting, at least one interim meeting or formative conference, and an evaluation meeting or summative conference. The board should also conduct a self-assessment of their own performance before the summative conference.

The district must address the current process deficiencies for whoever serves as the superintendent. If the district has not established written goals and objectives for this year, it should immediately do so with participation by the superintendent.

DISTRICT CENTRAL ORGANIZATION (REC. 7)

The district lacks a clearly defined organizational structure and effective reporting relationships in the non-instructional portion of the central administration, resulting in a lack of accountability and significant compliance and management issues.

The review team found the absence of basic management controls and non-compliance with state laws in the purchasing, transportation, and finance functions. In addition, the review team observed the lack of basic management controls in maintenance and food services. The team also found significant overstaffing in custodial and food services.

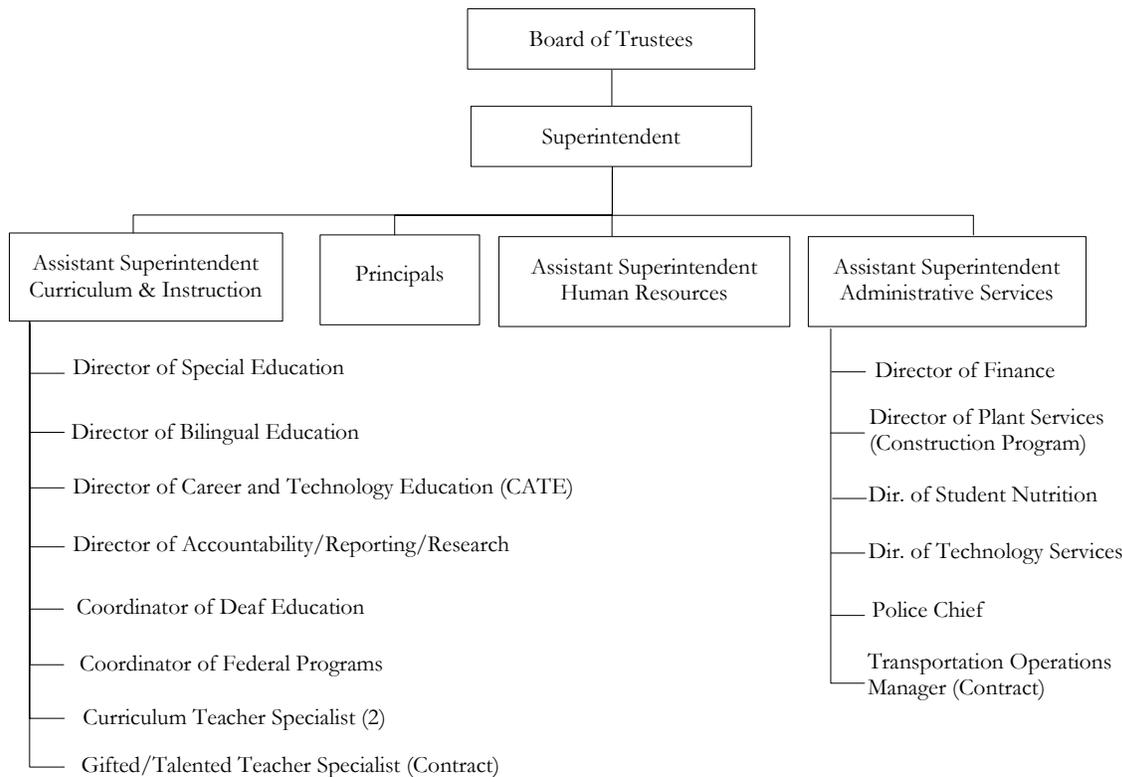
The district does not have a written organization structure. Instead, the superintendent relies on each administrator to understand his responsibilities and the reporting relationships among the staff. **Exhibit 2-6** describes the organization structure that the review team developed through observation. The assistant superintendent of Curriculum and Instruction manages the instructional support areas of the district including the districtwide teacher specialists who oversee curriculum, and the director of Accountability/Reporting and Research, as well as the directors and coordinators of special programs. Principals report directly to the superintendent. The assistant superintendent of Human Resources manages the human resources function. The assistant superintendent of Administrative Services manages all other administrative and business functions. The director of Athletics reports to the assistant superintendent of Administrative Services.

The instructional areas of the district that report to the assistant superintendent of Curriculum and Instruction have developed a written organization structure that defines reporting relationships, provides a chain of command, and assigns accountability for identified roles. The curriculum and instruction staff and the principals use the District Improvement Plan (DIP) and the Campus Improvement Plans (CIPs), with their emphasis on improving student performance, to provide goals, strategies to achieve those goals, and accountability for results. The design of job descriptions and evaluation forms for the instructional staff relates to instructional domains that define the work that the staff should perform. The commissioner-recommended student performance domain provides clear performance indicators, as set out in TAC §150.1022.

However, this is not true for the non-instructional areas of the district that report to the assistant superintendent of Administrative Services. No document clearly defines the responsibility for several major functions. The assistant superintendent of Administrative Services and the business manager share responsibility for the contract administration of the transportation contract, which the district does not clearly define. Decentralized purchasing, including technology purchasing, results in a lack of controls and non-compliance. The review team documented numerous instances where the district did not apply basic business or management practices to ensure effective operations. This lack of accountability and oversight results in non-compliance with state laws and regulations, poor internal controls, and operations that are not cost-effective. The chapters on Financial Management, Purchasing and Contract Management, Transportation, Food Service, Facilities Construction, Use and Management, and Computers and Technology discuss major issues in depth. A partial list of these issues includes:

- violations of state laws and regulations because the district did not segregate bond and debt service funds from its operating funds and used bond funds to cover operating deficits in 2003–04;
- failure to spend 85 percent of its state compensatory education funds and bilingual funds over a three-year period due to poor budget decisions and insufficient monitoring;
- purchasing practices that do not ensure compliance with state purchasing laws or provide best value to the district;

**EXHIBIT 2-6
CURRENT ORGANIZATION STRUCTURE**



SOURCE: SDSM, Inc., December 2005.

- poor internal controls over check issuance, tagging of fixed assets, use of credit cards, and technology hardware;
- food service and custodial operations that are not cost-effective due to significant overstaffing; and
- lack of monitoring and oversight of the transportation contract.

In addition, administrators in the non-instructional functions of the district do not have job descriptions that reflect the types of duties that administrative or business administrators should perform. Instead, they use the same instructional domains used by the instructional staff. The non-instructional functions of the district do not have specific goals and objectives as outlined in the DIP for instructional staff. None of the goals in the DIP addresses non-instructional district performance. Instead, the non-instructional administrators participate to a limited extent in the instructional goals. For example, the police chief participates in a number of DIP and CIP strategies relating to student discipline and attendance.

The reasons for the problems listed above go beyond the lack of clearly defined organization and reporting relationships and may be due to a lack of appropriate skills for district staff in these positions or a lack of training, experience, or interest. Administrators may meet the standard requirements for given positions and have the appropriate experience but cannot perform needed activities. An appropriate management structure filled with qualified staff, having defined roles and authority, is a critical factor in the success of any school district. Without this structure and staff, it severely affects the ability of the district to effectively manage its operations.

With the increasing complexity of district operations and the importance of accurate and timely financial planning, school districts have begun to establish a chief financial officer (CFO) position to oversee the non-instructional functions of the district. Victoria and Hays County Consolidated Independent School Districts have implemented this type of management structure. The CFO is at the same level in the organization as an assistant superintendent and is responsible for support functions such as transportation maintenance and food service as well

as traditional financial activities of accounting, budgeting, and purchasing. The CFO is usually a certified public accountant with extensive experience in school business operations. The position provides increased controls and helps ensure compliance with state laws and regulations.

NISD could restructure its non-instructional business and support functions under a CFO position to address the violations of state law and regulations and poor business practices. There are currently three positions in the central administration that have financial roles and responsibilities: the assistant superintendent of Administrative Services, the business manager, and the controller.

The district should restructure the central administrative roles and responsibilities to improve accountability and provide clear reporting relationships. It should create a new CFO position that would be responsible for not only managing the support functions of the district but also for contract administration. The district should redefine the current business manager position as a director of Finance and give the position clear responsibility for implementing a rigorous purchasing function as well as implementing strict accounting and internal controls. The controller position should remain as currently defined. The district should conduct an external search to fill these new positions and require the CFO and director of Finance to have a financial or accounting degree and certification. The district should eliminate the current positions of assistant superintendent of Administrative Services and business manager in the restructuring. **Exhibit 2-7** shows the proposed organizational structure.

The fiscal impact assumes limited overlap and is a cost-neutral recommendation.

DISTRICT-LEVEL COMMUNITY RELATIONS (REC. 8)

NISD does not have a district-level community relations program with allocated staff to provide consistent and focused coordination of district communications, volunteer management, and business and community partnerships. By not having a district-level program, NISD fails to use tools such as district newsletters and reports to communicate with the public about district operations, achievements, and needs. This limits other important community outreach activities such as volunteer management and recruitment of community and business partners.

The district has not assigned any position at the district level the responsibility for community involvement and public relations. NISD distributes its existing community relations activities throughout

the district, focusing community involvement at the individual campus level and not districtwide. Since the time of the initial fieldwork, the district has been investigating the addition of a community liaison position for 2005–06, funded by supplemental (State Compensatory Education or Title I) funds.

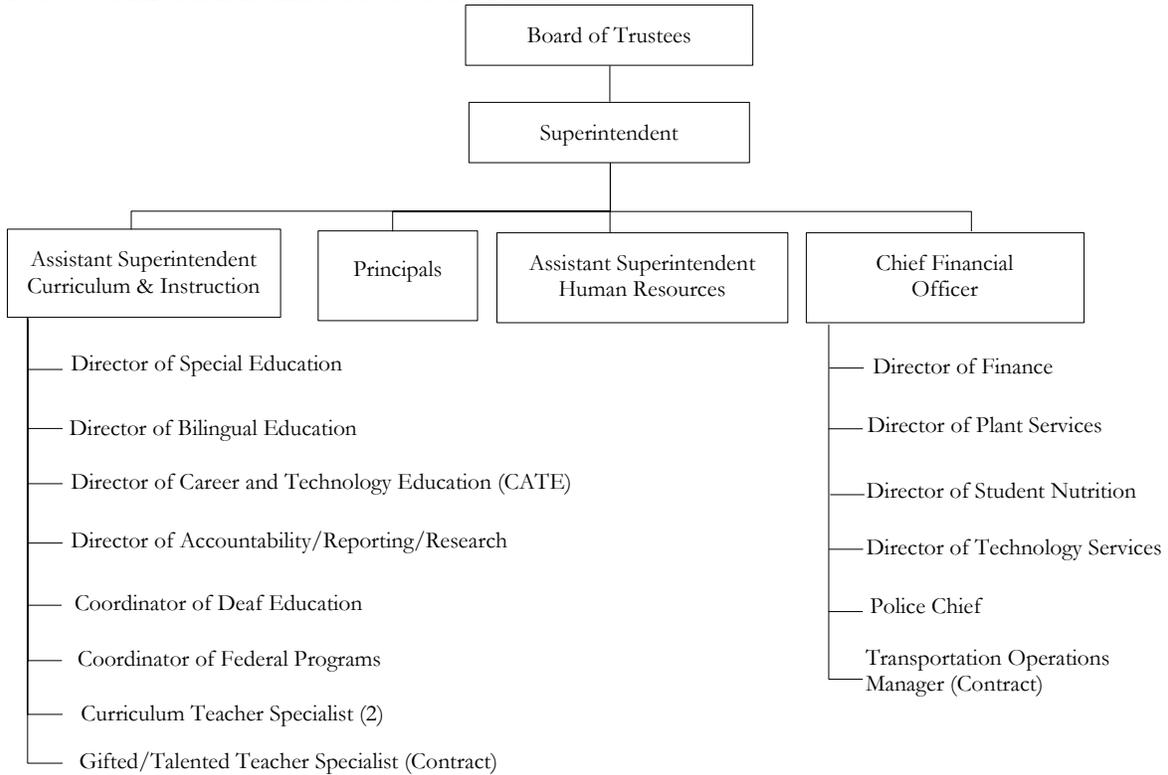
The district's current community outreach is as follows:

- performed by the coordinator of Federal Programs both formally as part of her duties to oversee the community activities required by the district's federal programs and informally, including coordinating district and campus improvement plans, participating in several advisory committees, and supervising the social workers;
- performed by the director of Bilingual Education as English as Second Language (ESL) classes for adults and homework assistance for students;
- performed by the media specialist through taping district events and informational shows for broadcast; and
- performed by principals at the school level with little district-level coordination or oversight, focusing on the students, parents, and community of individual schools; activities include parent involvement, volunteer management, and community partnerships.

NISD has not created a well-developed, coordinated districtwide program to manage volunteers. The district has not defined the types of activities for which it needs volunteers or the skill sets and numbers of volunteers needed. It has not identified volunteer roles and tasks. Recruitment and training of volunteers is not consistent districtwide. With the exception of Mike Moses Middle School, which has hired a part-time parent volunteer coordinator in 2004–05, individual campuses recruit volunteers using staff, parent involvement committees, and/or coordination with the Parent Teacher Association (PTA). There are no volunteer policies and procedures, no consistent method for conducting background checks, and no tracking of volunteer activity and participation.

Volunteer tracking to evaluate effectiveness and the value of volunteer contributions varies from campus to campus. Campuses do it manually, not electronically. Most campuses do not track hours unless it is for a specific purpose such as volunteer hours for students from SFASU to get college credit or for reporting safe and drug-free school activities.

**EXHIBIT 2-7
PROPOSED ORGANIZATION STRUCTURE**



SOURCE: SDSM, Inc., December 2005.

When campuses do track volunteer hours, the system is manual and based on sign-in sheets.

There is no dedicated staff position to design and coordinate a district-level program, handle day-to-day communications, or act as a liaison with the media, businesses, or community groups. The district uses its NISD television program to provide information about its education and extra-curricular programs. In addition, the district began taping and broadcasting board meetings in January 2005. However, the district does not issue any newsletters or produce annual reports to provide the public with information about the state of district operations.

Although the district’s strategic plan recommended establishing a full-time public information position to focus all internal and external communications activities, NISD did not establish it. The superintendent said that he made the decision not to hire the position because he did not feel he could recommend it with the state of the district’s finances and the emphasis to put resources to instructional use.

Parent focus group comments commended schools for communicating with parents but indicated that there is limited communication with the public at the district level and that there is no one to assist the public in understanding issues. Survey results for communications showed similar results (Exhibit 2-8). The school review team asked parents, teachers,

**EXHIBIT 2-8
NISD COMMUNICATIONS SURVEY RESPONSES
JANUARY 2005**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
Parents	24.1%	27.6%	34.5%	10.3%	0.0%	3.4%
Students	15.6%	24.4%	33.8%	15.6%	4.4%	6.2%
Teachers	4.7%	18.8%	42.9%	19.4%	3.1%	11.0%
Professional Staff	1.3%	16.0%	40.0%	20.0%	4.0%	18.7%
Auxiliary Staff	2.2%	26.1%	47.8%	8.7%	0.0%	15.2%
Principals	0.0%	0.0%	40.0%	53.3%	18.2%	4.5%
Administrators	0.0%	0.0%	27.3%	50.0%	18.2%	4.5%

NOTE: Percentages may not add to 100 percent due to rounding.

SOURCE: NISD, School Review Surveys, January 2005.

students, administrators, and staff to rate the effectiveness and regularity of the district’s communications with parents. More than half of the parents (51.7 percent), 40 percent of students, and 23.6 percent of teachers rated communications as poor or below average. By contrast, none of the principals and administrators rated communications poorly, and more than 60 percent rated them as good or excellent.

Without coordinated volunteer recruitment and monitoring, the district may not be aware of the impact volunteers contribute in terms of money, services, or hours. In addition, the district is not tapping into large groups such as university students and retired teachers to enlist volunteers to assist schools in a variety of activities such as reading to students, mentoring, tutoring, and assisting teachers with copying and preparation of class materials.

The review team surveyed parents, teachers, students, administrators, and staff and asked them to rate the availability of volunteers to help with students and school programs. More than half of the parents (55.2 percent), 43.1 percent of students, 48.2 percent of teachers, and 33.3 percent of principals rated availability of volunteers as poor or below average, as shown in **Exhibit 2-9**.

The district’s decentralized approach also limits development of business and community partnerships. These partnerships are key because they provide monetary and staff support to various district programs. These range from grants for teaching programs such as Raguet Elementary’s Exxon grant, supplies such as t-shirts for the district’s Marathon Kids program, and incentives like coupons for free drinks and ice cream recognizing student performance such as McMichael’s Patriot Rewards program.

In addition, the district does not routinely or consistently track its business or community partners. No up-to-date, comprehensive list of community and business partners in the district exists. The district does not tally contributions of money and in-kind support received districtwide to evaluate the effectiveness of its efforts. This lack of

central coordination and support has resulted in imbalances in partnerships for schools. For example, Brooks Quinn Jones Elementary listed a single business/community partnership, while T.J. Rusk Elementary has 11.

Without a coordinated approach and oversight, a decentralized community involvement structure can result in inefficient use of resources and duplication of effort. For example, all NISD schools with bilingual students need to provide an orientation to the bilingual program. The information required is the same. Under the district’s decentralized approach, each school is developing a separate orientation program. With a centralized structure, the district could develop one orientation program.

A decentralized community involvement function also results in missed opportunities to communicate and promote positive results. In addition, it makes it more difficult to evaluate the effectiveness of community involvement efforts in supporting the educational process. Several principals interviewed indicated that a district-level position focused on community involvement would benefit them in terms of coordinating districtwide events, being a clearinghouse for information, and supporting business and volunteer recruitment efforts.

Successful community involvement departments implement new practices to better serve students and the community through increased contact and communication. The National School Public Relations Association (NSPRA) published a document in 2002 to help school professionals create, fund, and implement school public relations programs. The document, *Raising the Bar for School PR: New Standards for the School Public Relations Profession*, lists the following community involvement program standards for districts:

- The program encourages school and district administrators to belong to and participate actively in civic and service organizations.
- The superintendent/chief executive officer maintains regular, two-way communication with

**EXHIBIT 2-9
NISD VOLUNTEER AVAILABILITY SURVEY RESPONSES
JANUARY 2005**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
Parents	27.6%	27.6%	41.4%	3.4%	0.0%	0.0%
Students	17.8%	25.3%	34.7%	14.2%	2.2%	5.8%
Teachers	9.9%	38.2%	30.9%	7.9%	0.5%	12.6%
Professional Staff	5.3%	34.7%	28.0%	9.3%	4.0%	18.7%
Auxiliary Staff	4.3%	19.6%	45.7%	8.7%	2.2%	19.6%
Principals	6.7%	26.7%	46.7%	6.7%	13.3%	0.0%
Administrators	0.0%	36.4%	13.6%	31.8%	9.1%	9.1%

NOTE: Percentages may not add to 100 percent due to rounding.
SOURCE: NISD, School Review Surveys, January 2005.

business, civic and religious leaders, and other influential members of the community.

- A key communicator program facilitates regular communications with its members and invites them to contact the organization for information or to alert it to misinformation and rumors.
- The district regularly seeks community members to serve on school district advisory committees.
- The district uses multiple channels of communication to reach citizens who do not have children in the schools. The district provides opportunities for citizens to ask questions or seek further information. The person with public relations responsibilities is accessible to and visible to the community.
- The organization has an Internet website that is well-constructed, user-friendly, and contains timely information of use to staff, parents, and community members, and helps to recruit future employees and parents/students for the district.
- The district makes regular efforts to communicate with citizens of various cultures who are not fluent in English in ways that seek their involvement, input, and support.
- The organization seeks partnerships with local businesses that provide mentors and other assistance to students and their schools.
- The district seeks community views and opinions in periodic public opinion surveys.

NISD should establish a district-level community relations program with allocated staff. NISD should centralize its community involvement efforts by upgrading the coordinator of Federal Programs position to a director level and adding specific community relations oversight duties to the position. The district should add the following duties: development, coordination, and tracking of business and community partnerships; volunteer recruitment, management, and tracking; and communications and public relations. The district should retitle the position as the director of Federal Programs and Community Relations to reflect the additional job duties and responsibilities and begin it in 2005–06. The district should reassign the existing informal duty of supervising the social workers to the director of Accountability Reporting, with support from the lead social worker.

The district should also add a part-time communications specialist to support the director position. The communications specialist should have a background in public relations or communications. The specialist should also be bilingual to provide

translated materials for the district’s Hispanic community. Job duties for the communications specialist would include: communications with internal and external entities; media relations and releases for newspapers, radio and television; and community relations liaison with civic organizations and groups to solicit and recruit volunteers and business partners.

The total annual cost of this recommendation is \$25,550 beginning in 2006-07. The fiscal impact to upgrade the coordinator of Federal Programs to a director of Federal Programs and Community Relations position is based on an upgrade from pay grade 4 to a pay grade 5 midpoint salary of \$56,597 for a 12-month position. The additional cost of the upgrade is \$4,597 based on the coordinator’s current salary of \$52,000 [$\$56,597 - \$52,000 = \$4,597$]. Fringe benefits for the upgrade are \$111 for Medicare, workers’ compensation, and retirement, for a total cost of \$4,708.

The basis for the fiscal impact of the part-time communications specialist position is a pay grade 1 midpoint salary of $\$35,400 \times 0.5$, or \$17,700. Fringe benefits for this position are \$3,142 and include insurance costs of \$2,713 and Medicare, workers’ compensation, and retirement costs of \$429. The total cost is \$20,842. Anticipating the need for planning, developing a job description, and hiring, the new position will start mid-year in 2005–06. The review team multiplied the annual cost of \$20,842 by 6/12 for a cost of \$10,421. For 2005–06, the total costs are \$15,129 ($\$4,708 + \$10,421$). For 2006–07 through 2009–10, the annual costs are \$25,550 ($\$4,708 + \$20,842$).

STAFFING LEVELS AFFECTING COMMUNITY OUTREACH (REC. 9)

The district has reduced staff funded by existing federal and state compensatory education funds that limit community outreach. In 2003–04, NISD eliminated two positions, a social worker position funded with state compensatory education (SCE) funds and the districtwide New Generation System (NGS) specialist position funded by Title I Part C funds. Although the district had budgeted supplemental funds that were available for both positions, and these expenditures had nothing to do with the General Fund, the district cut the positions in 2004–05 in response to a mandatory 20 percent reduction in districtwide expenditures to comply with the board’s direction to reduce the tax collection rate in the budget from 98 to 96 percent. The elimination of these two positions has limited the district’s community outreach.

The need for social workers has significantly increased as shown by the workload increase in social

work contacts. In 2002–03, the district had 2,402 contacts. The number of contacts more than doubled in 2003–04 to 5,270. In the first four months of 2004–05, the district had 2,707. The social worker position funded with state compensatory education funds also provided outreach to homeless students.

By eliminating this position, the district reduced outreach to the homeless community. It has also limited its ability to meet the increased workloads for assisting other students and families. Examples of the types of services and assistance that this position provided include:

- coordination to obtain medical services and assistance with transportation to and from appointments with medical service providers;
- referrals to school nurses for medical assistance;
- referrals to NISD police to address truancy;
- assistance with completion of paperwork such as Medicaid;
- recruitment of and placement with a mentor; and
- education on medical topics such as diabetes.

The coordinator of Federal Programs is trying to cover some of the social work caseload, however, this limits the time she has available for supervising social workers and social work interns. As a result, the district cannot use as many interns to help cover caseloads because the partnership with SFASU requires that employers adequately supervise social work interns. The eliminated position also affects the district's ability to comply with the 85 percent direct service requirement associated with state compensatory education funding.

The district likewise vacated and did not fill a second position, an NGS data specialist funded by Title I Part C funds, even though the federal program budgets identify the position and full funding exists for it. Instead, the district consolidated the duties of this position with that of the filled Title III Parent Involvement Liaison position into a position titled Migrant Specialist.

The consolidation of these duties into one position limits the district's parent involvement activities and functions. It also limits the district's ability to identify, target, and recruit participants for the migrant program. By not filling the position, the district also increases the risk that it will not meet the maintenance of effort requirements associated with Title I funding, and the funds may be unavailable for use as they will not roll forward without an approved waiver as part of the annual 15 percent roll forward allowance.

NISD should fill the social worker and New Generation System (NGS) data specialist positions to reestablish outreach to various communities. The district should reinstate these positions and hire them for the 2005–06 school year. The social worker should be bilingual and reassume the homeless liaison duties. The NGS data specialist position should resume all migrant recruitment duties formerly assumed by the parent liaison when the district cut that position. The parent liaison should resume full-time parent involvement duties.

The total cost of this recommendation is \$61,316 and is cost-neutral to the district's General Fund. The funding for both positions comes from supplemental state and federal funds that have specific uses and requirements. The fiscal impact of the social worker position that state compensatory education funds will pay for starts with a pay grade 1 midpoint salary of \$35,400 for a 12-month position. Fringe benefits for this position are \$3,571 and include insurance costs of \$2,713 and Medicare, workers' compensation, and retirement costs of \$858. The total cost is \$38,971.

The fiscal impact of the NGS data specialist position previously funded from Title I funds is based on an annual mid-point salary for a pay grade 4 of \$19,221 for a 12-month period. Fringe benefits for this position are \$3,124 and include insurance costs of \$2,713 and Medicare, workers' compensation, and retirement costs of \$411. The total cost is \$22,345. The total annual cost is \$61,316 (\$38,971 + \$22,345).

EDUCATION FOUNDATION (REC. 10)

NISD does not have an education foundation to assist with providing funding to support its educational programs. The district had included the creation of an educational foundation in its earlier strategic plan but did not follow through. The district's primary fundraising efforts are parent groups such as PTAs and booster groups at individual schools and the Nacogdoches High School Alumni Association, organized in 1994. This alumni organization has more than 600 members, provides scholarships to outstanding high school teachers and students, and recognizes male and female athletes and alumni. While all of these organizations serve many worthwhile purposes, they do not raise funds on a districtwide basis.

Education foundations are nonprofit organizations created to raise funds for public schools from a variety of sources. They vary in size, scope, and mission but generally supplement programs and activities provided by a district. Foundations fund instructional needs not funded by the school budget to the extent possible out of the discretionary portion of individual school activity funds, or parent groups in individual schools raise the funds.

Increasingly, education foundations are being established in school districts in Texas and nationwide. In the Nacogdoches area, districts of varying sizes, including Tyler, Longview, Henderson, Jasper, and Carthage ISDs, have established education foundations. The review team selected two similarly sized districts to Nacogdoches for this review, Seguin and San Marcos Consolidated ISDs, which have education foundations. Without an education foundation, NISD may not tap potential sources of funding for items such as student scholarships, teacher awards, and grants for pilot education programs.

Districts that establish foundations are able to tap additional sources of funding to use for scholarships, awards, and grants. Foundations often support innovative teaching initiatives, much like NISD's strategy in the 2004–05 DIP, by providing small grants of \$1,000 to \$2,000 to individual teachers who have submitted grant applications for new instructional ideas such as a community garden.

In establishing foundations, districts use different approaches. Some districts establish foundations on their own without outside assistance. Others use outside consultants to help establish the foundation, train district staff in its operations, and then transition ongoing management of the foundation back to the district.

Seguin ISD, for example, contracted with an outside consultant in March 2004 to establish its foundation. The consultant assisted the district in developing and organizing the foundation, selecting and training board members, and fund-raising activities. The district established the foundation in August 2004, and since then it has raised more than \$98,000. Although the district provided the seed money to hire the consultant, the foundation will reimburse these costs.

In addition, districts that establish foundations also need to consider issues such as the composition of the board and district investment. All foundations include a board of directors, usually composed of business and community leaders. Foundation boards may include school staff. District-level investment and support can also vary. Some districts use district staff to oversee their foundations. For example, the Seguin ISD public information coordinator served as its education foundation coordinator in the initial year of operation. Other arrangements include shared positions in which the foundation and the school district each pay a portion of the position's salary.

The National Center for Public and Private School Foundations has a start-up guide that identifies the

activities that need to occur in establishing a foundation, as summarized in **Exhibit 2-10**.

NISD should establish an education foundation. The district should solicit business support to fund any associated start-up costs.

DISTRICT WEBSITE (REC. 11)

The NISD Website does not provide an effective communications tool for staff, parents, and community members. The director of Technology maintains the district's Website on an *ad hoc* basis. The Website does not contain a number of effective design features or current content. NISD does not have a Website development plan that defines the Website design, focus, and content. The district has issued Web design guidelines, but the guidelines do not specify a design layout or required content. Administrators at the district level and principals at individual schools are responsible for the design and content of their websites.

Because departments and schools operate without guidelines, information is inconsistent between schools and often is not up-to-date. Some schools have current information, such as the daily bulletin posted at the high school. Other information is not current. For example, the assistant superintendent of Administrative Services has not updated the bond project information since May 2004. Two schools, Mike Moses Middle School and the Nacogdoches County Alternative Education Center (NCAEC), have no Websites and simply provide a link to a commercial direction provider.

The DIP has identified maintaining and expanding the NISD Website as a strategy, but there is no specific plan to implement the strategy. The DIP stated that the district could implement the strategy with no cost using CATE resources. The district has not identified the Website's purpose and target audiences and designed the Website content and format to reach those audiences. It also has not identified the information needed from each district department to reach those audiences or assigned Web development responsibilities to leverage its Technology Services Department as well as CATE resources.

Without a strong development plan and identification of support resources, the district Website is not an effective communications tool. The Website organization is department-focused, rather than targeted towards specific audiences, such as parents, teachers, or the community. The review team noted several deficiencies in the NISD Website (**Exhibit 2-11**).

There are many of examples of quality Websites recognized by the Texas School Public Relations

**EXHIBIT 2-10
FOUNDATION START-UP CONSIDERATIONS**

AREA OF CONSIDERATION	ACTIONS
Planning Stage	<ol style="list-style-type: none"> 1. Identify the need for foundation and prospective donors. 2. Select an initiator to promote the foundation (initiator is knowledgeable in education and fundraising). 3. Identify the format of the foundation (single school or districtwide). 4. Form a design team composed of community, alumni, and school members. 5. Define the foundation’s purpose and objectives.
Board of Directors	<ol style="list-style-type: none"> 1. Determine size of the board. 2. Identify desired characteristics and develop job descriptions for board members. 3. Identify type of board (school-board appointed, autonomous, and so forth). 4. Define the relationship between the education foundation and the district. 5. Recruit board members from the community with practical skills, networking, fundraising, and accounting experience.
Developing a Timeline	<ol style="list-style-type: none"> 1. Develop a plan of action based on a needs assessment with identified goals, objectives, and strategies tied to an operating budget. 2. Contact the Secretary of State to obtain needed forms and materials. 3. Choose a name and submit it to the Secretary of State. 4. Prepare articles of incorporation. 5. File articles of incorporation with the Secretary of State. 6. Prepare bylaws.
Legal Issues	<ol style="list-style-type: none"> 1. Secure legal counsel to prepare documents necessary to meet Internal Revenue Service (IRS) requirements for tax-exemption. 2. Designate the official contact person. 3. File appropriate forms including articles of incorporation and bylaws with the Secretary of State. 4. Submit a completed application for the State Franchise Tax Board exemption. 5. Register with the state Attorney General’s registry of charitable trusts. 6. File for the IRS exemption certificate. 7. Apply for nonprofit mailing permit with the U.S. Postal Service.
Ethical Issues	<ol style="list-style-type: none"> 1. Develop a code of ethics that states the mission, values, and expected behavior of foundation personnel. 2. Communicate with the media and promote a positive image.

SOURCE: National Center for Public and Private School Foundations, www.foundationsk12.coe.uni.edu.

**EXHIBIT 2-11
NISD WEBSITE DEFICIENCIES**

ISSUE	EXAMPLES/COMMENTS
Website does not include Spanish translations.	<ul style="list-style-type: none"> ▪ The website does not include any materials for its Spanish-speaking community members other than a brief description of gifted and talented programs.
Website homepage does not consolidate information into specific links for parents, teachers, or the community for easy access.	<ul style="list-style-type: none"> ▪ The website lists parent information for menus, schools supplies, and bell schedules, and calendars separately on a sidebar. Educational programs are a parent link on Instruction web page. ▪ Teacher information is a link on Instruction web page. ▪ No community-specific link exists.
Department information is vague or incomplete.	<ul style="list-style-type: none"> ▪ Department page provides email contact information, but not any descriptive or special information for any departments such as hours of operation or telephone numbers. These are located on a separate web page called District Directory. The website provides school menu information but not meal pricing or specific department policies such as applications for free and reduced lunch. ▪ Online meal payment link is on home sidebar but does not contain any information about its use. ▪ Transportation routes and rules are not available. ▪ Human resources web page includes link for online applications—application is not online, but is merely a form to print and fill out. ▪ Human resources page has link to WebCenter (substitute management system), but there is no explanation as to what it is and how to use it.
Website does not include information about district’s educational programs and services.	<ul style="list-style-type: none"> ▪ Website does not publish student and parent handbooks. ▪ Course catalogs are not available. ▪ Website does not publish graduation requirements. ▪ Website does not publish student fees. ▪ Information concerning special programs such as English as Second Language does not exist.

**EXHIBIT 2-11 (CONTINUED)
NISD WEBSITE DEFICIENCIES**

ISSUE	EXAMPLES/COMMENTS
Website does not publish current information and updates.	<ul style="list-style-type: none"> ▪ District home page does not have any current announcements or special events. ▪ District information (PEIMS) is from October 2003. ▪ Website does not show bond project updates since May 2004.
Website layouts and designs are inconsistent or poorly designed.	<ul style="list-style-type: none"> ▪ District website design color scheme is gold and black. Curriculum page uses different color scheme (yellow, blue, and purple) and different fonts. ▪ Website shows menus for each school, even though the menus are the same, resulting in a crowded layout.
School websites do not include sufficient information and are inconsistent.	<ul style="list-style-type: none"> ▪ School websites have different layouts, and there are no common links or logo to help users identify the web pages with NISD. ▪ Two schools do not have websites: Mike Moses Middle School and Nacogdoches County Alternative Education Center. ▪ School websites have varying levels of information ranging from McMichael with a school supply list and dress code to Brooks Quinn Jones Elementary with various polices, faculty roster, visitor information, homework communication, and cafeteria information.

SOURCE: SDSM, Inc., 2005.

Association (TSPRA) in its 2004 Star Awards. For districts with less than 10,000 members, TSPRA recognized White Settlement ISD's Website as best in its category. Gold Star award winners included: Alvarado, Bandera, Dickinson, Flour Bluff, Friendswood, Hays Consolidated, Highland Park, Kerrville, La Porte, Waller, and Weatherford ISDs. Unifying logos and color schemes for consistency made the recognized Websites appear well organized.

The home pages for many of the recognized districts' Websites displayed recent news events as well as a calendar of upcoming events. Website organization varied by district with some districts having functionally organized websites, while many of the districts such as Bandera, Hays Consolidated, and Weatherford ISDs organized their Website by target audience and have Web pages for students, staff, parents, and visitors.

Several of the Websites provided information in both English and Spanish. Waller ISD, for example, has student handbooks and registration requirements in both English and Spanish. LaPorte ISD has bilingual program information in Spanish.

NISD should add a dedicated Webmaster to update and improve the content and appearance of the NISD district and individual campus Websites. The additional position would allow the director of Technology Services to focus his efforts on the technology issues in the district.

The additional Webmaster position should help instructional and administrative technology users understand how to effectively use the various NISD Websites to enhance their own programs, especially communications and community outreach functions. The position would actively work with principals and administrators to define their needs and those of

their teachers and parents, identify current design opportunities, evaluate approaches to meet those needs and exploit opportunities, and develop and implement Website standards districtwide.

The Webmaster should also consider using CATE students in the design and implementation of the district and school Websites. The CATE curriculum requirements and the needs of the individual students determine the type and extent of student participation. The Webmaster, the director of CATE, and appropriate teachers should develop a plan of class projects for CATE students to help design and develop the content and format for the district's Websites. To maintain security in implementing the plan, the Webmaster and the director of CATE will maintain close supervision of students and will restrict student access in posting information to the website.

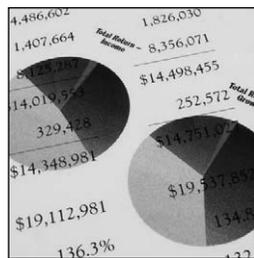
The individual selected for the Webmaster position should have Web design skills, experience, and the ability to effectively communicate.

The fiscal impact is the cost of the salary and benefits for the Webmaster position. The position is a pay grade 1 in the technical support job family, with a midpoint annual salary of \$35,400. Fringe benefits for each position consist of \$2,713 in annual insurance costs, plus Medicare, workers' compensation, and retirement at approximately 2.423 percent of salary, or \$858. The position would cost \$38,971 annually [35,400*1.02423+ 2,713= \$38,971]. The fiscal impact assumes that the district will hire someone to fill the position at the beginning of 2005–06.

For background information on District Management and Community Relations, see p. 159 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
5. Employ an outside mediator agreed to by both parties to work with the board and superintendent to address relationship issues.	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,250)
6. Provide training to board members on an appropriate process to evaluate the superintendent that complies with the commissioner's administrative rules.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Restructure the central administrative roles and responsibilities to improve accountability and provide clear reporting relationships.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8. Establish a district-level community relations program with allocated staff.	(\$15,129)	(\$25,550)	(\$25,550)	(\$25,550)	(\$25,550)	(\$117,329)	\$0
9. Fill the social worker and New Generation System (NGS) data specialist positions to reestablish outreach to various communities.	(\$61,316)	(\$61,316)	(\$61,316)	(\$61,316)	(\$61,316)	(\$306,580)	\$0
10. Establish an education foundation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. Add a dedicated Webmaster to update and improve the content and appearance of the NISD district and individual campus Websites.	(\$38,971)	(\$38,971)	(\$38,971)	(\$38,971)	(\$38,971)	(\$194,855)	\$0
Total Chapter 2	(\$115,416)	(\$125,837)	(\$125,837)	(\$125,837)	(\$125,837)	(\$618,764)	(\$17,250)



Chapter 3

Financial and Asset Management

CHAPTER 3

FINANCIAL AND ASSET MANAGEMENT

The business office is responsible for financial and asset management in NISD. The business manager who reports to the assistant superintendent of Administrative Services heads the department and serves as the district's chief financial officer. Four positions responsible for various financial duties—a secretary, an accounts payable clerk, a payroll clerk, and a controller—support the business manager.

NISD had a deficit fund balance in the General Fund of \$637,821 in 2002–03. The deficit fund balance resulted from deficit spending for four of the five previous years. In addition, a \$1.1 million receivable from the district's defunct self-insurance health plan and a \$261,467 receivable from a grant were written off in 2002–03. The grant receivable was written off since the district did not report the expenditures in a timely manner. In 2003–04, the district's fund balance in the General Fund rebounded and was \$730,463. This was due to budget reductions and a mid-year spending freeze. However, some of the district's efforts to rebuild the fund balance had negative impacts, such as its ability to meet compliance requirements associated with some of its supplemental funds.

ACCOMPLISHMENTS

- NISD implemented a review process in 2004 that ensures expenditures of federal and state compensatory funds are linked to strategies outlined in its planning documents.
- NISD provides incentives to hourly employees who do not have a work-related accident or injury each month.
- NISD and its financial advisor monitor outstanding bonds, interest rates, and tax-exempt market conditions to determine whether the district can save by refunding outstanding bonds.

FINDINGS

- NISD inappropriately used bond and debt service funds for operating expenditures in 2003–04. NISD does not segregate bond funds in a separate checking account and deposited state funding for debt service into the general operating bank account.
- NISD has not maximized state or local revenue because of its optional 20 percent homestead tax exemption for owner-occupied residences claimed as homesteads. In 2003–04, the district did not levy \$1.7 million in maintenance and operations taxes and did not receive \$306,542 in Tier 2 state funding due to the optional homestead exemption.

- NISD failed to meet the requirement to expend 85 percent of its state compensatory education (SCE) and bilingual supplemental funds for a three-year period because of budget decisions and insufficient monitoring. The district is at risk of having to repay the state for the unexpended funds.
- NISD does not tag fixed assets when it receives them at the central warehouse, exposing the district to risk of asset loss during the period from acquiring the asset until the annual inventory occurs.
- NISD does not have an internal audit function to independently monitor and report compliance with policies, regulations, or laws to the board.
- NISD did not present budget development information to the board and public to allow sufficient time for the public and its elected representatives to fully understand the impacts of budget proposals.
- NISD does not provide all board members and the public with monthly financial information and analysis to ensure the board and public are aware of the district's financial condition.
- NISD does not have a consistent review and approval process to ensure journal entries are accurate and appropriate. The 2003–04 audit report was inaccurate and overstated the district's ending fund balance because the business office staff did not review the adjusting journal entries proposed by the external auditor.
- NISD does not have a return-to-work program for employees injured on the job to reduce its workers' compensation claims costs.
- NISD does not have a comprehensive business procedures manual to provide guidance for business office staff and other district employees or continuity in the event of employee turnover.

RECOMMENDATIONS

- **Recommendation 12 (p. 51): Segregate bond and debt service funds into separate accounts to ensure the funds are not being loaned to operating funds.** Bond funds and debt service funds are designated for specific uses. By segregating the funds, the district will help to ensure that it uses the funds only for the designated purposes and complies with existing law.
- **Recommendation 13 (p. 53): Consider eliminating the 20 percent optional**

homestead exemption. If the district chose to eliminate the 20 percent optional homestead exemption, the district would maximize Tier 2 state funding, which is calculated based on local tax effort. The additional state revenue and the increased tax collections would provide the district with the funds necessary to address district needs.

- **Recommendation 14 (p. 54): Update the budgets and monitor supplemental program expenditures throughout the year.** Supplemental program revenues provide the district with funding to enhance the educational program for students with identified needs. By updating the budgets and ensuring the funds are expended during the year, the district will be able to provide additional services beyond the regular educational program. The students of the district will benefit from the additional programs and services and have a greater opportunity to succeed.
- **Recommendation 15 (p. 56): Tag fixed assets upon receipt in the central warehouse and add them to the fixed asset inventory.** Tagging and recording assets when they are received will provide the district with immediate control and accountability for the assets. The district will benefit from this procedure by reducing the risk of misappropriation or theft.
- **Recommendation 16 (p. 57): Create an internal audit function that operates under a board-approved charter.** The district will benefit from having an internal auditor by achieving cost savings associated with recommended efficiencies and by reducing losses due to theft and fraud because of improved internal controls. Internal auditors also assist a district in improving operations by monitoring the district's implementation of recommendations from the external auditor and other independent reviews.
- **Recommendation 17 (p. 58): Modify the budget development process and budget development calendar to involve the board and public early in the process.** The board members are the elected representatives of the public, and the business office must inform them about the district's budgetary priorities and constraints. Allowing sufficient time for the board and public to review the budget information will help build public trust concerning the financial affairs of the district.
- **Recommendation 18 (p. 60): Provide monthly financial information and analysis**

to the board and public. District administration should include the monthly financial reports, investment report, tax collection report, and the cash flow forecast for the General Fund in the board's agenda packet. The district should provide the public with sufficient financial information monthly so the district's current financial position is transparent to the public.

- **Recommendation 19 (p. 62): Implement a review and approval process for all journal entries.** The administration is responsible for the information included in the district's financial statements and should not rely on the external auditors to ensure the information contained in the financial statements is correct. Reviewing all the journal entries proposed by the external auditors will provide the administration assurance that the financial information reflects the district's financial position.
- **Recommendation 20 (p. 62): Institute a return-to-work program for employees injured on the job.** The major component of a return-to-work program is providing light-duty assignments for employees by temporarily modifying their jobs or finding jobs that do not have the same physical demands based on skills possessed by the employee. Light-duty assignments allow employees to gradually return to work and build up their strength and endurance.
- **Recommendation 21 (p. 63): Create and adopt a comprehensive business procedures manual.** A business procedures manual serves as documentation of the district's accounting policies and procedures and provides a formal communication to the user about processes used to create and complete financial transactions. The business procedures manual will be a valuable resource in training new employees and providing accountability for the accounting and finance functions.

DETAILED ACCOMPLISHMENTS COMPENSATORY PROGRAMS

NISD implemented a review process in 2004 that ensures expenditures of federal and state compensatory funds are linked to strategies outlined in its planning documents. The district's planning documents, its District Improvement Plan (DIP) and Campus Improvement Plans (CIPs), identify strategies and link the strategies to the resources necessary to accomplish specific objectives. District staff requesting expenditures of state compensatory or federal funds is required to write the goal,

performance objective, and strategy from the DIP or CIP that the expenditure supports on the purchase requisition. Before the requisition is processed, the coordinator of federal programs reviews the request to determine whether the expenditures are appropriate and support a specific strategy in the district's planning documents.

This process links the planning process and expenditure of funds together. This is important for the district given the limited amount of funds available to support supplemental programs. This process eliminates the risk of funds being spent on unnecessary items and provides the district with assurance that the funds designated for specific purposes are used appropriately.

SAFETY INCENTIVES

NISD provides incentives to hourly employees who do not have a work-related accident or injury each month. If an employee is accident-free, he or she receives a safety lottery scratch-off card. This card has several prizes, including jackets, coolers, and seat cushions. Approximately 20 percent of the tickets are winners. On the back of the scratch-off card is a place for the employees to put their names and enter a drawing for a prize at the end of the school year.

The district designed an incentive program for groups considered at high risk of on-the-job injuries. These groups include custodial, maintenance, and child nutrition workers. The incentive is one part of the district's program to promote job safety by reminding employees that "safety pays." The worker's compensation carrier for the district provides the program. The carrier also provides safety equipment such as goggles, heat-resistant mitts, and slip-resistant shoe coverings for employees. The district implemented the program at the beginning of 2004-05.

BOND REFUNDING

NISD and its financial advisor monitor outstanding bonds, interest rates, and tax-exempt market conditions to determine whether the district can save by refunding outstanding bonds. In February 2005, the district refunded \$5.7 million of callable Unlimited Tax Schoolhouse Bonds, Series 1995. The outstanding bonds matured from 2006 through 2020 with coupon rates of between 5.125 and 5.625 percent. The refunding bonds (Unlimited Tax Refunding Bonds, Series 2005) mature from 2006 through 2020 with coupon rates of 2.5 to 4.0 percent. The refunding bonds were sold at a premium and had actual yields to maturity of 2.4 to 4.0 percent.

Over the life of the refunded bonds, the district will save \$570,940, or approximately \$38,000 each year.

The district received state funding equivalent to 34.5 percent of the principal and interest payments on the bonds through the existing debt allotment program. After reducing state funding, the savings to the district is \$373,836 over the life of the refunded bonds, or approximately \$25,000 annually. This equates to a reduction of \$0.0024 per \$100 taxable value of the debt service tax rate.

DETAILED FINDINGS

COMMINGLED FUNDS (REC. 12)

NISD inappropriately used bond and debt service funds for operating expenditures in 2003-04. NISD does not segregate bond funds in a separate checking account and deposited state funding for debt service into the general operating bank account. Although the investments are segregated and the district maintains a debt service bank account, other funds are commingled with operating funds in the district's general operating account. Failing to appropriately segregate and use bond and debt service funds is a violation of the state laws and regulations.

The district closed a number of bank accounts in order to reduce bank fees and to reduce the workload on administrative staff. The controller stated that he uses the financial software to monitor cash balances, and that the district should transfer bond proceeds to cover cash deficits as they occur in the Capital Projects Fund.

The district used bond funds for operating expenditures at the end of 2002-03 and for eight months in 2003-04. This use was reflected in the audited financial statements for both 2002-03 and 2003-04, which showed a deficit cash balance in the General Fund and a positive cash balance in the Capital Projects Fund.

The Texas Association of School Business Officials (TASBO) review of the district's business office in December 2003 also identified this issue. The report stated, "Use of bond proceeds to cover cash deficits in operating accounts is potentially grounds for default on bonds." The district's response to the TASBO report stated, "There was never any attempt to use bond proceeds to cover cash deficits in operating accounts. Since the report, we have only been drawing down funds to cover expenditures to the nearest dollar amount."

Exhibit 3-1 compares the amount of bond proceeds deposited to the general operating account to the capital project expenditures made from the same account. Positive numbers in the month's difference column show when the amount of bond proceeds transferred into the general operating checking account exceed the amount spent from the account on capital projects. Negative numbers show when

EXHIBIT 3-1
BOND PROCEEDS AND CAPITAL PROJECT EXPENDITURES
2003-04

MONTH	CASH DEPOSITED TO GENERAL OPERATING ACCOUNT	CASH EXPENDED FOR CAPITAL PROJECTS	MONTH'S DIFFERENCE	EXCESS (DEFICIT) FOR CAPITAL PROJECTS
Cash Available - September 1, 2003				\$823,037
September	\$2,000,000	(\$1,662,776)	\$337,224	\$1,160,261
October	\$2,000,000	(\$1,815,917)	\$184,083	\$1,344,344
November	\$0	(\$2,214,245)	(\$2,214,245)	(\$869,901)
December	\$1,558,000	(\$1,612,750)	(\$54,750)	(\$924,651)
January	\$1,237,505	(\$1,380,636)	(\$143,131)	(\$1,067,782)
February	\$1,989,425	(\$1,589,967)	\$399,458	(\$668,324)
March	\$3,540,000	(\$1,982,521)	\$1,557,479	\$889,155
April	\$2,000,000	(\$1,641,868)	\$358,132	\$1,247,287
May	\$2,105,575	(\$2,619,904)	(\$514,329)	\$732,958
June	\$1,660,000	(\$1,872,812)	(\$212,812)	\$520,146
July	\$1,000,000	(\$912,898)	\$87,102	\$607,248
August	\$455,050	(\$569,649)	(\$114,599)	\$492,649

SOURCE: NISD, Investment Statements, Capital Projects General Ledger, 2003-04.

the opposite occurred. The excess (deficit) for capital projects shows the cumulative amount of the month's difference.

Cash available at September 1, 2003 is the amount of cash in the general operating account from 2002-03 less the accounts payable of the Capital Projects Fund at August 31, 2003 plus the accounts receivable of the Capital Projects Fund at August 31, 2003. Expenditures for August 2004 were reduced by the amount of accounts payable at August 31, 2004 and the adjustments resulting from the annual audit.

As shown in **Exhibit 3-1**, the district used bond funds to cover operating expenditures in September and October 2003 as well as March through August 2004.

Exhibit 3-2 presents cash balances from the general ledger for all funds commingled in the operating account, the Capital Projects Fund, and the Debt Service Fund. Although shown in a separate column

in the exhibit, the district did not designate the debt service funds as such when it received them from the state in October 2003. Instead, it deposited them into the general operating account, even though a separate debt service checking account exists.

As shown in **Exhibit 3-2**, the district used bond (Capital Projects Fund) proceeds along with \$1.6 million of funds dedicated for debt service to cover operating expenditures during 2003-04. The district did not transfer the debt service funds to the debt service checking account until February 2004, when the bond payments were due.

The district had sufficient cash in the general operating bank account to operate without borrowing from the capital project and debt service funds for only one month in 2003-04. February 2004 was the single month with sufficient cash as shown by a positive general ledger cash balance in the general operating account.

EXHIBIT 3-2
GENERAL LEDGER CASH BALANCES
2003-04

MONTH	END OF MONTH TOTAL CASH BALANCE	LESS END OF MONTH CAPITAL PROJECTS CASH BALANCE	LESS END OF MONTH DEBT SERVICE FUNDS	CASH BALANCE WITHOUT CAPITAL PROJECTS AND DEBT SERVICE FUNDS
September	\$2,039,893	\$2,099,197	\$0	(\$59,304)
October	\$3,737,346	\$2,283,280	\$1,641,874	(\$187,808)
November	\$1,250,311	\$69,035	\$1,641,874	(\$460,598)
December	(\$828,424)	\$14,285	\$1,641,874	(\$2,484,583)
January	(\$409,945)	(\$111,997)	\$1,641,874	(\$1,939,822)
February	\$1,845,124	\$347,260	\$0	\$1,497,864
March	(\$1,573,205)	(\$297,980)	\$0	(\$1,275,225)
April	(\$1,897,038)	\$64,231	\$0	(\$1,961,269)
May	(\$1,576,971)	\$1,564,051	\$0	(\$3,141,022)
June	\$193,185	\$1,320,667	\$0	(\$1,127,482)
July	\$329,789	\$1,420,112	\$0	(\$1,090,323)
August	(\$61,422)	\$458,598	\$0	(\$520,020)

SOURCE: NISD, Bank Statements and Reconciliations, 2003-04.

The Texas Education Code (TEC) Section 46.009 (d) states, "...the district shall deposit the money in the interest and sinking fund for the bonds for which the assistance is received and shall adopt a tax rate for purposes of debt service that takes into account the balance of the interest and sinking fund." Case law dictates that a district must use bond proceeds approved by the citizens for the purpose for which voters approved them. Voters approved the 2001 bonds "for the construction, acquisition, and equipment of school buildings." Case law also holds that funds designated for specific purposes should not be commingled with other funds.

In a letter to bond counsel in February 1999, the Office of the Attorney General emphasized the necessity of using bond funds for the stated purpose and not for a "rainy day fund" or for "working capital." This letter also opined that interest earned on bond proceeds could only be used for the same purpose for which the bonds may be used.

Many districts segregate funds designated for specific purposes in separate checking accounts. These districts transfer only the amount of funds needed to pay for expenditures of the fund from the checking or investment accounts to the accounts payable account that it draws district checks against. These districts ensure they comply with the law and that they use designated funds only for the authorized purposes.

The district should immediately segregate bond and debt service funds into separate accounts to ensure the funds are not being loaned to operating funds. By segregating the funds, the district will protect itself from potential legal action for commingling funds. This will also eliminate the perception that the district is not using the bond funds appropriately. The district should transfer the funds received from the state for debt service purposes to the debt service checking account or investment account immediately upon receipt from the state. This will ensure the district is complying with state law. To ensure that the district has not diverted any interest earnings on the bond or debt service funds, the district should pay interest to these funds based on the prevailing interest rate.

The fiscal impact of this recommendation is a one-time cost of \$12,763. This amount is calculated by multiplying the amount of debt service funds held in the general operating account for more than three months by the interest rate earned in the district's investment pool during this period ($\$1,641,874 \times 3/12 \times .0104 = \$4,269$) and by multiplying the amount of bond funds held in the general operating account for the year by the interest rate earned in the district's investment pool during this period

($\$786,437 \times .0108 = \$8,494$). The district should deposit this amount into the debt service checking or investment account and into the bond proceeds investment account. In addition, the district should review current and prior year practices to ensure this did not occur in other years. If the practice occurred in other years, the district should calculate the amount of interest the funds would have earned if invested and pay that amount to the fund.

OPTIONAL HOMESTEAD TAX EXEMPTION (REC. 13)

NISD has not maximized state or local revenue because of its optional 20 percent homestead tax exemption for owner-occupied residences claimed as homesteads. The district has not levied \$7.9 million in local taxes from 1999–2000 through 2003–04 because of the optional homestead exemption. On average, this is equal to \$0.152 of tax effort for each of the years, or approximately \$1.9 million.

In addition, the district has not maximized its state revenue. The state funding formula for general operations is based on two tiers of funding. Tier 1 funding is based on the adjusted basic allotment for the district times the number of students in average daily attendance (ADA) plus weighted funding for special education, compensatory education, bilingual/ESL, gifted and talented, and career and technology students. Tier 2 funding is based on the weighted average daily attendance (WADA). The tier 2 funding formula considers guaranteed yield per penny of tax effort per WADA, and if this amount cannot be generated locally, state aid is provided for each penny of Tier 2 tax effort. Therefore, the district generates more Tier 2 revenue when the district's tax effort is greater.

In April 2003, the administration provided the board with information that the district could earn an additional \$276,000 in state revenue by eliminating the optional homestead exemption. The district would also earn an additional \$1.1 million in tax revenue. The business manager said that the district had presented similar information in previous years and that the board had elected not to eliminate the optional homestead exemption. Board members said they were aware of the district's ability to raise additional state funding but did not want to raise taxes by eliminating the optional homestead exemption.

Because the district limited its tax effort with the homestead exemption, it did not maximize its Tier 2 state funding. NISD did not receive \$3.7 million in state revenue from 1999–2000 through 2003–04 as shown in **Exhibit 3-3**, which calculates the difference in funding based on the tax effort the district applied versus the maximum tax effort

EXHIBIT 3-3
CALCULATION OF NET LOSS IN STATE REVENUE

DESCRIPTION	1999-2000	2000-01	2001-02	2002-03	2003-04
Maximum Tax Effort	\$0.6400	\$0.6400	\$0.6400	\$0.6400	\$0.6400
Tax Effort	\$0.48642	\$0.484459	\$0.605058	\$0.623946	\$0.604332
Difference	\$0.1535	\$0.1555	\$0.0349	\$0.0161	\$0.0357
WADA	7,694.117	7,533.02	7,513.126	7,521.258	7,699.335
Guaranteed Yield	\$24.70	\$24.70	\$25.81	\$27.14	\$27.14
Multiplied by	100	100	100	100	100
Result	\$2,917,528	\$2,894,083	\$677,574	\$327,705	\$745,318
Local Revenue	\$1,374,465	\$1,486,826	\$361,449	\$176,619	\$438,776
Net Loss	\$1,543,063	\$1,407,257	\$316,125	\$151,087	\$306,542

SOURCE: Texas Education Agency, Summary of Finance, 1999-2000 through 2003-04.

allowed by the funding formula. The formula for determining the amount of revenue not earned is calculated by multiplying the difference between the maximum tax effort allowed and NISD's tax effort times WADA times the guaranteed yield times 100 less the local fund assignment. The local fund assignment is the quotient of the tax base divided by 100 times the difference in tax effort.

Any increase in state funding received by school districts impacts the state budget. If NISD had maximized Tier 2 funding during this period, it would have cost the state an additional \$3.7 million.

If the district had eliminated the homestead exemption during this period, the combination of increased state and local revenues would have provided funds necessary to address some of the district's needs, including the operating budget shortfalls. Additional funds would have been available to maintain an adequate fund balance while investing in district infrastructure for technology and facilities and improving teacher salaries.

Many districts maximize state funding by adopting a maintenance and operations (M&O) tax rate that will yield a tax effort of at least \$0.64 for Tier 2 purposes. These districts ensure that the tax effort for Tier 2 funding is maximized in the last year of the biennium in order to establish that as a limit for the next biennium. Some of these districts have eliminated their optional homestead exemption in order to maximize funding from the state. For example, Dripping Springs ISD eliminated the optional homestead exemption after an extensive

informational campaign with district residents and businesses.

The district should consider eliminating the 20 percent optional homestead exemption. If the district chose to eliminate the homestead exemption, the district would maximize local revenue and Tier 2 funding and provide additional resources to meet district needs. The administration should develop a presentation for residents and businesses that explains how state funding works and the negative impact the optional homestead exemption has on the district. After the informational campaign, the board should consider eliminating the 20 percent optional homestead exemption for the 2006-07 year.

The fiscal impact of implementing this recommendation is \$8,878,856 from 2006-07 through 2009-10. **Exhibit 3-4** calculates the gain in state revenue based on the state-funding model for 2004-05 with tax effort, WADA, guaranteed yield, and property values remaining the same as in 2003-04.

Exhibit 3-5 calculates the gain in local revenue based on property values exempted by the optional homestead exemption in 2004-05 and the 2004-05 tax rate.

SUPPLEMENTAL PROGRAM REVENUES (REC. 14)

NISD failed to meet the requirement to expend 85 percent of its state compensatory education (SCE) and bilingual supplemental funds for a three-year period because of budget decisions and insufficient

EXHIBIT 3-4
CALCULATION OF GAIN IN STATE REVENUE

DESCRIPTION	2006-07	2007-08	2008-09	2009-10
Maximum Tax Effort	\$0.6400	\$0.6400	\$0.6400	\$0.6400
Tax Effort	\$0.604332	\$0.604332	\$0.604332	\$0.604332
Difference	\$0.0357	\$0.0357	\$0.0357	\$0.0357
WADA	7,699.335	7,699.335	7,699.335	7,699.335
Guaranteed Yield	\$27.14	\$27.14	\$27.14	\$27.14
Multiplied by	100	100	100	100
Result	\$745,318	\$745,318	\$745,318	\$745,318
Local Revenue	\$484,305	\$484,305	\$484,305	\$484,305
Net Gain	\$261,013	\$261,013	\$261,013	\$261,013

SOURCE: Texas Education Agency, Summary of Finance, 2003-04.

**EXHIBIT 3-5
CALCULATION OF GAIN IN LOCAL REVENUE**

DESCRIPTION	2006-07	2007-08	2008-09	2009-10
Value of Property	\$130,580,050	\$130,580,050	\$130,580,050	\$130,580,050
Divided by	\$100	\$100	\$100	\$100
Result	\$1,305,801	\$1,305,801	\$1,305,801	\$1,305,801
Times Tax Rate	\$1.50	\$1.50	\$1.50	\$1.50
Revenue Gain	\$1,958,701	\$1,958,701	\$1,958,701	\$1,958,701

SOURCE: Nacogdoches Appraisal District, January 2005.

monitoring. The district receives compensatory education, bilingual, and gifted and talented supplemental funds. These funds are an additional allocation from the state based on the ADA of identified students. Eighty-five percent of each program’s expenditures must be made for the required purpose. The district may use any part of the remaining 15 percent of the allocation for any legal purpose, including indirect costs in support of the program.

TEA’s Financial Accountability System Resource Guide (FASRG) states, “SCE is defined in law as programs and/or services designed to supplement the regular education program for students identified as at risk of dropping out of school. The purpose is to increase the academic achievement and reduce the drop out rate of these students.”

TEC Section 42.153 (c) states, “...a district’s bilingual education or special language allocation may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size.” In reference to gifted and talented education funds, TEC Section 42.156 (b) states, “[They] must be used in providing programs for gifted and talented students, including programs sanctioned by International Baccalaureate and Advanced Placement, or in developing programs for gifted and talented students.”

Exhibit 3-6 presents the amount of state revenue, the amount of the allocation expended for program costs, and the percent of the allocation expended for program costs for 2001–02 through 2003–04. For compliance purposes, TEA monitors these supplemental programs on a three-year average to determine whether districts spent at least 85 percent of program revenues appropriately. As shown in **Exhibit 3-6**, NISD did not meet the three-year average expenditure requirements in bilingual or SCE funds during this time. The district did meet the requirement for gifted and talented funds in the 2001–02 and 2002–03 because of high expenditures. However, the district expended less than the requirement in 2003–04.

In order to meet the requirement to spend 85 percent of the supplemental program revenues over the three-year period, NISD needed to expend an additional \$173,122 for bilingual education and \$185,732 for state compensatory education.

NISD has not met expenditure requirements because of budget decisions and monitoring issues. The district does not budget 100 percent of the amount of the SCE and bilingual education allotments on the initial summary of finance (SOF) provided by TEA. For 2004–05, the district budgeted \$1,583,367 of the \$1,873,796 SCE allotment and \$137,300 of the \$242,787 bilingual allotment. By not budgeting the entire amount, the district has arbitrarily capped expenditures that could increase its risk of not meeting the 85 percent requirement. In November

**EXHIBIT 3-6
SUPPLEMENTAL PROGRAMS EXPENDITURES
2001-02 THROUGH 2003-04**

ITEM	2001-02	2002-03	2003-04	2001-02 THROUGH 2003-04
BILINGUAL EDUCATION				
State Revenue	\$215,803	\$244,565	\$237,807	\$698,175
District Expenditures	\$119,777	\$177,197	\$123,353	\$420,327
Revenue Expended	55.5%	72.5%	51.9%	60.2%
STATE COMPENSATORY EDUCATION				
State Revenue	\$1,801,860	\$1,894,465	\$1,990,168	\$5,686,493
District Expenditures	\$1,421,508	\$1,568,360	\$1,657,919	\$4,647,787
Revenue Expended	78.9%	82.8%	83.3%	81.7%
GIFTED AND TALENTED EDUCATION				
State Revenue	\$92,151	\$92,559	\$93,475	\$278,185
District Expenditures	\$99,608	\$91,268	\$72,940	\$263,816
Revenue Expended	108.1%	98.6%	78.0%	94.8%

SOURCE: NISD, Controller, February 2005.

2004, at the request of the program manager and approval of the assistant superintendent of Administrative Services, the bilingual education budget for 2004–05 was increased by \$81,208, but this increase will not be sufficient to meet the 85 percent three-year requirement.

Similarly, the SCE budget has not been increased to its full total. In SCE, the district further limited its ability to meet the 85 percent requirement by reducing the SCE budget as part of a districtwide 20 percent budget reduction measure for the 2004–05 budget. In August 2004, SCE-budgeted expenditures were decreased \$169,599 for 2004–05. In addition to the initial budget reductions, the district eliminated a social worker position funded by SCE when it became vacant despite the program manager's requests to fill the position. If the district does not act immediately to fill vacant SCE positions and increase the amount budgeted, the district will continue to violate the 85 percent requirement.

The district was aware of the negative effects of reducing these expenditures at the time of the reductions. In an August 2004 email directing the 20 percent budget reductions, the business manager indicated that reducing SCE and other supplemental funds would have a negative effect on items such as maintenance of effort or supplement versus supplant considerations that would need to be dealt with later.

Although the district monitors student attendance and state revenues each six weeks, the district does not update the budgets for these programs during the course of the year based on actual student attendance. If the district has higher ADA or identified more students than expected by the TEA summary of finance, the district would fall below the 85 percent level, since the budgets are not increased.

The range of possible TEA sanctions for failing to comply with the laws, rules, or regulations for SCE funds and/or other oversight actions includes: informal monitoring, recommended training, recommended assistance from outside consultants, financial penalties, and accreditation actions. TEC Section 42.156 (b), Gifted and Talented, states, "...if by the end of the 12th month after receiving an allotment for developing a program a district has failed to implement a program, the district must refund the amount of the allotment to the agency within 30 days."

Many districts budget 100 percent of supplemental program revenues for expenditure. These districts ensure that they expend at least 85 percent of the allotment, even when ADA and student identification exceed budget estimates. Other districts budget a lesser percentage and closely

monitor state revenue based on actual ADA and student identification using the TEA funding template. These districts ensure that they expend 85 percent of the allotment by adjusting the budget to reflect these changes.

The district should update the budgets and monitor supplemental program expenditures throughout the year. The budgets should be updated once NISD expends sufficient funds to meet the 85 percent requirement based on a three-year average. For 2005–06, the district should budget at least 90 percent of the estimated supplemental program revenues for expenditures and an amount sufficient to bring them into compliance with the requirement on a three-year average.

ASSET IDENTIFICATION (REC. 15)

NISD does not tag fixed assets when it receives them at the central warehouse, exposing the district to risk of asset loss during the period from acquiring an asset until the annual inventory occurs. While some departments such as Special Education tag items with the department name and purchase order number when received from the central warehouse, the common practice is not to assign these items an asset identification number and enter them into the asset control system until the annual inventory.

The district uses a vendor to inventory fixed assets annually. The vendor tags all assets with a value of \$500 or more that were not tagged in the previous year's inventory. These items are added to the district's asset control listing. The vendor conducted the last inventory in October 2004 and the previous inventory in October 2003. Assets received by the district immediately after the 2003 inventory went without tags for almost a year. This exposes the district to risk of loss from the time it acquires assets until the inventory occurs without any means of knowing the assets are missing.

Many districts tag assets upon receipt by the central warehouse and record them in the asset control system. These districts ensure that they identify assets as district property and reduce the risk of property misappropriated without the district's knowledge. This system also allows the districts to hold district employees responsible for the district's assets.

NISD should tag fixed assets upon receipt in the central warehouse and add them to the fixed asset inventory. The district should obtain asset tags from its inventory vendor to tag assets on receipt. The warehouse staff should tag assets upon receipt in the central warehouse and immediately add them to the asset inventory. The warehouse staff should record the make, model, serial number, and description of

each asset on a control sheet along with the tag number. The staff should also note the school or department and individual that the item is being sent to on the control sheet. The warehouse staff should provide the control sheet to the business office for comparison to the annual inventory. At least annually, the business office should compare a list of capital items purchased during the year to the inventory list to ensure that it has tagged all purchased capital items. Tagging and recording assets when they arrive will provide the district with immediate control and accountability for the assets. The district will benefit from this procedure by reducing the risk of misappropriation.

INTERNAL AUDIT (REC. 16)

NISD does not have an internal audit function to independently monitor and report compliance with policies, regulations, or laws to the board. The external audit firm provides a report to the board about internal control weaknesses that could have a negative impact on the district's ability to prepare financial information in accordance with established standards, and reports any compliance issues found during the audit. The only review of internal control and compliance by an independent entity is the external audit.

The review team noted several weaknesses in various areas where internal controls have not been communicated to the appropriate level of management or have not been detected by administration. For example, the review team noted the following:

- the failure of the district to comply with competitive procurement laws;
- the inappropriate use of bond and debt service funds to cover operating expenditures;
- the lack of effective contract management;
- the failure to reconcile the missing fixed asset report with disposals of assets and not tagging assets as they are received;
- the failure of the district to spend supplemental program revenues as required by the state; and
- the lack of review of the external auditor adjustments.

Internal auditing is an independent appraisal function within the district that evaluates the efficiency and effectiveness of the district's operations and recommends improvements to processes, policies, and procedures to enhance district operations based on the evaluations. The internal audit function monitors compliance with laws, regulations, and

policies for the district as well as providing special reports and analyses to the board and administration.

School districts with an internal audit function usually have a charter adopted by the board that spells out the function's general purpose and objective, its authority, and its responsibilities. This charter generally references the Institute of Internal Auditors, Inc. *Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics* to ensure the internal audit function is appropriately performed. These *Standards* and the *Code of Ethics* can be used as part of the evaluation for the function. The internal auditor is generally responsible for:

- reviewing the operations of the district to ensure efficient use of resources;
- reviewing the safeguards in place to protect district assets;
- reviewing the district's activity funds at the schools;
- conducting special reviews requested by the board or administration;
- evaluating compliance with laws, rules, regulations, and policies;
- planning and executing the internal audit schedule based on risk assessments; and
- acting as the liaison for the external auditor and coordinating audit activities within the district.

The internal auditor's independence is determined by the auditor's reporting relationship within the district. The independence of the internal audit function increases as the reporting relationship moves upward in the district's organization. Independence is difficult to achieve when the internal audit function reports to a level of management that has responsibility for the daily operations of the district. For example, if the function reported to the assistant superintendent of Administrative Services, the audits and the resulting reports on operations controlled by that position might be impaired because of the reporting relationship. Since the board has no direct responsibility for any operations within the district, the function is most independent when it reports to the board. This reporting relationship also enhances the board's ability to receive unbiased and unfiltered reports on district operations and special investigations.

One of the major pitfalls, however, to having the internal auditor report directly to the board is the tendency of boards to use this arrangement as an opportunity to inappropriately insert themselves into day-to-day district operations. The board's role is

that of a policy maker and any intrusion into the daily operations oversteps those bounds. However, it is within the board's rights and responsibilities to hold the administration accountable for operating the district within board policies, as well as state and federal laws, rules, and guidelines. To fail to do so could make the board liable for wrongdoing by the administration.

The Texas State Auditor's Office (SAO) conducted a management audit of public schools. In SAO Report No. 3-010, the SAO recommends that districts with annual expenditures of more than \$20 million or enrollment of more than 5,000 students have an internal auditor. The SAO views internal auditors as a tool for districts to use to improve operations. In 2003–04, NISD had 6,375 students and expended more than \$67.8 million dollars.

Many school districts benefit from having an internal auditor by achieving cost savings associated with efficiencies recommended. The districts also benefit by the reduction in losses due to theft and fraud because of improved internal controls. Internal auditors can also assist a district in improving operations by monitoring the district's implementation of recommendations from the external auditor and other independent reviews.

The district should create an internal audit function that operates under a board-approved charter. The auditor should have unrestricted access to upper management and the governing body. Such access should be in form as well as in fact to ensure that the auditor's independence is unimpaired. Additionally, the board and administration must define the functional and administrative reporting arrangement to ensure that the board is very clear about its role and responsibilities and does not take this opportunity to insert itself in the day-to-day district operations.

The fiscal impact of creating an internal audit function is based on hiring an internal auditor at pay grade 7 of the administrative scale with a midpoint salary of \$64,798. Fringe benefits for this position total \$4,283 and consist of insurance costs of \$2,713 and Medicare, workers' compensation, and retirement costs of \$1,570. The total salary cost is calculated to be \$69,081 rounded to the nearest dollar.

In addition to the salary costs, the function will require a budget for supplies, equipment, and professional development. These costs are estimated to be \$5,000 annually. The total cost of creating the internal audit function is \$74,081. The new position should start in September 2005 in order to give the

district time to develop the internal audit charter, a job description for the position, and fill the position.

BUDGET DEVELOPMENT (REC. 17)

NISD did not present budget development information to the board and public to allow sufficient time for the public and its elected representatives to fully understand the impacts of budget proposals. NISD did not present budget development information to the board and public until August 11, 2004, for 2004–05, even though the budget development process begins in January.

Departments submit their budgets based on the prior year's budgets with requests for additional funding based on demonstrated needs. For 2004–05, the departments' budgets were frozen at the 2003–04 level.

Revenue projections are made when the state funding templates are available from TEA and proposed expenditures for schools and departments are finalized in May. State revenues are based on historical attendance rates. The district uses a 96 percent attendance rate for estimating state revenue.

Schools are allocated funds based on projected enrollments. Once the schools receive their allocations, it is up to each school to determine how to allocate funds within its budget. The schools develop their budget in conjunction with their CIP. This provides parents and teachers on the campus an opportunity to have input on the budget for the school. Schools can submit requests for funding above their budget allocation as part of the process. The schools return their budgets, and the business office inputs them into the financial software.

During the 2004–05 budget development process, the district eliminated 22 positions. These positions included teachers, paraprofessionals, and support staff. Many of these reductions occurred through changing the secondary schools from a four-period block schedule to a seven-period a day schedule. The seven periods a day schedule requires fewer teachers to provide services to the same number of students.

In order to balance the 2004–05 budget, the administration used a 98 percent tax collection rate in the proposed budget submitted to the board on August 11, 2004. At the meeting, the board requested the tax collection percentage be lowered to 96 percent, which was more reflective of historical trends. Because this information was not shared at the beginning of the process with the board, the administration was not aware that they would need to make significant reductions. They had one week to cut \$1.2 million of expenditures from the proposed budget that was presented on August 19, 2004.

With the short time frame to respond, the administration made cuts that appeared to be unrealistic or imprudent. In addition to eliminating four additional teaching positions, the administration reduced non-payroll expenditures by 20 percent. The major budget reductions included a \$270,000 cut in budgeted utilities, an \$180,000 cut in budgeted tax collection costs, and a \$169,599 reduction in SCE funds. Other schools and departments reduced their budgets from \$5,135 to \$71,045. The board adopted this budget on August 31, 2004, after a public hearing.

Changes to utilities and tax collections were unrealistic because the district opened two new schools, and it has no control over tax collection costs. Reducing the SCE expenditures when the district has historically not met the minimum requirements for these program expenditures was imprudent since the district would need to repay those funds, which would further reduce the fund balance.

By not including the public in budget discussions, these reductions, along with the 10 percent reductions required in 2003–04 to reduce the fund balance deficit, have left the public and some district employees with the perception that the administration cannot effectively manage the budget. The review team surveyed students, parents,

teachers, and staff members to obtain input on district operations. Respondents rated the district’s operations based on survey statements for all functional areas of the district.

Exhibit 3-7 presents the survey results for the administration’s ability to effectively manage the budget. As seen in **Exhibit 3-7**, 43.4 percent of respondents rated the ability of the superintendent and administrators to manage the budget as poor or below average.

Since the budget was presented to the public 20 days before it had to be approved, there was little or no time for the administration to receive input from the board, public, or most employees. **Exhibit 3-8** presents survey results concerning the ability of the public to provide input during the budget process. More than half of the respondents (57.7 percent) rated the ability to provide input as poor or below average.

The district has a policy that establishes a fund balance goal of between 12 and 18 percent of operating expenditures for the General Fund. Adopting a balanced or surplus budget is crucial to reaching the goals stated in board policy CE (LOCAL). Without sufficient time to review the budget information, the public and its elected representatives cannot fully understand the budget. Without sufficient time to react to board direction

**EXHIBIT 3-7
NISD FINANCIAL MANAGEMENT SURVEY RESULTS**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE ABILITY OF THE SUPERINTENDENT AND ADMINISTRATORS TO EFFECTIVELY MANAGE THE DISTRICT’S BUDGET						
Administrator	4.5%	13.6%	9.1%	45.5%	27.3%	0.0%
Parent	44.8%	17.2%	20.7%	10.3%	0.0%	6.9%
Principal	0.0%	0.0%	20.0%	46.7%	33.3%	0.0%
Professional Staff	12.0%	20.0%	29.3%	13.3%	6.7%	18.7%
Student	37.3%	17.8%	24.9%	5.8%	0.9%	13.3%
Support Staff	17.4%	17.4%	30.4%	10.9%	4.3%	19.6%
Teacher	15.7%	24.1%	30.4%	11.0%	2.6%	16.2%
All Surveys	24.0%	19.4%	26.7%	11.4%	4.1%	14.3%

NOTE: Percentages may not add up to 100 percent due to rounding.
SOURCE: NISD, School Review Surveys, January 2005.

**EXHIBIT 3-8
NISD FINANCIAL MANAGEMENT SURVEY RESPONSES**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE ABILITY OF THE PUBLIC TO PROVIDE SUFFICIENT INPUT DURING THE BUDGET PROCESS						
Administrator	31.8%	4.5%	22.7%	31.8%	9.1%	0.0%
Parent	20.7%	20.7%	0.0%	6.9%	6.9%	44.8%
Principal	20.0%	20.0%	13.3%	40.0%	6.7%	0.0%
Professional Staff	38.7%	21.3%	2.7%	6.7%	24.0%	6.7%
Student	26.7%	30.2%	0.4%	6.7%	11.6%	24.4%
Support Staff	32.6%	23.9%	2.2%	4.3%	21.7%	15.2%
Teacher	37.7%	26.7%	1.0%	8.9%	16.2%	9.4%
All Surveys	31.8%	25.9%	2.2%	9.0%	14.9%	16.3%

NOTE: Percentages may not add up to 100 percent due to rounding.
SOURCE: NISD, School Review Surveys, January 2005.

concerning the budget, the administration may make imprudent changes in the budget.

Although the TEC states that the superintendent is the budget officer for the district and prepares or causes the budget to be prepared, TEA recommends that an interactive approach between the board of trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities. The FASRG states, “Responsibility for preparation of district budget guidelines and the budget calendar lies primarily with district administrators and the superintendent. Because these guidelines and the calendar create a framework for the entire budget development process, their careful design is critical to an efficient and effective process.”

NISD does use a budget calendar as recommended by the FASRG. The budget calendar schedules the preliminary budget discussion with the board in June. The calendar contemplates additional budget workshops but does not include any meetings to solicit public input until August, when it adopts the budget and tax rate.

Many school districts hold workshops in the spring to provide an overview of the budget. Basic assumptions such as enrollment projections, attendance rates, tax collection percentages, staffing ratios, per pupil allocations, and required increases in the budget are discussed to ensure the board and administration agree. For example, Hays CISD holds a preliminary budget workshop in March of each year to discuss the basic assumptions and the board’s goals for the budget.

The district should modify the budget development process and budget development calendar to involve the board and public early in the process. The budget calendar should be developed by the superintendent and approved by the board so that all participants understand the budget development process and their role in it. The board members are the elected representatives of the public and must be informed about the district’s budgetary priorities and constraints. Allowing sufficient time for the board and public to review the budget information will help to build public trust concerning the financial affairs of the district. The district should modify the budget calendar to hold preliminary budget discussions with the board in May.

FINANCIAL INFORMATION (REC. 18)

NISD does not provide all board members and the public with monthly financial information and analysis to ensure the board and public are aware of the district’s financial condition. The district provides four board members with monthly financial

statements, the check register for the preceding month, the bank reconciliation, the investment report, the tax collection report, budget amendments, and a detailed printout by function and object for the General Fund. The other three board members have asked that this information not be sent to them. In interviews, these board members indicated that they felt that the other four board members were requesting too much information, and they trusted the superintendent to make the right decisions.

Two board members have stated that they review the check register on a monthly basis because they lack trust in the accuracy of the financial transactions performed by the district administration. They cited three examples where they identified incorrect transactions or first learned about significant district expenditures. The first example was the duplicate payment of an invoice for \$500 from the district’s external auditors found in the same check register. The second example cited was the failure to adjust the budget to include payments to the law firm that handled the district’s protest of taxable values to the State Comptroller’s office. The third example cited was that the board first learned about the remodeling of the field house at a cost of approximately \$500,000 using the check register. The board does not formally approve change orders. Instead, the board relies on presentations from the construction manager at risk at board meetings to oversee the construction program.

The board members who do not receive financial information before meetings must approve information they have not reviewed. Board policy BBF (LOCAL): BOARD MEMBERS ETHICS describes the ethical behavior expected of all board members including under Commitment to Service: “I will focus my attention on fulfilling the board’s responsibilities of goal setting, policymaking, and evaluation. I will diligently prepare for and attend board meetings.” It is impossible for board members to make well-founded decisions without a clear understanding of the district’s financial position. Board members who fail to prepare for board meetings are failing to meet the expectations set out in their own *Code of Ethics*. In addition, the public does not have any opportunity to understand the district’s financial position since the item is rarely discussed and the information is not provided in a public meeting.

No financial information that has been analyzed or summarized is presented at the monthly board meetings to the other board members or the public. Each monthly agenda contains an item on the consent agenda titled “Consideration – Approval of Information from Business Office on School District

Operations.” By being on the consent agenda, any opportunity to discuss the financial position of the district is eliminated, unless the item is pulled for discussion. The review team surveyed students, parents, teachers, and staff to obtain input on district operations. Respondents rated the district’s operations based on survey statements for all functional areas of the district. **Exhibit 3-9** presents the respondents views of the availability and understandability of the district’s financial statements. As seen in **Exhibit 3-9**, overall, 71.6 of the respondents rated the financial reports as average to poor, with 11.6 percent rating them as good to excellent.

The objective of financial reporting is to provide accurate and useful information that can be used in decision-making. Users of accounting information include personnel within the school district, government agencies, the legislature, creditors, and the general public. These users of accounting information may be interested in the district’s financial activities, but may not be directly involved in its operations. They must rely on the accuracy of the financial information reported by the school district.

The FASRG states, “The basic objectives for accounting and financial reporting for public school districts are to:

- provide financial information useful for determining and forecasting the inflows and outflows of short-term financial resources and to track account balances;
- provide financial information useful for determining and forecasting financial condition and changes therein;
- provide financial information useful for monitoring performance under terms of legal, contractual, and fiduciary requirements;
- provide information useful for planning and budgeting and for forecasting the impact of the

acquisition and allocation of resources on the achievement of operational objectives;

- provide information useful for evaluating managerial and organizational performance; and
- communicate relevant information in a manner which best facilitates its use.”

Without financial information, the district’s financial position is not transparent to the public and remaining board members. The information presented to the four board members contains information that is useful to the entire board and the public (monthly financial statements, the investment report, and the tax collection report).

Many districts provide monthly financial reports and other pertinent information to the board and the public in the board agenda packets. The board approves the information either on the consent agenda or as a regular action item. Some districts make the information in the board packet readily available to the public at both the district’s office and on the district’s website. For example, Hays CISD posts the entire agenda packet and the monthly financial statements on its website.

Most boards individually approve construction change orders over a predetermined threshold (\$25,000 – \$50,000). Boards also frequently approve construction change orders that transfer funds from contingency accounts or allowances to address specific identified needs. This oversight is performed to ensure that increases to individual projects are identified and justified and that any savings realized from individual projects are applied in an appropriate manner.

The board use of the check register to monitor district financial transactions is an inappropriate use of the board member time and efforts. If board members have found frequent errors under the current process that undermines their trust in the financial operations of the district, they should either replace management or work with the

**EXHIBIT 3-9
NISD FINANCIAL MANAGEMENT SURVEY RESULTS**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE DISTRICT’S FINANCIAL REPORTS ARE AVAILABLE AND EASY TO UNDERSTAND AND READ						
Administrator	0.0%	9.1%	31.8%	36.4%	18.2%	4.5%
Parent	44.8%	10.3%	37.9%	6.9%	0.0%	0.0%
Principal	0.0%	13.3%	46.7%	33.3%	6.7%	0.0%
Professional Staff	5.3%	18.7%	37.3%	14.7%	1.3%	22.7%
Student	22.7%	27.6%	26.2%	6.2%	0.4%	16.9%
Support Staff	15.2%	21.7%	32.6%	6.5%	0.0%	23.9%
Teacher	11.0%	18.8%	41.9%	9.4%	1.0%	17.8%
All Surveys	15.9%	21.4%	34.3%	10.1%	1.5%	16.7%

NOTE: Percentages may not add up to 100 percent due to rounding.
SOURCE: NISD, School Review Surveys, January 2005.

superintendent to develop processes that ensure the accuracy of financial transactions and reporting. The board should also individually approve change orders on construction projects above an amount established in policy.

NISD should provide monthly financial information and analysis to the board and public. The district should include the monthly financial reports, investment report, tax collection report, and the cash flow forecast for the General Fund in the board's agenda packet. This information should be in a regular action item for discussion and consideration, given the need to keep the public informed of the district's current financial position. The district should make a copy of the complete agenda packet available to the public in the district's central office. The district should also post the financial information on its website monthly.

All board members should review monthly financial reports as part of their preparation for the monthly board meeting. An orientation or overview of the financial information contained in the reports should be provided at least annually to board members to assist in their review.

JOURNAL ENTRY PROCESS (REC. 19)

NISD does not have a consistent review and approval process to ensure journal entries are accurate and appropriate. NISD did not review the adjusting journal entries proposed by the external auditor for the 2003–04 audit. As a result, the audit report presented to the board for approval contained two errors and overstated the district's ending fund balance. The audit report included an accrual of state revenue based on teacher days instead of student days, and the tax revenues collected within 60 days of the year-end were overstated.

The business manager said that he was unable to review the journal entries since they were not provided to him until after the presentation to the board. The administration is responsible for the information included in the district's financial statements and should not rely on the external auditors to ensure the information contained in the financial statements is correct.

The FASRG discusses the written representations that management must make to the external auditor. These include management's acknowledgment of its responsibility for the fair presentation in the financial statements of financial position, results of operations, and cash flows of its proprietary fund type in conformity with Generally Accepted Accounting Principles (GAAP) and management's approval and adoption of audit adjustments.

The engagement letter with the external auditor included the following statements: "We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial statements, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting, or correcting entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements."

Many districts review all entries proposed by the external auditor and the documentation that supports the entry. Some school districts perform analytical reviews of the draft financial statements to ensure that changes on the balance sheet and statement of revenues, expenditures, and changes in fund balance seem reasonable. These districts provide assurance that the financial statements fairly represent the financial condition of the district.

The business manager and assistant superintendent of Administrative Services should implement a review and approval process for all journal entries. Reviewing all the journal entries proposed by the external auditors will provide the administration assurance that the financial information reflects the district's financial position. In addition, the business manager and assistant superintendent of Administrative Services should perform analytical reviews of the draft financial statements to ensure that changes on the balance sheet and statement of revenues, expenditures, and changes in fund balance seem reasonable. This will help the administration to ensure that the financial statements fairly represent the financial condition of the district.

RETURN-TO-WORK PROGRAM (REC. 20)

NISD does not have a return-to-work program for employees injured on the job to reduce its workers' compensation claims costs. Once the initial report of injury is filed, the district does not contact the employee to assess their condition or determine their ability to return to work with limited duties. As a result, employees may stay off the job longer and increase the district's claims.

Board policy DEC (Local), Leaves and Absences, does not address the conditions under which an employee may return to work after a job-related

injury. The policy does address employees returning to work after an illness.

The major component of a return-to-work program is providing light-duty assignments for employees. Examples of light-duty situations are the temporary modification of a job, allowing the employee to return to work on a part-time basis or finding another job for the employee based on skills possessed by the employee that does not have the same physical demands. Light-duty assignments allow employees to gradually return to work and build up their strength and endurance.

Many school districts use a light-duty program to maximize benefits for both the district and the injured employee. TASB policy services supplies districts with standard policies that can be modified to meet the needs of the districts. Both the districts that implement light-duty policies and the employees of those districts receive benefits by:

- reducing injury severity;
- maintaining an experienced work force;
- minimizing medical care expenses;
- reducing lost time compensation costs;
- accelerating the employees' recovery;
- promoting employee moral and security;
- reducing indirect costs of injuries;
- avoiding costly litigation; and
- reducing chances of permanent disability and vocational rehabilitation.

The district should institute a return-to-work program for employees injured on the job. The district should modify its policies to include direction for a return-to-work program. The district's workers' compensation carrier lists the development of functional return-to-work programs as one of the services included in current fees. Using these services, the district can institute the program at no cost. A light-duty policy will enable employees who have been injured on the job to return to work and perform less than 100 percent of their work assignment. This policy will be beneficial to both the employees and the district.

BUSINESS PROCEDURES MANUAL (REC. 21)

NISD does not have a comprehensive business procedures manual to provide guidance for business office staff and other district employees or continuity in the event of employee turnover. The district's written procedures consist of a purchasing manual and procedures for travel reimbursements. Although

the business office staff has software manuals for using the financial system and access to the FASRG, no comprehensive business procedures manual exists to provide guidance to the district's employees on other areas such as accounts payable or payroll.

A comprehensive business procedures manual serves as documentation of the district's accounting policies and procedures and defines the processes used to create and complete financial transactions. The manual provides procedures that describe how tasks should be performed in the district and explains the purpose of procedures as they relate to the internal control structure.

The district uses the Texas Association of School Boards (TASB) policy service to organize and update district policies. The TASB policies provide a framework for both the legal and local environment. A number of these policies are dedicated to financial topics and provide guidance on what to do. However, these policies do not provide guidance on how to accomplish specific tasks.

The Government Finance Officers Association (GFOA) has issued a statement supporting accounting policies and procedures manuals. GFOA states that accounting manuals should include the policies and procedures for accounting and other finance-related functions such as accounts payable, payroll, budgeting, investments, cash receipts, and financial reporting. By carefully documenting business processes, current and future employees can fully understand what is expected and required to accomplish their duties.

Many school districts have accounting policy and procedure manuals. These manuals define the authority and responsibility of all employees in financial management. They not only use the documentation of the accounting procedures to indicate the employee responsible for specific tasks, but also indicate who can authorize transactions and who is responsible for the security of records and assets. These school districts update their accounting manuals annually and when a change occurs in the policies or procedures. School districts find the accounting manual to be a valuable resource in training new employees and providing accountability for the accounting and finance functions.

The district should create and adopt a comprehensive business procedure manual. The business procedure manual should include all functions the business office controls or supports, including payroll, accounts payable, cash management, tax collections, accounting, and budgeting. The existing purchasing manual and travel guidelines should be included as sections of the

manual. When completed, the manual should be posted to the district’s website for easy access by all district personnel. This will also allow the procedure manual to be updated when changes are made

without having to distribute new copies to all schools and departments.

For background information on Financial and Asset Management, see p. 161 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
12. Segregate bond and debt service funds into separate accounts to ensure the funds are not being loaned to operating funds.	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,763)
13. Consider eliminating the 20 percent optional homestead exemption.	\$0	\$2,219,714	\$2,219,714	\$2,219,714	\$2,219,714	\$8,878,856	\$0
14. Update the budgets and monitor supplemental program expenditures throughout the year.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15. Tag fixed assets upon receipt in the central warehouse and add them to the fixed asset inventory.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16. Create an internal audit function that operates under a board-approved charter.	(\$74,081)	(\$74,081)	(\$74,081)	(\$74,081)	(\$74,081)	(\$370,405)	\$0
17. Modify the budget development process and budget development calendar to involve the board and public early in the process.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18. Provide monthly financial information and analysis to the board and public.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19. Implement a review and approval process for all journal entries.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20. Institute a return-to-work program for employees injured on the job.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21. Create and adopt a comprehensive business procedures manual.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 3	(\$74,081)	\$2,145,633	\$2,145,633	\$2,145,633	\$2,145,633	\$8,508,451	(\$12,763)



Chapter 4

Purchasing and Contract Management

CHAPTER 4

PURCHASING AND CONTRACT MANAGEMENT

Texas school districts face a challenge in providing goods and services at reasonable costs that support district goals while complying with state procurement laws. An effective purchasing and warehousing program provides districts with quality materials, supplies, services, and equipment in a timely manner at the lowest price. Purchasing includes those activities associated with the acquisition of supplies, materials, services, and equipment. Warehousing includes those activities associated with the storage and delivery of the goods needed by the schools and departments. Textbook operations include the acquisition, inventory, and delivery of textbooks to the schools. The contracting process includes activities involved in the procurement and evaluation of services from external entities.

The Nacogdoches Independent School District (NISD) has a decentralized purchasing process with district administrators responsible for initiating procurements and performing contract management duties. The district's business manager serves as the district's purchasing agent in a limited capacity by approving online purchasing requisitions. NISD uses a warehouse for central receipt of items ordered by the district as well as storing food service commodities, with three staff. The district's assessment coordinator also serves as the district's textbook coordinator and is responsible for overseeing the textbook adoption and ordering process and coordinating the textbook inventory across the district.

FINDINGS

- NISD does not comply with state purchasing laws because it has a highly decentralized purchasing process coupled with insufficient staff in the Business Office to provide the necessary control and oversight to ensure compliance.
- NISD does not have sufficient controls on its discount store credit cards to ensure authorized purchases are appropriate and do not circumvent state purchasing laws.
- The district's purchasing policies and practices do not require all departments to use the online purchase order system to encumber funds before making a purchase. Without consistent use of the system, the district cannot ensure that budgeted funds are available before departments make a purchase, that departments use streamlined purchasing and payment processes, and that the district accumulates the appropriate data to ensure compliance with purchasing laws.

- NISD does not fully utilize its inventory controls and lacks an efficient payment processes because it does not maximize warehouse staff to receive items centrally, document goods received, and authorize payment for the goods. This decreases the time between receipt and payment for the goods and allows the district to consolidate freight claims for damaged goods.
- NISD has an online warehouse requisition system, but it does not require schools and departments to purchase office supplies from its central warehouse using the system. As a result, the district does not realize potential cost savings resulting from volume purchases for these supplies and materials.
- NISD does not consistently monitor and evaluate vendor and contractor performance because it does not have a central contract management function. Individual departments have oversight of contracts for goods and services they purchase.

RECOMMENDATIONS

- **Recommendation 22 (p. 66): Create a certified governmental purchasing agent position to oversee the purchasing function and ensure compliance with state law.** Efficient and cost-effective purchasing operations depend on qualified and well-trained staff. The district should ensure the candidate selected to oversee the purchasing function has certification in governmental purchasing and preferably experience with Texas school districts. This position should be responsible for enforcing purchasing policies and procedures to ensure the district complies with state purchasing laws, rules, and regulations.
- **Recommendation 23 (p. 68): Eliminate the use of discount store credit cards and cancel the related accounts immediately.** The district should recall all the discount store credit cards and cancel the related accounts immediately. The district will reduce the risk of paying for non-district purchases and improve internal controls over purchasing.
- **Recommendation 24 (p. 70): Modify the district's purchasing manual and require all schools and departments to use the online purchasing system.** Through modification of the purchasing manual and requiring use of the online system, NISD will ensure that it has budgeted funds available, uses approved

vendors, and makes purchases in accordance with local policies and procedures. The district will also benefit from using the online purchasing system by enhancing accountability, improving record keeping, and accumulating data to determine that goods or services for which it needs to solicit bids.

- **Recommendation 25 (p. 70): Inspect, inventory, and check in goods received before distributing purchased items to the individual schools and departments.** Implementing a process that inspects and checks in goods received before transporting them to the purchaser will provide documentation that the warehouse received individual products in good condition. The process will also allow the warehouse to authorize payment for the goods received, streamline the payment process, and consolidate freight claims for damaged goods.
- **Recommendation 26 (p. 71): Require schools and departments to purchase supplies and materials from the warehouse stock using the online warehouse requisition system.** The district can benefit from volume purchases made by the warehouse. NISD should allow individual schools and departments to input warehouse orders for warehouse staff to fill and deliver.
- **Recommendation 27 (p. 72): Centralize contract management.** An effective contract management process monitors and evaluates the services a district receives from external entities. By assigning contract management responsibilities to the assistant superintendent of Administrative Services, the district will have oversight of contract provisions so that it receives the quantity and quality of services included in each contract and it knows that the vendor is in compliance with all terms of the contract.

DETAILED FINDINGS

PURCHASING FUNCTION (REC. 22)

NISD does not comply with state purchasing laws because it has a highly decentralized purchasing process coupled with insufficient staff in the Business Office to provide the necessary control and oversight to ensure compliance. Each school or department enters requisitions in the purchasing system, and the Business Office prints the purchase orders, files one copy in accounts payable, and returns the purchase order to the school or department for distribution to the vendor. Schools and departments routinely make purchases without a purchase order. The business manager signs all

purchase orders but does not have sufficient time with his other assigned duties to thoroughly review the purchase to ensure that it uses the appropriate account code for the purchase and that it is in compliance with state purchasing laws.

NISD does not clearly define responsibility for compliance. The NISD purchasing manual implies that the oversight should be in the Business Office. It states, "Purchasing in the Nacogdoches Independent School District is a part of the Business Office." However, the manual also states, "Campus and departmental administrators are responsible for purchasing compliance." There is no single position that has the defined responsibility and oversight to ensure compliance. The limited controls and reviews of purchases by the Business Office and the decentralization of responsibility for purchasing compliance result in the district not complying with state purchasing laws.

Section 44, Subchapter B, of the Texas Education Code (TEC), governs purchasing by Texas school districts. Sections 44.031 and 44.033 provide specific guidance to school districts on the legal requirements for purchasing goods and services. NISD board policy CH (Legal) includes these requirements. **Exhibit 4-1** presents the TEC requirements for purchases.

NISD has not complied with the TEC's competitive procurement requirements for aggregate purchases of more than \$25,000. The review team analyzed vendor payments for purchases exceeding \$25,000 in the aggregate during 2002–03 and 2003–04 to determine the district's compliance with state purchasing laws. The review team identified and submitted a list of 185 purchases that the district paid more than \$25,000 to during this period and asked the district to indicate the procurement method used. Of the 185 purchases, the district initially identified that 54.6 percent (101) were not competitively procured. The review team subsequently determined that of the 101 purchases that the district initially identified as not being competitively procured, 33 purchases to 25 separate vendors totaling more than \$6 million were not competitively procured (**Exhibit 4-2**).

In addition, the district does not comply with the requirements for goods or services expected to cost between \$10,000 and \$25,000. The district does not advertise for vendors to provide quotes for goods or services expected to cost from \$10,000 to \$25,000, and there was no evidence that the district purchased these goods or services using competitive procurement methods. The vendor payment list identified 87 vendors with payments totaling \$1,343,258 in 2002–03, and 34 vendors with total

**EXHIBIT 4-1
TEXAS EDUCATION CODE PURCHASING REQUIREMENTS**

	PURCHASES OF \$25,000 OR MORE	PURCHASES OF PERSONAL PROPERTY BETWEEN \$10,000 AND \$25,000
TEC Section	44.031	44.033
Procurement methods	Competitive bidding Competitive sealed proposals Request for proposals Catalog purchases Interlocal contracts Design/build contracts Job order contract Reverse auction	Those for purchases at or more than \$25,000 or Obtain quotes from the vendor list established by the district
Exceptions	Produce and vehicle fuel Sole source Professional services Emergency repairs	Produce and vehicle fuel must be purchased using the purchasing methods above

SOURCE: Texas Education Code, Sections 44.031 through 44.033.

**EXHIBIT 4-2
NISD NON-COMPLIANT PURCHASES
2002-03 AND 2003-04**

VENDOR	AMOUNT PAID		TOTAL
	2002-03	2003-04	
Southwest Student Transportation	\$2,373,244	\$2,435,446	\$4,808,690
Wal-Mart Community BRC	\$210,150	\$188,975	\$399,125
The Flippen Group, LLC	\$178,265	\$108,887	\$287,152
The Curriculum Project	\$121,217	\$37,987	\$159,204
Cintas	\$66,265	\$60,724	\$126,989
Study Island – JBV Associates	\$60,070	\$41,431	\$101,501
Oscar Crawford Construction	\$0	\$87,179	\$87,179
Denny Oil Company	\$37,529	\$39,289	\$76,818
National Reading Styles Institute	\$0	\$75,531	\$75,531
Naccomm Network Services LLC	\$0	\$61,450	\$61,450
Einstruction Corporation	\$31,980	\$25,781	\$57,761
Student Insurance	\$0	\$50,934	\$50,934
Trinity Restaurant Equipment Inc.	\$45,160	\$0	\$45,160
Staples	\$0	\$40,913	\$40,913
Eschool Solutions Inc.	\$36,899	\$0	\$36,899
Nacogdoches Power Equipment	\$0	\$36,885	\$36,885
Tracy Lynn Mooneyham – Tron Termite	\$34,502	\$0	\$34,502
Service Paint Company	\$33,937	\$0	\$33,937
Advanced Graphics	\$32,836	\$0	\$32,836
Ice Contractors Inc.	\$31,350	\$0	\$31,350
Systems Design	\$0	\$29,497	\$29,497
American Waterboys	\$28,880	\$0	\$28,880
Educaide Software Inc.	\$0	\$27,513	\$27,513
Icee Tec Inc.	\$27,504	\$0	\$27,504
Ludco Inc.	\$0	\$26,040	\$26,040
Total noncompliant Purchases	\$3,349,788	\$3,374,462	\$6,724,250

SOURCE: NISD, Business Manager, January 2005.

payments of \$528,475 in 2003-04, in this range. In its February 2004 review of the Business Office, the Texas Association of School Business Officials (TASBO) identified similar compliance issues with the TEC.

The district also does not consistently comply with the state purchasing laws for professional services. Chapter 2254 of the Texas Government Code (titled the Professional Services Procurement Act) exempts professional services provided by architects, engineers, and others from competitive bidding. Districts should base their selection on demonstrated

competence and qualifications to perform the services.

Section 2254.004 of the Professional Services Procurement Act specifies a process to follow for architect and engineering professional services. The first step is to identify and select the most highly qualified provider based on demonstrated competence and qualifications, usually through a Request For Qualifications (RFQ). Based on the initial results of the RFQ, the entity attempts to negotiate a contract at a fair and reasonable price with the most highly qualified provider. If the entity

cannot negotiate a satisfactory contract, it ends negotiations and selects the next most highly qualified provider for negotiations. The process continues until the entity negotiates a satisfactory contract.

The district does not routinely use an RFQ for engineering professional services. For example, the Plant Services Department normally uses the same engineer when it needs professional services for repairs or minor renovations. The director of Plant Services said that when the district needed professional services for several projects (a driveway addition at Mike Moses Middle School, renovation at Brooks Quinn Elementary School, lights at the softball field at Nacogdoches High School, air conditioning the old gymnasium, and chillers at middle and elementary schools), he contacted a local engineer and negotiated a contract for the work.

Without a dedicated position to provide sufficient oversight and monitoring of the district's decentralized purchasing, the district is failing to comply with the competitive requirements specified by the TEC and is violating state law. Section 44.032 (d) states, "An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031. An offense under this subsection is a Class C misdemeanor."

In addition, the district may be paying too much for the goods and services it purchases. A competitive procurement process provides the district with the best goods and services at the lowest price by stimulating competition. The *Handbook on Purchasing for Texas Public Schools, Junior Colleges and Community Colleges* states, "If a district advertises purchasing needs relating to large expenditures, then economies of scale—purchasing in large quantities—will probably result in lower costs either per unit item or in the aggregate." Competitive procurement maximizes the limited resources available to districts to provide instructional programs and support services.

Many school districts with decentralized purchasing have processes with strong controls and staff dedicated to the oversight and monitoring of purchases to ensure compliance with the competitive procurement requirements. The process includes reviews of vendor purchases from the previous year to determine whether any vendors received more than the threshold amount for competitive procurement from the district. If these purchases require a bid, then the district obtains bids for the goods or services purchased from the vendor. This process helps these districts ensure compliance with the competitive procurement requirements.

NISD should create a certified governmental purchasing agent position and then fill the position to oversee the purchasing function and ensure compliance with state law. The individual selected to oversee the purchasing function should have certification in governmental purchasing and experience with Texas school districts. This position should report to the assistant superintendent of Administrative Services and be responsible for the enforcement of district purchasing policies and procedures to ensure the district complies with state purchasing laws, rules, and regulations. In addition to ensuring compliance with the procurement laws, the district should designate the purchasing agent position as its issuing office for purchases exceeding \$25,000. The purchasing agent should develop and issue the appropriate type of solicitations based on the type of goods or services procured.

The fiscal impact of hiring a purchasing agent is \$56,889 annually based on classifying the position at pay grade 4 with a midpoint salary of \$52,894. Fringe benefits for this position are \$3,995 and consist of \$2,713 in annual insurance costs, plus Medicare, workers' compensation, and retirement at approximately 2.423 percent of salary.

CREDIT CARDS (REC. 23)

NISD does not have sufficient controls on its discount store credit cards to ensure authorized purchases are appropriate and do not circumvent state purchasing laws. NISD uses credit cards for a variety of purchases: two credit cards of various types issued to top administrators and used primarily for travel-related expenditures, two different kinds of gasoline cards, and a discount store's general use credit cards. The district has good controls for the two credit card types for top administrators and for the gasoline cards, but not for the discount store cards.

For example, the district has restricted the number of cards issued for the two credit cards to top administrators. The review team analyzed expenditures for these cards and did not find inappropriate charges. Gasoline cards are similarly well controlled. The secretary in the Business Office keeps the cards, and users must check them out for gasoline purchases and return them after completing the purchase. The Business Office secretary matches the charges on the card to the individual who checked out the card to provide accountability for the purchases.

Similar controls and accountability do not exist for discount store credit cards at the district level. Two departments said they had established procedures for use of the discount store credit cards. However, the documentation submitted by one department did not

comply with their procedures. The district has at least 30 separate credit cards for the discount store issued to different schools and departments. NISD does not restrict the types of purchases that users may make to ensure that purchases are appropriate. Actual purchases can range from candy to color televisions to lighter fuel, as shown in an excerpt from the discount store September 2004 bill (**Exhibit 4-3**).

The district does not impose dollar limits on the cards. In 2002–03 and 2003–04, NISD spent \$210,150 and \$188,975 respectively with the discount store. Similar levels of spending on the cards continued in 2004–05. In two separate months, bills due in September and December 2004 showed the district charged \$9,385.92 and \$11,542.31 respectively.

In addition, the buyers do not always clearly identify the types of purchases to allow district staff to determine their appropriateness. While the September 2004 bill listed the items purchased for most transactions (**Exhibit 4-3**), the December 2004 bill listed most of the transactions as “merchandise/consumables” and did not detail the items purchased.

The external auditor’s management letter noted several internal control weaknesses in the district’s use of credit cards:

- Receipts do not always accompany payments;
- Purchases do not always have purchase orders attached;
- Receipts that are presented could not always be matched to bills; and
- Transactions were allowed on the cards by others than the cardholder.

While many of the purchases on the discount store card may be appropriate, the number of authorized purchasers, the variety of products purchased, and the volume of purchases prevents the Business Office staff from reviewing the purchases for appropriateness and authorization. This puts the district at financial risk of paying for purchases of supplies and materials unrelated to district operations. Certain credit card purchases may also violate the state purchasing laws since the district does not competitively procure these products.

Many school districts have eliminated the use of credit cards. These districts reduce the risk of paying

**EXHIBIT 4-3
EXCERPT OF PURCHASES ON DISCOUNT STORE CREDIT CARDS
SEPTEMBER 2004 BILL**

ITEM	QUANTITY	COST	TOTAL
RCA 27" Stereo TV	1	\$188.64	\$188.64
Pine End Table	4	\$38.56	\$154.24
Mediterranean Rug	3	\$37.11	\$111.33
First Up 10 x 10 Gazebo	1	\$92.23	\$92.23
DVD/VCR Combo	1	\$89.74	\$89.74
Mediterranean Rug	1	\$79.44	\$79.44
Coffeemaker	2	\$38.72	\$77.44
CD Boom Box	1	\$59.47	\$59.47
Resin Love Seat	3	\$18.77	\$56.31
Umbrella Base Chair	2	\$24.94	\$49.88
Digital Atomic Clock	1	\$19.73	\$19.73
Glazed Donuts	6	\$2.88	\$17.28
Chex Trail Mix	5	\$2.50	\$12.50
Chuck Patties 5#	1	\$12.38	\$12.38
Foliage Hanging Basket	1	\$11.32	\$11.32
Butterfinger Fun Size	3	\$2.00	\$6.00
Folgers Classic Roast	1	\$5.44	\$5.44
Glade Oil	1	\$4.77	\$4.77
Reese’s Mini	1	\$3.94	\$3.94
Bicycle Playing Cards	2	\$1.97	\$3.94
Snickers Mini	1	\$3.94	\$3.94
Coke 12oz 12pk	1	\$3.38	\$3.38
Ronson Lighter Fuel	2	\$1.49	\$2.98
Filler Paper	6	\$0.35	\$2.10
Key Holder	1	\$1.93	\$1.93
Coffee Mate	1	\$1.86	\$1.86
Summer’s Eve Lotion	1	\$0.60	\$0.60

SOURCE: NISD, Business Office, discount store credit card bill, September 2004.

for non-district purchases and improve the internal controls over purchasing.

NISD should eliminate the use of the discount store credit cards and cancel the related accounts immediately. Routine purchases should be made using district purchase orders with approved vendors or from the district's warehouse. The district can make emergency purchases using petty cash funds held by most schools and departments.

PURCHASING SYSTEM (REC. 24)

The district's purchasing policies and practices do not require all departments to use the online purchase order system to encumber funds before making a purchase. District schools and most departments use the online requisition module financial system that allows users to input a requisition and electronically forward it to the Business Office for approval. The system has an appropriation control feature that checks whether sufficient funds exist in the budget and then encumbers the funds before users can make a purchase. NISD's business manager approves the requisitions and generates and prints the corresponding purchase orders twice each week.

NISD does not require the maintenance, custodial, grounds, and warehouse staff to use the online purchase order system for all items. Instead, these departments use pay vouchers, three-part multi-carbon forms that the purchasing manual allows for purchases of services, supplies, and equipment available for immediate pick-up from local vendors for under \$200. The Business Office issues the uniquely numbered pay voucher forms to campuses and departments. The office does not encumber pay vouchers before users make a purchase, and it files them as a direct payment to a vendor after a purchase. In using pay vouchers, campus and budget managers are responsible for:

- completing the form correctly;
- obtaining the invoice or cash register receipt from the individual making the purchase;
- routing the pay voucher and invoice or cash register receipt to accounts payable;
- ensuring that appropriate charges are made to pay vouchers; and
- ensuring that purchases do not exceed departmental budgets.

Since pay vouchers are not and cannot be encumbered, there is inadequate appropriation control and district managers incur legal obligations for the district to pay without the district having sufficient funds to cover the obligation. In 2002–03,

the district purchased more than \$23 million of goods and services using pay vouchers, compared to \$5.6 million on purchase orders—NISD purchased 80.6 percent of its goods and services without encumbering budgeted funds. In 2003–04, the district purchased \$27.9 million of goods and services using pay vouchers compared to \$6.6 million on purchase orders—it purchased 80.9 percent of goods and services without encumbering budgeted funds in 2003–04.

A lack of appropriation control has also delayed payments. When the accounts payable staff enters the pay voucher for payment, the payment process stops if the account has insufficient funds. The staff then sends the pay voucher back to the campus or department budget manager to handle. In addition, manual pay vouchers limit the district's ability to monitor purchases to ensure that it does not exceed purchasing thresholds that would require competitive bidding or that purchases are not split to avoid competition.

Many districts use online requisition software that integrates with its financial management software to streamline the purchase order process, immediately encumber funds, and reduce administrative tasks and costs. These systems have electronic routing and approvals for budgetary and purchasing control. Using the purchasing system also eliminates the need for schools and departments to manually track procurements to ensure they do not exceed their budget.

NISD should modify the district's purchasing manual to require all schools and departments to use the online purchasing system. NISD should also eliminate the use of pay vouchers except for small dollar or emergency purchases of items that are not available from the district's warehouse or an approved vendor.

By requiring its use, the district will ensure that budgeted funds are available, approved vendors are used, and purchases are made in accordance with local policies and procedures. Use of the system will also allow the district to strengthen compliance by accumulating data that will allow it to detect and prohibit purchases that have been intentionally split to avoid purchasing thresholds or to determine goods or services that need to be bid. In addition, the payment process will be streamlined because funds will be encumbered before the purchasing transaction occurs.

RECEIVING GOODS FUNCTION (REC. 25)

NISD does not fully utilize its inventory controls and lacks an efficient payment processes because it does

not maximize its warehouse staff to centrally receive items, document goods received, and authorize payment for the goods. The NISD warehouse is 8,250 square feet in size and is designed and equipped for central receiving and distribution. A supervisor, warehouse worker, and a delivery driver who also provides mail service for the district staff the warehouse. The central receiving department acts as a drop-off point for the freight companies and does not perform the tasks to effectively receive goods. All goods are delivered to the warehouse and then shipped to the purchaser in district vehicles. The warehouse staff records the times when it receives and delivers each shipment. In 2003-04, the warehouse received and delivered more than 4,500 shipments to the schools and departments. The district uses this process to reduce the number of carriers delivering to each location.

While this process does eliminate a number of carriers delivering to each location and provides documentation that the district received packages, it does not provide documentation that the district received individual products in good condition. By requiring the end users to ensure they receive all goods in high-quality condition, the district is relying on individuals not trained in receiving procedures. These individuals must take time away from their primary job duties to check in merchandise, file freight claims for damaged goods, contact the vendor regarding any deficiencies in the shipment, complete the receiving report, and forward it for accounts payable to reconcile it with the invoice.

The Texas Education Agency's (TEA) Financial Accountability System Resource Guide (FASRG) recommends central receiving as the preferred method when compared to decentralized receiving. The FASRG states, "Central receiving may consist of more than one warehouse and provides more control. Having only one centralized receiving point ensures that merchandise received agrees with merchandise ordered."

Many school districts use central receiving to ensure that warehouse staff checks deliveries and that those needing the delivered goods and services actually get them as ordered. These districts also benefit by ensuring that they receive all goods they paid for, and with fewer people involved in the receiving process, they reduce the risk of delayed payments to the vendors. The process does not divert end users in these districts from their primary tasks in order to perform the receiving function.

NISD should have the warehouse staff inspect, inventory, and check in goods received before distributing purchased items to the individual schools and departments. Implementing a process that

inspects and checks in goods received before transporting them to the purchaser will provide documentation that the district received the individual products in good condition. The process will allow the warehouse to authorize payment for the goods received and streamline the payment process. This will also consolidate freight claims for damaged goods.

WAREHOUSE PURCHASES (REC. 26)

NISD has an online warehouse requisition system, but it does not require schools and departments to purchase office supplies from its central warehouse using the system. The warehouse stocks standard supplies and materials that schools and departments use. These items are listed in a central warehouse catalog that is distributed to the schools and departments. The warehouse supervisor said that few schools and departments order from warehouse stock on a regular basis, even though the items stocked in the warehouse are determined by surveys of schools and departments for frequently used items.

A review of selected items in warehouse stock indicates that prices from the warehouse are competitive with retail prices. **Exhibit 4-4** presents a comparison between the warehouse price and retail price for selected items.

In 2003-04, the warehouse shipped \$71,086 of goods to the schools and departments. For the period from September 2004 through December 2004, the warehouse shipped \$27,219 of goods to schools and departments.

The district owns financial software with a warehouse requisition and inventory module. However, the district does not use the software, which prevents the individual schools and departments from inputting orders that warehouse staff then fill and deliver. Although the module is available and ready to use, users still fax or mail the warehouse requisitions to the warehouse. The module will monitor inventory, alert the warehouse supervisor as stock levels near the reorder point, and provide information on inventory turnover. The district loaded the warehouse inventory module into the system when it became available. However, the module contains outdated warehouse inventory data since the district is not using the module.

Many districts require schools and departments to order from the warehouse if the item is in stock. These districts benefit from the savings provided by volume purchases.

NISD should require schools and departments to purchase supplies and materials from the warehouse stock using the online warehouse requisition system.

The district will be able to benefit from the volume purchases made by the warehouse and ensure compliance with district purchasing policies and procedures. Using the online system will also automate the accounting necessary to charge schools and departments for items shipped from the warehouse. The district will also benefit because it can monitor inventory levels, turnover, and slow-moving stock items.

The fiscal impact assumes that the district can achieve \$98,646 in annual savings by requiring schools and departments to order stock items from the warehouse instead of retail. The review team calculated the estimated savings by estimating the total cost of items the warehouse is likely to stock and multiplying that amount by the total savings percentage shown in **Exhibit 4-4**. The team determined the total cost of items the warehouse is likely to stock by identifying the amount spent on supplies by instructional and administrative functions, subtracting current warehouse sales and discount store purchases, and multiplying the result by 50 percent to be conservative. The result or \$516,472 was then multiplied by the total savings percentage in **Exhibit 4-4** ($\$1,293,006 - \$188,975 - \$71,086 = \$1,032,945 \times 0.5 = \$516,472 \times 0.191 = \$98,646$). Discount store sales were eliminated because of the variety of products purchased that would not be stocked in the warehouse.

CONTRACT MANAGEMENT (REC. 27)

NISD does not consistently monitor and evaluate vendor and contractor performance because it does not have a central contract management function.

Contract monitoring and evaluation of vendor performance is not consistent districtwide because individual departments have oversight of contracts for the goods and services they purchase.

Ineffective contract performance costs the district in terms of performance and funding. One example of ineffective contract management is the district's contract for transportation services. The district contracts with a transportation vendor for pupil transportation services and pays the company more than \$2 million annually, but NISD does not receive any reports from the contractor to monitor services provided, except for monthly invoices. The contractor is responsible for scheduling routes, maintaining district owned buses, maintaining discipline on the buses, and reporting mileage and other transportation information to the Texas Education Agency (TEA). The district's transportation allotment was reduced by \$89,841 based on an audit of the district's transportation services by TEA. The allotment was reduced because the transportation service provider did not follow TEA rules. The district did not effectively manage the contract and require the transportation service provider to reimburse the district for the loss of funds because of non-performance.

The district's purchase of three towers and related equipment to establish a wireless wide area network is another example of a problem caused by the lack of contract management. The network would have connected the administration building, high school, and middle school with the middle school being the system hub. The installation of the towers and

EXHIBIT 4-4 COST COMPARISON FOR WAREHOUSE ITEMS 2004-05

ITEM	WAREHOUSE COST	RETAIL COST	DIFFERENCE (WAREHOUSE MINUS RETAIL)	PERCENT SAVINGS POSSIBLE
HP #57 Ink Cartridge	\$33.25	\$34.84	(\$1.59)	4.6%
HP #78 Ink Cartridge	\$28.00	\$30.32	(\$2.32)	7.7%
HP #49 Ink Cartridge	\$26.40	\$29.96	(\$3.56)	11.9%
HP #29 Ink Cartridge	\$25.25	\$26.57	(\$1.32)	5.0%
HP #15 Ink Cartridge	\$24.00	\$29.97	(\$5.97)	19.9%
Copy Paper	\$18.98	\$24.85	(\$5.87)	23.6%
Power Strip	\$6.01	\$8.87	(\$2.86)	32.2%
Computer Disks CD-R 10pk	\$5.80	\$12.55	(\$6.75)	53.8%
Binder 3" Clear View	\$4.60	\$5.88	(\$1.28)	21.8%
Binder 1.5" Clear View	\$2.70	\$2.94	(\$0.24)	8.2%
Post-it Note 2x2, 12pk	\$2.40	\$4.47	(\$2.07)	46.3%
Binder 3" Black	\$2.20	\$4.97	(\$2.77)	55.7%
Computer Disks DSHD 3.5"	\$2.19	\$3.97	(\$1.78)	44.8%
Binder 1.0" Black	\$0.93	\$0.58	\$0.35	(60.3%)
Dry Erase Markers	\$0.63	\$0.87	(\$0.24)	27.6%
Masking Tape .75" x 60'	\$0.56	\$1.97	(\$1.41)	71.6%
Sharpie Pens	\$0.48	\$1.09	(\$0.61)	56.0%
Totals	\$189.05	\$233.67	(\$44.62)	19.1%

SOURCE: NISD, Central Warehouse Catalog Stock Items 2004-05; discount store credit card bill, September 2004; Office Depot credit card bill, February 2005.

equipment was not appropriately completed. Upon installation, the district had to remove the towers for structural safety reasons at a cost the district paid of more than \$2,500. The district spent more than \$130,000 on the project and received nothing of value in return. The district did not request proposals for the project, negotiate a contract with the vendor, or oversee the construction of the towers or the installation of the equipment. The vendor in this case was a qualified vendor under the Texas Building and Procurement Commission’s Catalog Information Systems Vendors (CISV), which eliminates the need to formally bid information systems purchases. However, Chapter 2157 of the Texas Government Code requires that purchases of automated information systems products exceeding \$2,000 be based on an evaluation of at least three CISV vendors. The review team could not determine that such an evaluation of any vendors took place.

Many school districts have strict contract management and compliance procedures to ensure that contracting processes are efficient, effective, and avoid legal, ethical, and conflict of interest problems. These districts ensure their procedures and practices are adhered to by assigning one position the responsibility for contract management. These districts’ procedures and practices for contract management ensure:

- The district is receiving value from its contracts by continually monitoring and evaluating services received from external entities against standards included in the contracts;

- The district has complied with all requirements of the law and regulations prior to the execution of the contract;
- The district has verified all contractor and vendor references, licensures, or professional affiliations;
- The district has confirmed that sufficient funds are available for the contract payments;
- The district has ensured that bidders receive contract awards based on the best available goods and services at the best prices with terms that are favorable to the district; and
- The district and contractor comply with all terms of the contract.

NISD should centralize contract management. The district should assign contract management responsibilities to the assistant superintendent of Administrative Services. By doing this, the district will have one person responsible for oversight of contract provisions. The assistant superintendent of Administrative Services should develop a master contract list and put all contract files in a central location, include accountability terms in executed contracts, and monitor contract terms and conditions to verify contractor performance and ensure receipt of quality goods and services as specified in individual contracts. The district will benefit by ensuring the district receives the quantity and quality of services included in the contract and that the vendor complies with all terms of the contract.

For background information on Purchasing and Contract Management, see p. 170 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
22. Create a certified governmental purchasing agent position to oversee the purchasing function and ensure compliance with state law.	(\$56,889)	(\$56,889)	(\$56,889)	(\$56,889)	(\$56,889)	(\$284,445)	\$0
23. Eliminate the use of discount store credit cards and cancel the related accounts immediately.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24. Modify the district's purchasing manual and require all schools and departments to use the online purchasing system.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Inspect, inventory, and check in goods received before distributing purchased items to the individual schools and departments.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Require schools and departments to purchase supplies and materials from the warehouse stock using the online warehouse requisition system.	\$98,646	\$98,646	\$98,646	\$98,646	\$98,646	\$493,230	\$0
27. Centralize contract management.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 4	\$41,757	\$41,757	\$41,757	\$41,757	\$41,757	\$208,785	\$0



Chapter 5

Transportation

Nacogdoches Independent School District

CHAPTER 5

TRANSPORTATION

Nacogdoches Independent School District (NISD) contracts its student transportation operation to an outside transportation contractor for more than \$2.4 million annually. In October 1996, NISD changed transportation contractors. Under the terms of the agreement, NISD owns its bus fleet and is required to purchase additional and replacement buses when needed. The contractor provides regular and special education transportation and transportation for extracurricular events. The contractor won the original contract in 1996 through a competitive selection process. In July 2001, NISD extended the contract with the contractor for a five-year period from August 1, 2001, through July 31, 2006. On May 8, 2005, district administration issued a request for proposal for transportation services without the knowledge of the Board of Trustees.

The contract funds a district operations manager to manage and supervise NISD's day-to-day student transportation operations. The district operations manager communicates with NISD's assistant superintendent of Administrative Services on pupil transportation issues. In addition, the district operations manager prepares data to send to the company's corporate office and then to NISD's business manager for preparing the Texas Education Agency (TEA) School Transportation Operation Report and School Transportation Route Services Report.

FINDINGS

- In July 2001, NISD extended its contract for student transportation services in violation of state procurement laws.
- NISD's contract for student transportation services benefits the contractor as written and is not complete.
- NISD has not assigned a contract manager to provide adequate oversight of the district's contract for transportation services or for the management of its bus fleet.
- NISD pays invoices from the transportation contractor without sufficient documentation and without proper approvals that provide assurance that it actually received the services.
- The district does not require any performance or operating reports from the transportation contractor that allow the district to evaluate the efficiency or effectiveness of services provided. The only data provided are the monthly invoices for services and information that the district needs to prepare reports for TEA.

- NISD does not have a bus fleet replacement plan or guidelines with replacement criteria that identify when to replace buses or the numbers and sizes of buses needed to meet ridership requirements.
- The district does not routinely analyze bus routes to optimize efficiency of service.

RECOMMENDATIONS

- **Recommendation 28 (p. 76): Prepare a cost-benefit analysis to compare projected internal transportation costs against contracted costs to determine the most efficient method of providing student transportation.** If privatization is determined to be the most efficient transportation option then NISD should issue a request for proposals in order to comply with state purchasing laws. NISD should develop bidding documents to facilitate the selection of a student transportation services provider. If the district determines it is most efficient to provide transportation services with district personnel, the administration should develop job descriptions for all necessary positions and determine the appropriate pay ranges and related benefits for each position.
- **Recommendation 29 (p. 78): Negotiate a transportation contract that is equitable and complete.** The contract should include performance measures, require annual evaluations based on the performance measures, establish responsibility for fleet acquisition and disposal with the district, eliminate inclusion of lease payments from the contract, establish a fleet replacement schedule and related penalties for failing to maintain the schedule, contain the rate structure for the contractor operating the fleet, require the contractor to provide proof of insurance on the fleet, define the responsibilities and rights of each party, and ensure that the service provider shall reimburse the district for any funds the district has to pay TEA as the result of an audit. The district's attorney should review the contract to ensure that all essential elements of a contract are present, that all sections of the contract are enforceable, and that the contract and procurement method comply with Texas law.
- **Recommendation 30 (p. 80): Designate the assistant superintendent of Administrative Services as the contract manager for the transportation services contract.** Since bus

fleet management is one of the services provided in the contract, the district should assign the assistant superintendent of Administrative Services responsibility for managing the district's bus fleet. As part of the contract management duties, the district should require the transportation services provider to submit reports with comparative data that highlight operating trends and bus fleet status.

- **Recommendation 31 (p. 81): Develop an audit and approval process for invoices received for student transportation services.** The assistant superintendent of Administrative Services should review the invoices for accuracy as to the number of routes, monitors, and other services provided. Before making payment, the business manager should audit the invoices to verify whether the contractor charges the appropriate rate and calculates the invoice correctly. The contractor should submit invoices in an electronic format so that departments and schools that request and receive transportation for extracurricular transportation can efficiently review and certify provision of services. To segregate duties, the assistant superintendent of Administrative Services should initially review and approve the invoices based on authorized services.
- **Recommendation 32 (p. 82): Implement a transportation performance-monitoring program to measure accomplishments and identify areas for improvement.** The district should develop performance measures, benchmarks, and track statistics on a monthly basis. NISD should provide the set of performance standards and benchmarks to the transportation services provider and the provider should prepare monthly reports to enable the district to monitor the performance of the transportation services provider. NISD administrators, including school administrators, should receive the performance measures and benchmarks so they can assist in monitoring performance. The assistant superintendent of Administrative Services should use the reports to assist in providing oversight of the performance of the transportation services provider.
- **Recommendation 33 (p. 83): Develop a comprehensive bus replacement plan for board approval.** The replacement plan should be developed based on an analysis of the current fleet that takes into consideration the age, mileage, condition, and capacity of each bus. The district should also develop guidelines for

board approval that address the size of buses to acquire based on average ridership, a process to follow when buses are sold, and a plan to rotate buses to balance mileage. The assistant superintendent of Administrative Services and the transportation provider should prepare a schedule that projects when the current bus fleet will reach the replacement guidelines and what buses to acquire as their replacements.

- **Recommendation 34 (p. 84): Require the transportation contractor to regularly review NISD routes to ensure route optimization and periodically obtain an independent review of district bus routes to verify the use of optimal routes.** The independent route evaluation and development will help ensure that route design results in the maximum state reimbursement rates, minimum costs and time students must spend on buses.

DETAILED FINDINGS

CONTRACT EXTENSION (REC. 28)

In July 2001, NISD extended its contract for student transportation services in violation of state procurement laws.

NISD contracted with its current service provider in October 1996 after evaluating responses to a request for proposals for student transportation services. The original contract term was for five years with no provision for renewal. In July 2001, five months before the expiration of the contract, the district entered into a 5-year contract extension agreement without requesting proposals or bids from other potential vendors. The district paid more than \$2.4 million to the contractor for 2003–2004 per the contract extension agreement.

The Financial Accountability System Resource Guide (FASRG) states, "...purchasing law applies to any annual contract as well as contracts that allow renewal at the end of the one-year term. If the original multi-year contract terms contain an annual opt-out clause for a specified period of time, for example, three years, then the purchasing law will apply at the end of that time period (three years)."

Subchapter B of Chapter 44 of the Texas Education Code (TEC) governs procurement by school districts for contracts exceeding \$25,000. Section 44.031 (a) states, "Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$25,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district:

- competitive bidding;

- competitive sealed proposals;
- a request for proposals, for services other than construction services;
- a catalogue purchase as provided by Subchapter B, Chapter 2157, Government Code;
- an interlocal contract;
- a design/build contract;
- a contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager;
- a job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
- the reverse auction procedure as defined by Section 2155.062(d), Government Code; or
- the formation of a political subdivision corporation under Section 304.001, Local Government Code.”

Failure to comply with the TEC procurement requirements places district officers, employees, and agents at risk of criminal penalties.

Subsequent to the fact verification meeting in the district on March 29, 2005, district administration issued a request for proposals (RFP) for student transportation services in the May 8, 2005, edition of the local Nacogdoches newspaper. Section A of the RFP, *contract term and extension*, sets a term of five years and allows for extensions upon mutual agreement. The deadline for submission of proposals expires June 3, 2005. District administration issued the RFP before conducting a cost-benefit analysis to determine whether privatization is more efficient than an internal transportation department and without the knowledge of the Board of Trustees.

In order to determine the most efficient way for the district to provide transportation services, the business manager should prepare a cost-benefit analysis to compare projected internal transportation costs against contracted costs to determine the most efficient method of providing student transportation.

If the district determines that contracting is the most efficient way to provide transportation services, it should issue an RFP that meets the needs of the district, contains performance measures, and specifies basic safeguards such as reimbursement to NISD of any lost revenue due to contractor error or non-compliance. The RFP should require that the companies responding have at least five years experience, have provided transportation services to multiple Texas school districts, and have the financial capacity to provide the contracted services. In

addition, the RFP should include a sample contract prepared by the district that it will use as the basis of the final contract. After selecting the contractor, the final contract should include all terms and conditions agreed to by the contractor and district before the district presents it to the board for approval.

Many districts have found that contracting for transportation services is a cost-effective approach to providing student transportation. To help ensure that contracting is a cost-effective approach, districts perform a cost-benefit analysis to compare the cost of providing the service with district staff to the cost proposed by a private contractor. When evaluating the total cost of services, these districts identify situations that can affect the results of the cost-benefit analysis, including:

- failing to allocate overhead (Other departments often share indirect costs, such as insurance, utilities, facilities, and administration. A pro-rata share of these costs for the Transportation Department should be included in the cost analysis.);
- excluding or underestimating costs (Key areas include district-paid benefits, legal costs, and administration costs. Underestimating costs is especially likely when making projections of future costs.);
- failing to account for higher service levels (Ensure the district compares “apples to apples” with what the district asks the contractor to provide. It would not be fair to compare a higher level of service from a contractor with what the district might spend in-house for a lower quality of service.); and
- failing to allocate contract management costs.

If the district determines it is most efficient to provide transportation services with district personnel, the administration should develop job descriptions for all necessary positions and determine the appropriate pay ranges and related benefits for each position. The employees hired to manage transportation for the district should develop operating procedures and an employee handbook for the department. The district should obtain samples of these from other districts and modify them to meet its needs.

CONTRACT TERMS (REC. 29)

NISD’s contract for student transportation services benefits the contractor as written and is not complete.

Chapter 34 of the TEC provides for the establishment of a public school transportation

system by school districts. TEC Section 34.008 specifically authorizes a school district to contract for transportation services with a mass transit authority or a commercial transportation company as long as those entities meet the requirements established by statute.

Contracting for student transportation services does not exempt the district from complying with all laws, rules, and regulations for student transportation services. The TEA position statement *Contracting of Student Transportation* states, "...if student transportation is offered and provided by a school district or open enrollment charter school, the school district/charter school is responsible for ensuring compliance with all requirements regarding provision of such transportation that are established by statute and state policy."

NISD changed transportation service providers effective January 1, 1997. The board approved the five-year contract with the transportation service provider on October 7, 1996. In addition to providing transportation services (including all maintenance and operations aspects), the agreement required the contractor to provide 61 new 1996 or 1997 buses, 10 used 1993 buses, four mid-buses, and ancillary equipment necessary to operate and maintain the bus fleet. The district purchased the buses through a lease-purchase agreement and a related agreement with the contractor. The contractor's charge for transportation services included the costs associated with the lease-purchase agreement.

In July 2001, both school board president and the contractor's vice-president of operations signed the contract extension, consequently approving and extending the student transportation contract for an additional five years. The letter of contract extension included the following changes to the original 1996 contract:

- changed the contract year from January–December to August–July;
- provided for a rate increase of 6.5 percent of total cost effective August 1, 2001;
- required replacement of four to five of the 1996 model buses each year for five years;
- required replacement of three special needs buses in years two, three, and four of the contract extension; and
- established rate adjustments for years two, three, four, and five of the extension go into effect on September 1, unless the school year changes.

Exhibit 5-1 presents excerpts from NISD's student transportation contract and the major weaknesses associated with the provision.

Other weaknesses of the contract follow:

- A transportation audit conducted by TEA for 2001–02 found a number of reporting errors made by the transportation provider that resulted in a reduction of NISD's state reimbursements by more than \$89,000. However, the contract does not contain provisions that hold the transportation provider accountable for accurate reporting or for penalties for errors that result in reduced revenue to the district.
- The contract bills costs to the district at rates that have capital costs of buses built into the rates. Costs are calculated based on a daily rate for regular and special education routes and three hourly rates for regular and special education routes, other transportation, and bus monitors. The contract deducts from invoice billings amounts for the monthly lease-purchase payments made by the district to the company that finances the district's lease-purchase agreements. The lower the district's lease payments are, the more the contractor profits. For example, if lease payments decrease because the district reduces the number of buses on the lease or refinances to obtain lower interest rates, the contractor does not reduce proportionately the amount it charges NISD. Since the amount it charges NISD includes the lease payments, the contractor profits from the reduced lease costs.
- The contract does not include a provision that discusses property damage insurance for NISD's buses. In May 2004, four of the district's buses burned while on site at the NISD transportation facility. The fire department believes that an electrical problem in one of the buses caused it to catch on fire, and the fire spread to three adjoining buses. The district operations manager for the contractor and NISD's assistant superintendent of Administrative Services both said that the contractor had the buses insured with the contractor as the insured and that the contractor had received proceeds for the loss and remitted them to NISD. Information provided by the contractor showed that the district received \$64,122.57 from insurance proceeds and sold the buses as scrap for \$300.
- The contract between the district and the contractor does not contain a provision for times when the contractor might use the transportation facility for other than NISD

**EXHIBIT 5-1
EXCERPTS FROM TRANSPORTATION CONTRACT
1997 THROUGH 2001**

ITEM	CONTRACT TERMS	WEAKNESS
1	Section 9.1 states, "In the event of termination of this Agreement, Contractor shall, upon District's request, forthwith deliver to District the school buses leased by District pursuant to the terms of the Lease and Purchase Option Agreement dated as of (Blank), 19(Blank) between District as Lessee and Contractor as Lessor, in good repair, giving due consideration to depreciation through normal use and obsolescence."	<ul style="list-style-type: none"> ▪ Spaces left blank. ▪ The district does not lease buses from the contractor; it acquires them through lease-purchase agreements. ▪ The contract is missing an adequate identification of district buses that the contractor must return upon termination of contract.
2	Section 12.2 states, "Other than with respect to those buses acquired by the District pursuant to the Lease and Purchase Option Agreement. At no time during the term of this agreement shall any bus more than ten years old be operated in regular route service for the District, nor shall any bus more than eleven years old be operated in spare service. The foregoing notwithstanding, Contractor shall be allowed to use those school buses which are leased from the District under the terms of this Agreement which are more than ten years old until the earlier of October 1, 1997, or such time as Contractor obtains new school buses in replacement year 1997 thereof."	<ul style="list-style-type: none"> ▪ There are three buses 11 years old that are in service, one serving a regular route and two serving special education routes. ▪ The contractor does not lease buses from the district and there is no Lease and Purchase Option Agreement between the parties.
3	Section 12.3 states, "Other than with respect to those buses acquired by the District pursuant to the Lease and Purchase Option Agreement, between the effective date of this Agreement and January 6, 1997, Contractor shall purchase and place into operation for the benefit of the District the necessary number of buses to maintain on an eleven-year replacement cycle."	<ul style="list-style-type: none"> ▪ A private Contractor cannot make purchases on behalf of a district. For the district to own the buses, it must secure the buses through an appropriate competitive bidding process or a lease-purchase arrangement undertaken by the district.
4	Section 12.9 states, "Except as provided under the master municipal lease and option agreement between the contractor as lessor there under and the District as lessee there under attached here to as Exhibit "B", District shall be under no obligation to purchase any additional school buses in conjunction with this agreement, nor shall there be any additional charges to District for school bus purchases by Contractor in accordance with Contractor's obligations under this agreement."	<ul style="list-style-type: none"> ▪ There is no master municipal lease agreement between NISD and the contractor. Contracts provided independently by both the district and the contractor did not have an Exhibit B attached.
5	Section 32.0 states, "In the event Contractor provides its own fuel, the monthly invoices by Contractor to District shall include a charge of credit, as the case may be, for any change in the cost of fuel to Contractor during such invoice period from the base fuel cost. For the purposes hereof, the term "base fuel cost" shall mean the per gallon cost of fuel, including taxes, to Contractor based on proposal figures, as certified by Contractor to District. Contractor shall furnish such evidence of its fuel costs as District reasonable may require. The base fuel cost is \$(blank)."	<ul style="list-style-type: none"> ▪ The contract left the base fuel charge amount blank; there is no basis to calculate fuel cost adjustments.

SOURCE: Transportation contract between NISD and the contractor dated December 12, 1997.

services and whether a fee would be charged and paid to the district. The contract states, "...district hereby grants to contractor the nonexclusive right to use the facility in the conduct of its operations hereunder..." The superintendent informed the review team that the contractor had been using the district's facilities to operate its charter bus service for a period of time and that the contractor had been notified in the fall of 2004 to cease operating the charter service out of the district's facilities. During on-site work at NISD, the review team observed the contractor's charter buses in Nacogdoches at a gas station on the loop.

The contract allows for annual rate increases based on changes in the Consumer Price Index, but the contract does not include documentation of the rate changes as an attachment. A rate sheet attached to the contract called for the contractor to be compensated \$146 a day for regular and special education routes; at \$14 an hour for excess hours for regular and special education home-to-school routes; \$15 an hour for other transportation including extracurricular trips, mid-day runs, field trips, and other requested bus services; and \$8 an hour for bus monitors.

Section 27.0 of the contract states that the rates shall be increased once each year on each anniversary date of the contract based on the U.S. Department of

Labor Dallas/Ft. Worth Consumer Price Index (CPI), All Urban Consumers, during the year ending April. It further states that the rates will not decrease despite a decrease in the CPI and that it will limit annual increases to no more than 5 percent.

Using the CPI data published by the U.S. Department of Labor on its website, rates could have increased 20.6 percent from 1997 to 2004 based on the CPI. The actual rates charged in 2004 are more than rates based on CPI increases. Rates invoiced by the contractor for November 2004 showed rates of:

- \$17.20 for regular routes, a 22.9 percent increase;
- \$18.74 for other transportation, a 24.9 percent increase;
- \$9.81 for monitors, a 22.6 percent increase; and
- \$194.55 daily rate for regular and special education routes, a 33.3 percent increase.

The rate increase approved at 6.5 percent in the contract extension distorts a true comparison of rates charged in 2004–2005 to CPI increase calculations. The contractor said that it adjusts rates for not only CPI increases but also for changes in the number of routes the district requires based on the contractor’s proposal. Section 2.0 of the contract states, “...in the event there is a conflict between the provisions of this agreement and the service proposals... the provisions of this agreement shall prevail.” The contract does not address changes in pricing due to changes in service. The contractor did not respond to a request from the district for documentation for rate increases over the term of the contract.

The lack of a clearly written contract affects the district’s ability to evaluate contractor efficiency and cost effectiveness. It is also difficult to properly manage the contract to ensure that it addresses the district’s best interests. Most school districts that have contracted services structure the contract for annual renewal with a limited number of years for renewing the contract. Many of these school districts have contracts that include performance measures, require a formal annual evaluation based on the performance measures, establish ownership of the fleet with either the contractor or the district, establish a fleet replacement schedule and related penalties for failing to maintain the schedule, contain the rate structure for the contractor operating the fleet, and define the responsibilities and rights of each party. Districts also document and file each annual extension with the original contract. These districts are able to evaluate contractor efficiency and cost-effectiveness and effectively manage the contracted service.

NISD should negotiate a transportation contract that is equitable and complete. The contract should include performance measures, requires annual evaluations based on the performance measures, establish responsibility for fleet acquisition and disposal with the district, eliminate inclusion of lease payments from the contract, establish a fleet replacement schedule and related penalties for failing to maintain the schedule, contain the rate structure for the contractor operating the fleet, require the contractor to provide proof of insurance on the fleet, define the responsibilities and rights of each party, and ensure that the service provider shall reimburse the district for any funds the district has to pay TEA as the result of an audit. The district’s attorney should review the contract to ensure that all essential elements of a contract are present, that all sections of the contract are enforceable, and that the contract and procurement method comply with Texas law.

CONTRACT AND BUS FLEET OVERSIGHT (REC. 30)

NISD has not assigned a contract manager to provide adequate oversight of the district’s contract for transportation services or for the management of its bus fleet. The transportation service provider schedules routes, maintains buses owned by NISD, provides discipline on the buses, manages bus replacements, and provides other services for which the district expends more than \$2.4 million annually.

Since the district has not formally assigned a district employee contract manager, it is not clear who is responsible for contract oversight and what oversight entails.

The superintendent and business manager said the assistant superintendent of Administrative Services was responsible for oversight of the transportation contract. The assistant superintendent of Administrative Services said that he and the business manager provide district oversight of the contract. The assistant superintendent of Administrative Services’ job description includes transportation in the list of programs the position directs, but it does not list contract management or specific duties regarding transportation.

The district’s assistant superintendent of Administrative Services and the contractor’s district operations manager both said that they communicate regularly about student transportation issues. They said most communication is by telephone and the contractor provides only a few written reports to NISD management staff. The contractor’s district operations manager also said he attends meetings with district administrative and school staff to discuss the district’s transportation program.

In addition, the district has a substantial investment in 70 buses; however, no NISD employee is responsible for overseeing that investment to ensure the district's interests are properly protected. The contractor provides maintenance and manages bus replacements and bus sales. In January 2005 the district sold five 1996 78-passenger buses with average mileage of 88,184 for \$12,500 each, as recommended by the transportation service provider. The district's transportation provider negotiated the sale on behalf of the district. The transportation provider said it used mileage and age of the buses to determine the buses sold.

Without a designated contract manager responsible for enforcing the contract provisions, the district cannot ensure that the contractor performs services in accordance with the contract or in the best interests of the district. The lack of a contract manager to oversee the management and disposal of the bus fleet also limits the district's ability to ensure that it is maximizing the use of its buses and receiving fair market value when disposing of them.

Many school districts have strict contract management and compliance procedures to ensure that contracting processes are efficient and effective. These districts assign one position the responsibility for contract management to ensure that contractors adhere to their procedures and practices. Contract managers in these districts know the terms and conditions of the contract, understand the workings of the operation contracted out, ensure through observation that the contractor properly provides services, and review all data submitted by the contractor to ensure it is reasonable.

The district should designate the assistant superintendent of Administrative Services as the contract manager for the transportation services contract. Since bus fleet management is one of the services provided in the contract, the district should assign the assistant superintendent of Administrative Services responsibility for managing the district's bus fleet. As part of the contract management duties, the district should require the transportation services provider to submit reports with comparative data that highlight operating trends and bus fleet status.

INVOICE AUDIT AND APPROVALS (REC. 31)

NISD pays invoices from the transportation contractor without sufficient documentation and without proper approvals that provide assurance that it actually received the services. The provider sends two monthly invoices to the business manager, one for regular transportation services and a second for extracurricular services. The business manager said that he reviews the regular billing and checks the

rates on the invoice for accuracy. The contractor also sends the invoice for extracurricular services to the business manager, who processes the invoice for payment without any verification of actual service delivery before making payment. The business manager subsequently sends a copy of the extracurricular services invoice to principals and departments that have trips billed on the invoice and asks departments to respond if they see any problems.

The assistant superintendent of Administrative Services participates in the approval of additional routes, monitors and other services provided to the district. However, the assistant superintendent of Administrative Services does not review and approve the monthly invoices submitted by the transportation service provider. The business manager does not participate in these decisions, consequently he does not know if all routes, monitors, and other services on the invoices have received approval.

The rate increase effective September 1, 2005, exceeded the increase in the CPI and the maximum increase allowed by the contract. The base rate for each route rose \$10.52 or 5.7 percent, and the excess hours rate rose by \$0.50 or 3.0 percent. Based on the contract, the rate should have increased by 1.2 percent based on the change in CPI from May 2003 to May 2004 (April CPI has not been available since April 1997). Based on the 1.2 percent increase in CPI, the base rate should have increased \$2.29, and the excess hours rate should have increased \$0.21. In addition to exceeding the rate increase allowable by the contract, the contractor charged the new rates for transportation services provided in August 2004.

Good management practices dictate verification of invoices for accuracy and compliance with contract provisions before making payments. Those asked to review invoices require appropriate documentation, such as copies of contracts, contract amendments or extensions, approved rate increases, and other data that ensure that it received the requested services on the invoice and that the rates billed are accurate and verifiable.

The district should develop an audit and approval process for invoices received for student transportation invoices. The assistant superintendent of Administrative Services should review the invoices for accuracy as to the number of routes, monitors, and other services provided. Before making payment, the business manager should audit the invoices to verify whether the contractor charges the appropriate rate and calculates the invoice correctly. The contractor should submit invoices in an electronic format so that departments and schools that request and receive transportation for extracurricular

transportation can efficiently review and certify provision of services. To segregate duties, the assistant superintendent of Administrative Services should initially review and approve the invoices based on authorized services.

Based on the overcharges in 2004–2005 and August 2004, the business manager should review all rate changes since the inception of the contract to ensure the district was not overcharged in previous years. If overcharges occurred, the business manager should deduct those along with the 2004–2005 overcharges from payments to the contractor.

The fiscal impact of this recommendation is calculated by multiplying the excess CPI increase times the number of routes times the number of days transportation service is provided plus the excess hourly increase times the excess hours for January 2005 times the number of days transportation service is provided. $(\$10.52 - \$2.29 = \$8.23)$, $(\$8.23 \times 60 \text{ routes} = \$493.80)$, $(\$493.80 \times 176 \text{ school days} = \$86,909)$, $(\$0.50 - \$0.21 = \$0.29)$, $(\$0.29 \times 82.8 \text{ excess hours} = \$24.01)$, $(\$24.01 \times 176 \text{ days} = \$4,226)$, $(\$86,909 + \$4,226 = \$91,135)$. In addition, an invoice overstated the August billing by \$8,046 $(\$10.52 \times 59 \text{ routes} = \$620.68)$ $(\$0.50 \times 99.6 \text{ excess hours} = \$49.80)$ $(\$620.68 + \$49.80 = \$670.48 \times 12 \text{ school days} = \$8,046)$ $(\$91,135 + \$8,046 = \$99,181)$

PERFORMANCE MEASURES (REC. 32)

The district does not require any performance or operating reports from the transportation contractor that allow the district to evaluate the efficiency or effectiveness of services provided. The only data provided are the monthly invoices for services and information that the district needs to prepare reports for TEA. The one exception states that the maximum time any pupil may be in transit one way shall not exceed one hour. The district does not use benchmarks to measure accomplishments or identify areas needing improvement. The transportation contract requires the contractor to provide reports only when requested—it does not identify specific reports that the contractor must provide.

The contract between NISD and the transportation service contractor states that except as approved by the district, the maximum time any pupil may be in transit one way shall not exceed one hour. A document received from the transportation service contractor states:

- For routes 14, 22, and 24 that are dedicated to either Nacogdoches High School or McMichael Middle School, students ride an average of 1.5 hours in the AM and 1.5 hours in the PM.

- For routes 12, 13, and 21 that serve two or three schools, students can be on the bus for approximately two hours since the mileage is approximately 50-60 miles one way.

NISD does not have a standard for on-time performance and does not track how many buses arrive early or late at schools or for field trips. Although the district operations manager said that he planned to develop benchmarks and standards, he has not developed reports, nor conducted coordination with NISD management staff. The district operations manager has considered performance measures, including:

Productivity:

- linear density
- riders per bus – regular routes
- riders per bus – special routes
- riders per route mile – regular routes
- riders per route mile – special routes
- daily ridership – regular routes
- daily ridership – special routes

Costs:

- operation cost per mile – regular routes
- operation costs per mile – special routes
- operation costs per rider – regular routes
- operation costs per rider – special routes

Service Quality:

- on time performance
- percent riders – extended time

Maintenance Performance:

- miles between preventive maintenance
- road calls

School districts throughout the U.S. 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 include in the contract language. Accordingly, many districts link an increase in compensation over the term of the contract to how the contractor actually performs when compared to these measures.

Performance measures usually associated with student transportation performance include:

- student loads (percentage of capacity),
- on-time pickup and delivery of students,
- distance from school requirements for ridership,
- student walk distance from bus stops,
- linear density

- cost per mile
- route efficiency

The district should implement a transportation performance-monitoring program to measure accomplishments and identify areas for improvement. The district should develop performance measures, benchmarks, and track statistics on a monthly basis. NISD should provide the set of performance standards and benchmarks to the transportation services provider and the provider should prepare monthly reports to enable the district to monitor the performance of the transportation services provider. NISD administrators, including school administrators, should receive the performance measures and benchmarks so they can assist in monitoring performance. The assistant superintendent of Administrative Services should use the reports to assist in providing oversight of the performance of the transportation services provider.

BUS REPLACEMENT PLAN AND GUIDELINES (REC. 33)

NISD does not have a bus fleet replacement plan or guidelines with replacement criteria that identify when to replace buses or the numbers and sizes of buses needed to meet ridership requirements. In 1996, the district changed transportation contractors and had to acquire 75 buses using a 10-year lease-purchase contract. Most of the district’s buses are now nearing nine years old and have average mileage approaching 100,000. Although the transportation services contract does include a stipulation that no buses operated on regular routes can be over ten years old, the district has not established a plan for the replacement of its bus fleet.

The assistant superintendent of Administrative Services said the district has a bus replacement plan, and that it considers age, mileage, general condition of the bus, and the route it serves in determining the buses to replace. However, the only replacement information provided by the district was contained in the contract extension for transportation services.

Exhibit 5-2 shows a summary of NISD’s bus fleet of 70 buses. The district owns the buses and makes them available to the transportation provider for transporting NISD students to and from school and for extracurricular trips.

Without guidelines for bus replacement, the district sold buses with less than 100,000 miles when other buses with mileage of more than 150,000 miles remained in service. In January 2005, the district sold five 1996-year 78-passenger buses with an average mileage of 88,184 for \$12,500 each.

**EXHIBIT 5-2
NISD BUS INVENTORY
2004-05**

MODEL YEAR	CAPACITY	NUMBER OF BUSES	AVERAGE MILEAGE
ASSIGNED TO REGULAR ROUTES			
1993	65	1	145,497
1996	46	3	126,006
1996	71	4	121,874
1996	72	13	98,297
1996	77	8	115,283
1996	78	16	102,048
1997	77	1	77,833
1998	77	3	80,022
1999	77	1	58,624
2004	77	1	14,274
Totals/Averages		51	102,641
ASSIGNED TO SPECIAL EDUCATION ROUTES			
1993	24	2	192,031
1996	34	1	144,691
1997	34	1	141,170
2000	39	3	76,602
2004	30	1	130,033
Totals/Averages		8	112,584
REGULAR ROUTE SPARES			
1996	72	1	96,632
1997	77	2	84,215
Totals/Averages		3	88,354
SPECIAL EDUCATION SPARES			
1993	24	1	162,741
1996	22	2	122,470
Totals/Averages		3	135,894
Total Assigned and Spares		65	103,361
UNASSIGNED			
2005	77	5	New
Total Buses		70	

SOURCE: NISD transportation service provider, December 2004 and January 2005.

School buses typically have a useful life of between 10 and 15 years. TEA recommends a 10-year procurement cycle; however, districts with good maintenance programs can extend bus life for 12 or even 15 years before they need replacement. The life of a school bus is generally 10 years of service or 200,000 service miles. Districts should also consider other factors and the cost of maintenance when establishing guidelines for bus replacements. Not all buses operate the same number of miles each year. Some types of service (routes with many stops and many daily student riders) may cause more wear and tear on a bus. Many factors can affect the useful life of a school bus. The type of roads that a bus must travel is also a factor that can significantly affect the service life of a bus.

Without a formal bus replacement plan, the district is at risk of incurring a significant financial impact when it needs to replace a number of buses in its aging bus fleet at the same time.

Districts that establish replacement plans analyze the fleet’s age, mileage, maintenance history, and general condition, as well as the district’s capacity needs, to

gain maximum use from their buses. Replacement plans also allow districts to set procurement amounts for budgeting purposes and to plan the timing of debt or other types of financing. In addition, without guidelines for its bus fleet, the district is at risk of making decisions arbitrarily that are not in the best interest of the district.

The district should develop a comprehensive bus replacement plan for board approval. The replacement plan should be developed based on an analysis of the current fleet that takes into consideration the age, mileage, condition, and capacity of each bus. The district should also develop guidelines for board approval that address the size of buses to acquire based on average ridership, a process to follow when buses are sold, and a plan to rotate buses to balance mileage. The assistant superintendent of Administrative Services and the transportation provider should prepare a schedule that projects when the current bus fleet will reach the replacement guidelines and what buses to acquire as their replacements.

BUS ROUTE SCHEDULING (REC. 34)

The district does not routinely analyze bus routes to optimize efficiency of service. NISD's contract for transportation services does not specify criteria for designing the district's bus routes or require periodic reviews and updates of the routes for increased efficiencies. NISD's transportation service provider designs routes and does not routinely review and update routes to assure efficiency. Since the district bases payments to the contractor on the number of routes and the time it takes to run the routes, the contractor benefits from running inefficient routes.

NISD redesigned many routes for 2004–05 to meet the needs of revised school zones, but after the school year began, it had to add two more routes. The provider designs routes primarily based on ridership from the previous year and then by using data provided for the projected enrollment of the upcoming year. The transportation service provider develops routes and obtains concurrence from the district's assistant superintendent of Administrative Services.

NISD has staggered bell times that assist route scheduling by allowing a bus to make more than one run to transport students to and from district schools. NISD has 66 individual regular routes that provided transportation to an average of 2,719 students between September 2004 and December 2004. The district has 51 buses assigned to regular routes. Of the 66 routes, 37 routes are single routes where a bus only runs that route, 26 are dual routes where a bus runs two routes, and a single bus runs three routes.

Exhibit 5-3 shows the regular routes and route information including the total route mileage, average ridership between September 2004 and December 2004, and the size of bus assigned to the route, and the percentage of bus capacity. A summary of the routes provided by the districts transportation services provider describes the routes as follows:

- Routes 1-20 transport a high school and middle school route. The students on these routes, ride the bus one hour or less, in the AM and PM.
- Routes 25-41 are elementary routes and students ride the bus no longer than 1.4 hours, with most riding approximately 1 hour.
- Routes 14, 22, and 24 serve the high school and McMichael Middle School. They operate outside the loop, and students ride an average of 1.5 hours in the AM and 1.5 hours in the PM.
- Routes 12, 13, and 21 operate outside the loop and serve two or three schools. These students can be on the bus approximately two hours. The mileage on these routes is approximately 50-60 miles one way.

As shown in **Exhibit 5-3**, most buses are not operating at capacity, a measure of efficiency. (To determine the capacity of buses, multiply the number of full-sized seats on the bus by two or three.) Based on this, a 72-capacity bus has 24 or 36 seats on it. For elementary students, it is practical to put three students per seat. However, for middle and high school students, route efficiency formulas calculate capacity at two students per seat. Overall, the route efficiency for NISD is 72.0 percent capacity.

Linear density is another measure of route efficiency. Linear density is the ratio of the average number of regular program students transported daily on routes to the number of route miles traveled daily for those routes. Inefficient routes can reduce a school district's reimbursement from the state since TEA uses this ratio to allocate state reimbursements on a per-mile basis. **Exhibit 5-4** compares the standard regular riders, miles, linear densities, and allotment rates for NISD and selected peer districts for 2003–04. In 2003–04 NISD has the second lowest linear density among the peer districts and the second lowest allotment per mile.

In addition to linear density, another indicator that the district and/or service provider could design routes that are more efficient is the amount of funds that a district expends on transportation in comparison to peer districts. **Exhibit 5-5** compares the per-student transportation cost of the peer districts with NISD. In 2003–04, NISD had the

**EXHIBIT 5-3
NISD REGULAR BUS ROUTES
2004-05**

ROUTE	SCHOOLS SERVED	TOTAL ROUTE MILES *PM. ONLY	AVERAGE RIDERS SEPT.-DEC. 2004	SIZE OF BUS ASSIGNED TO ROUTE	CAPACITY BASED ON STUDENTS SERVED	PERCENT OF BUS CAPACITY
1A	High School	22.0	17.0	46	31	55.4%
1B	Mike Moses Middle School	32.8	28.0	46	31	91.3%
2	Brooks Quinn Jones Elementary	61.6	48.8	72	72	67.8%
3A	High School	37.2	45.5	78	52	87.5%
3B	Mike Moses Middle School	36.4	44.8	78	52	86.2%
4A	High School	46.2	54.8	72	48	114.2%
4B	McMichael Middle School	25.8	50.0	75	50	100.0%
5A	High School	28.6	17.5	46	31	57.1%
5B	Mike Moses Middle School	33.8	23.0	46	31	75.0%
6A	High School	40.2	47.3	72	48	98.5%
6B	Mike Moses Middle School	37.2	41.5	72	48	86.5%
7A	High School	41.2	31.5	77	51	61.4%
7B	Mike Moses Middle School	29.4	36.3	77	51	70.7%
8A	High School	47.4	52.3	78	52	100.6%
8B	Mike Moses Middle School	38.4	44.0	78	52	84.6%
9	Carpenter Elementary	60.6	26.5	72	72	36.8%
10A	High School	30.8	38.5	72	48	80.2%
10B	Mike Moses Middle School	33.2	41.8	75	50	83.6%
11A	High School	40.2	38.3	78	52	73.7%
11B	McMichael Middle School	40.2	43.5	78	52	83.7%
12A	High School and Fredonia Elementary	90.6	71.3	78	52	137.1%
13A	High School, McMichael Middle School, Fredonia Elementary	90.8	40.3	72	48	84.0%
14A	High School, McMichael Middle School	95.6	50.3	71	47	106.3%
15A	High School	30.0	25.0	72	48	52.1%
15B	McMichael Middle School	6.8	22.5	72	48	46.9%
15E	Carpenter Elementary	9.6	44.3	72	72	61.5%
16A	High School, McMichael Middle School, Carpenter Elementary, Fredonia Elementary	86.8	32.5	72	48	67.7%
17A	High School	63.2	23.3	72	48	48.5%
17B	McMichael Middle School	48.6	23.8	72	48	49.6%
18A	High School	41.0	21.0	78	52	40.4%
18B	McMichael Middle School	15.0	33.5	78	52	64.4%
19A	High School	46.4	33.0	71	47	69.7%
19B	McMichael Middle School	37.8	39.3	71	47	83.0%
20A	High School	66.0	8.8	46	31	28.7%
20B	McMichael Middle School	53.6	11.5	46	31	37.5%
21	High School, McMichael Middle School, Carpenter Elementary	78.0	50.8	65	43	117.2%
22	McMichael Middle School, Fredonia Elementary	138.2	45.0	78	52	86.5%
23	Fredonia Elementary School, Nettie Marshall Elementary	80.4	35.8	78	52	68.8%
24	McMichael Middle School	96.8	42.0	71	47	88.7%
25	McMichael Middle School, Carpenter Elementary, Raguet Elementary	93.4	45.0	78	52	86.5%
26	Carpenter Elementary, Fredonia Elementary	14.6	65.3	77	77	84.8%
27	McMichael Middle School, Fredonia Elementary	22.0	58.8	78	52	113.1%
28	Fredonia Elementary	29.6	62.5	78	78	80.1%
29	Thomas J. Rusk Elementary	36.4*	50.8	72	72	70.6%
29A	Thomas J. Rusk Elementary	N/A	37.0	78	78	47.4%
30	Thomas J. Rusk Elementary	36.4	59.5	77	77	77.3%
31	Thomas J. Rusk Elementary	42.6	67.5	78	78	86.5%
31A	Thomas J. Rusk Elementary	N/A	40.0	71	71	56.3%
32	Raguet Elementary	33.6	44.8	72	72	62.2%
33	Raguet Elementary	35.0	48.0	72	72	66.7%
34	Raguet Elementary	24.2	29.3	78	78	37.6%
35	Brooks Quinn Jones Elementary	41.2	50.3	77	77	65.3%
36	Brooks Quinn Jones Elementary	82.4	51.0	78	78	65.4%
37	Nettie Marshall Elementary	33.6	49.5	78	78	63.5%

EXHIBIT 5-3 (CONTINUED)
NISD REGULAR BUS ROUTES
2004-05

ROUTE	SCHOOLS SERVED	TOTAL ROUTE MILES *PM. ONLY	AVERAGE RIDERS SEPT.-DEC. 2004	SIZE OF BUS ASSIGNED TO ROUTE	CAPACITY BASED ON STUDENTS SERVED	PERCENT OF BUS CAPACITY
38	McMichael Middle School, Nettie Marshall Elementary, Brooks Quinn Jones Elementary	17.4	59.5	77	51	115.9%
39	Nettie Marshall Elementary	14.2	48.3	77	77	62.7%
40	Thomas J. Rusk Elementary	33.8	62.8	72	72	87.2%
41	Carpenter Elementary	49.5	45.8	78	78	58.7%
41A	Carpenter Elementary	N/A*	41.3	77	77	53.6%
42	High School, McMichael Middle School	N/A	32.3	77	51	62.9%
45	Brooks Quinn Jones Elementary	104.0	58.3	77	77	75.7%
46	Brooks Quinn Jones Elementary	106.8	39.0	77	77	50.6%
47	Brooks Quinn Jones Elementary	62.7	43.0	77	77	55.8%
48	Brooks Quinn Jones Elementary	54.4	36.3	77	77	47.1%
49	Brooks Quinn Jones Elementary	56.4	18.5	77	77	24.0%
50	Brooks Quinn Jones Elementary, Raguet Elementary	65.3	49.3	77	77	64.0%
Totals/Averages			2,718.6			72.0%

NOTE: N/A-route miles not available; routes have not been run to record mileage.
 SOURCE: NISD Transportation Vendor, January 2005.

EXHIBIT 5-4
NISD AND PEER DISTRICTS LINEAR DENSITY
2003-04 AND ALLOTMENT PER MILE 2003-04

DISTRICT	STANDARD REGULAR RIDERS*	STANDARD REGULAR MILES	LINEAR DENSITY 2003-04	ALLOTMENT PER MILE 2003-04	ALLOTMENT PER MILE 2004-05**
San Marcos Consolidated	656,640	536,886	1.22	\$1.11	\$1.11
Lufkin ISD	547,740	592,488	0.92	\$1.11	\$0.97
Nacogdoches	477,540	611,252	0.78	\$0.97	\$0.88
Seguin ISD	370,980	510,840	0.73	\$0.88	\$0.88

*Annual riders calculated by multiplying average daily riders by 180 school days.
 **Allotment per mile 2004-05 is based on linear density for 2003-04.
 Allotment rates are based on previous year's linear density. Using ridership and mileage information from September-December 2004, NISD's linear density for 2004-05, which is based on 2003-04 riders and miles, will decrease to 0.78 and move the district into a lower allotment rate of \$0.88, reducing the amount of funds received from the state.
 SOURCE: Texas Education Agency, School Transportation Route Services Reports, 2003-04.

EXHIBIT 5-5
NISD AND PEER DISTRICTS PER STUDENT TRANSPORTATION EXPENDITURES
2003-04

DISTRICT	TRANSPORTATION OPERATING COST*	ENROLLMENT	PER STUDENT EXPENDITURE
Nacogdoches	\$2,901,558	6,375	\$455
San Marcos Consolidated	\$2,339,993	7,020	\$333
Lufkin ISD	\$1,723,198	8,248	\$209
Seguin ISD	\$1,499,307	7,475	\$201

*Operating expense excludes capital outlay and debt service. For NISD this amount includes \$542,000 of costs associated with the lease-purchase of buses included in the contracted service agreement.
 SOURCE: Texas Education Agency, Public Education Information Management System (PEIMS), 2003-04.

highest per-student expenditure, more than \$120 higher per student than San Marcos Consolidated and more than double that of Lufkin and Seguin.

By not requiring the transportation contractor to review and adjust routes as operations change, the district may not receive the benefit of potential cost savings. A systematic review of transportation routes provides meaningful information for decision makers.

Many school districts require their transportation service provider to review routes on a regular basis to determine if inefficiencies exist. Some of these

districts hire independent contractors to review routes when the transportation contractor benefits from route inefficiencies.

The Round Rock ISD Transportation Department performs routing and scheduling for 25 districts in Texas and charges \$100 per bus for the service. The RRISD Transportation director said he could usually find 5 percent savings in any district for which he provides routing and scheduling services. In one recent study of a school district, the routing analysis identified routes that would reduce the number of regular buses from 24 to 16, a 33 percent reduction.

NISD should require the transportation contractor to regularly review NISD routes to ensure route optimization and periodically obtain an independent review of district bus routes to verify the use of optimal routes. The independent route evaluation and development will help ensure that route design results in the maximum state reimbursement rates, minimum costs and time students must spend on buses.

The fiscal impact assumes the district can increase its linear density to a minimum of 0.90 with more efficient routes, which would increase the cost to the state treasury, with an increase in its state reimbursement rate by \$0.09 per mile, from \$0.88 per mile to \$0.97 per mile, based on 2003–04 linear density rates and rates of reimbursement. Based on 2003–04 regular route miles of 611,252, the additional \$0.09 per mile will provide the district with additional annual state reimbursements of \$55,013 (611,252 miles x \$0.09 increased state reimbursement per mile).

The analysis should also allow a reduction in the number of routes. A 5 percent reduction in the 66 routes will reduce routes by three (66 routes x 5 percent = 3 routes) and provide a reduction in annual cost by a minimum of \$102,722 (3 routes x the daily route cost of \$194.55 x 176 days of school = \$102,722).

The annual revenue increase and reduced cost will provide the district with a total of \$157,735 (\$55,013 additional revenue + reduced costs \$102,722 = \$157,735) of funds to use for educational programs. Since the basis for state reimbursements is linear density for the prior year, the district will not receive increased revenue of \$55,013 from improved linear density in 2005–06 until 2006–07. An estimated cost of \$5,100 in the first year to perform the routing analysis (\$100 per bus x 51 buses) and by \$4,800 in the third and fifth years (\$100 per bus x 48 buses) offsets these savings.

For background information on Transportation, see p. 172 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
28. Prepare a cost-benefit analysis to compare projected internal transportation costs against contracted costs to determine the most efficient method of providing student transportation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Negotiate a transportation contract that is equitable and complete.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30. Designate the assistant superintendent of Administrative Services as the contract manager for the transportation services contract.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31. Develop an audit and approval process for invoices received for transportation services.	\$0	\$0	\$0	\$0	\$0	\$0	\$99,181
32. Implement a transportation performance-monitoring program to measure accomplishments and identify areas for improvement.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33. Develop a comprehensive bus replacement plan for board approval.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34. Require the transportation contractor to regularly review NISD routes to ensure route optimization and periodically obtain an independent review of district bus routes to verify the use of optimal routes.	\$97,622	\$157,735	\$152,935	\$157,735	\$152,935	\$718,962	\$0
Total Chapter 5	\$97,622	\$157,735	\$152,935	\$157,735	\$152,935	\$718,962	\$99,181



Chapter 6

Food Service

CHAPTER 6

FOOD SERVICE

The Nacogdoches Independent School District (NISD) served breakfast and lunch to 6,375 enrolled students at nine schools throughout the district in 2003–04. The district requires students to comply with the closed campus policy and remain on school property once classes begin for the day. NISD participates in the National School Lunch and Breakfast programs and the federal Donated Commodity Program.

In 2003–04, the average daily lunch participation as a percentage of average daily attendance was 66 percent. Additionally, the average daily breakfast participation as a percentage of average daily attendance was 36.5 percent. This rate of participation compares favorably with selected peer districts. In addition, in 2003–04 approximately 82 percent of lunch participants qualified for a free or reduced priced meal and almost 93 percent of students participating in breakfast qualified for a free or reduced price meal. Students are eligible to receive a free meal if household income is less than 120 percent of the federal poverty level and a reduced-price meal if household income is less than 185 percent of the federal poverty level.

NISD’s Student Nutrition Department operates a central kitchen that prepares breakfast and lunch items for Carpenter, Fredonia, Nettie Marshall, Raguette, and Thomas J. Rusk Elementary schools. The central kitchen prepares and stacks food in electrically heated warming carts that are transported to the elementary cafeterias each morning for breakfast and mid-morning for lunches. Student Nutrition Department drivers transport and unload warming carts at the elementary cafeterias where kitchen staff maintains food at required temperature until served to students. Nacogdoches High School, Brooks Quinn Jones Elementary, and the district’s two middle schools have separate kitchen facilities that provide all food preparation for students at those schools.

NISD’s Student Nutrition Department has 90 employees. Staff includes the director of Student Nutrition and three office staff. The director reports to the assistant superintendent of Administrative Services. Ten managers, one assistant manager, and a manager trainee, who supervises central kitchen and school cafeteria operations, assist the director. There are 70 cafeteria staff members split between the school cafeterias and central kitchen. Four truck drivers and helpers deliver meals prepared in the central kitchen to the five elementary schools.

ACCOMPLISHMENTS

- NISD uses financial incentives to encourage employees to obtain additional training and professional certifications.
- NISD uses a web-based payment system to provide parents and guardians with an option to monitor a student’s meal account and make payments.

FINDINGS

- NISD does not have strong financial management or oversight of the food service program throughout all levels of district management.
- NISD does not control labor costs by using the food service industry standard, meals per labor hour (MPLH), to manage staffing levels for the Student Nutrition Department.
- NISD’s food service program is using General Fund resources to supplement the program because it is not self-supporting and does not have an adequate fund balance to fund all appropriate overhead costs for its operations.
- NISD does not actively identify eligible students for free or reduced-price meals during the school year, so the district is not maximizing the receipt of state compensatory education revenues.

RECOMMENDATIONS

- **Recommendation 35 (p. 91): Define financial goals for the food service program; require the director of Student Nutrition to financially monitor the program and report results to the board.** The director of Student Nutrition should work with the board and senior administrators to define the financial goals, associated timetables, and standards of the food service program. This collaboration should define the financial goals and benchmarks and result in the identification of types and frequency of financial reports needed to achieve the goals. The director of Student Nutrition should work with the business manager to design and develop the management reports specified by the board and senior administrators to measure and report the department’s financial and operating efficiency. The board should also require senior administrators to incorporate the goals and standards in the director of Student Nutrition’s annual performance evaluation to hold the director accountable for program performance.

- **Recommendation 36 (p. 94): Establish a meals per labor hour standard (MPLH) for the central kitchen and each of the cafeterias and submit the standards to the assistant superintendent of Administrative Services and superintendent for approval.** An analysis of current staffing levels and the amount of time needed to prepare and serve the required quantities of food should provide a basis for determining a MPLH standard. The director of Student Nutrition should use this standard to adjust staff levels to ensure efficiency in staff allocation. The director of Student Nutrition should also consider reducing hours and/or days worked for cafeteria staff, eliminating staffing levels through attrition and/or termination, and developing strategies to increase the number of meals served at low MPLH schools to increase MPLH districtwide.
- **Recommendation 37 (p. 97): Implement strategies to achieve self-supporting food service operations with a target fund balance of two months of operating expenditures within three years.** Identify all allowable food service costs and develop a three-year phased approach to allocate all allowable operating costs to the Student Nutrition Department while maintaining prudent fund balance levels. The board policy should also require that administration identify the allocation of all appropriate food service-related expenditures, such as utilities, waste removal, maintenance, custodial, and business office support, to the Food Services Fund. The business manager should work with the directors of Student Nutrition and Plant Services to develop administrative procedures to identify all allowable food service costs. The director of Student Nutrition should work with the business manager to phase in the allocation of food service costs, while maintaining target fund balance levels. The department should maintain documentation validating the cost allocations made.
- **Recommendation 38 (p. 98): Develop initiatives to identify eligible students and increase applications for free and reduced-price meals.** The department should conduct initiatives during the school year that increase awareness of the free and reduced-price meal program, resulting in increased registration of eligible students and subsequently increased revenue to the district. The Student Nutrition Department should provide information to students and parents explaining the program, the benefit to the students, and the additional

revenue potential for the district. District staff should emphasize that it will keep enrollment confidential. The Student Nutrition department should maintain records to track which initiatives are successful, so it can repeat those in subsequent years and discontinue the unsuccessful initiatives.

DETAILED ACCOMPLISHMENTS

FINANCIAL INCENTIVES FOR CERTIFICATIONS

NISD uses financial incentives to encourage employees to obtain additional training and professional certifications. NISD's program was implemented in 1996–97 and supports Student Nutrition Department employees who attend training classes and receive Texas Association for School Nutrition certifications in two ways. First, the district pays one-half of class registration costs. The district also pays a bonus for each level of certification obtained by an employee, beginning with level two. NISD normally pays the bonuses in December of each year. Currently individuals with a level-three certification receive \$250 and those with level-four receive \$315. There are 3 employees with level-three certifications and 13 with level-four certifications.

The program is open to all employees. Cafeteria managers communicate the program to all employees. The director of Student Nutrition also recognizes employees who receive the certifications in an annual memo.

By encouraging employees to attend training, NISD is increasing the knowledge and skills of its staff. In NISD's last food service review by the Texas Education Agency (TEA) in November 2002, the reviewer commended the Student Nutrition Department staff's professionalism and knowledge.

INTERNET MEAL ACCOUNT ACCESS

NISD uses a web-based payment system to provide parents and guardians with an option to monitor a student's meal account and make payments. The district's Website provides a link titled *Lunch Money Now* that allows parents and guardians using a secure password to review a student's meal account balance and to add funds to the account using a credit card.

The district implemented the *Lunch Money Now* service in 2002–03. It is part of the district's point-of-sale system. Parents who choose to use *Lunch Money Now* and pay with a credit card instead of by cash or check pay a fee of \$2.50 per transaction. The system also allows parents and guardians to easily track the balance of their student's meal account online. In 2004–05, as of March 8, 2005, there have been 510 orders placed using *Lunch Money Now*.

While the service provides an additional payment option for parents, it is also efficient for the district. Since the *Lunch Money Now* system processes credit card payments online and automatically enters the funds into a student's account, it eliminates the workload normally associated with checks and cash payments. Because parents can view their students' account balance online, this system also reduces staff time spent researching and responding to questions regarding students' account balances.

DETAILED FINDINGS

FINANCIAL MANAGEMENT (REC. 35)

NISD does not have strong financial management or oversight of the food service program throughout all levels of district management. The director of Student Nutrition does not develop and use industry-standard management reports and analyses such as profit and loss statements and MPLH to actively monitor, analyze, and report financial activities. District senior administrators and the board do not require analysis and reporting, nor do they hold the director of Student Nutrition accountable for the program's financial performance. As a result, the program has operated at a deficit since 2001–02.

The job description charges the director of Student Nutrition with directing and managing the district's food service program both operationally and financially.

Operationally, the district's program complies with federal and state requirements as documented by the results of the 2002 coordinated review performed by the TEA. The reviewer commended the program as well organized and efficient, with professional and knowledgeable staff.

The director of Student Nutrition manages the daily preparation and meal service with assistance from the central kitchen and cafeteria managers. The director of Student Nutrition uses software to develop menus that meet nutritional requirements. After developing the menus, the cafeteria managers supervise the meal preparation and service. The cafeteria managers track the meals served and a la carte sales using the district's point-of-sale (POS) system. The managers report this information to the clerical staff in the Student Nutrition Department central office. The staff uses the point-of-sale information and files monthly meal claims for federal and state reimbursement using the Child Nutrition Program's Information Management System managed by the Texas Department of Agriculture.

Financially, the job description lists administrative and fiscal management duties that the district expects the director of Student Nutrition to perform. One of the duties listed is to "ensure that programs are cost

effective and funds are managed prudently." The director of Student Nutrition and central office staff collect financial and meals data but do not use the data to analyze, monitor, and control costs to ensure the program breaks even and is self-supporting.

For example, the director of Student Nutrition and central office staff has a database that lists staff by location with the number of hours and their annual salary. The director uses the database to confirm staff assigned to each location for payroll purposes, to assign substitutes in case of employee absence, to assign staff to newly opened schools, to assist with budget preparation, and to support the filing of the annual severe need claim. The director does not combine the staffing data with meal counts and sales data from the POS system to analyze employee efficiency by performing a MPLH analysis, which takes the number of meal equivalents served in a given time period and divides it by the total hours worked in the period.

In addition, the director of Student Nutrition does not monitor revenue and expenditure data from the district's financial system and the POS system to determine whether the program is operating at a profit or loss. The POS system contains information for calculating the income earned from sales and federal reimbursement of meals served. The Student Nutrition Department uses the POS information to prepare and submit required monthly CNPIMS reimbursement reports, verify deposits, and support budget development. The review team could not document other uses of the POS information.

The district's financial system contains information to monitor revenues and analyze labor and operating costs. The business office offers system training and provides principals and department managers with system access to individually manage their own programs using the report-generating capability. While the director of Student Nutrition does not have the training to electronically access the financial system or run the necessary revenue and expenditure reports, staff in the Student Nutrition Department central office has the access and ability to run reports as requested. The director of Student Nutrition generally relies on the business manager to do the financial monitoring and analysis and provide information. However, through interviews, the review team learned that the business manager does not perform any food service program financial monitoring or analysis. According to the business manager, this position's job duties do not include the food service program.

As a result, no district staff performs food service program financial analysis and monitoring, as shown in **Exhibit 6-1**, which shows standard types of

reports and analyses that food service departments use to monitor and measure efficiency.

The food service program has operated at a loss since 2001–02. As shown in **Exhibit 6-2**, the Student Nutrition Department has had a combined operating loss of \$220,180 during the three-year period from 2001–02 through 2003–04. The director of Student Nutrition indicated that significant expenditures related to replacement of aging and broken equipment contributed to the high rates of expenditures and the deficit. For the three-year period from 2001–02 through 2003–04, the district's total expenditures for replacement equipment were \$186,739. Without these expenditures, the district's combined operating loss for the three-year period would have been \$33,441 instead of \$220,180.

A transfer from NISD's General Fund in 2002–03 mitigated the negative effect on the district's Food Service Fund balance. The transfer reflected previous

years' revenue from vending machine receipts that had not been deposited to the Food Service Fund, as required by federal regulations. The district initiated the transfer as the result of a finding from TEA's November 2002 audit of NISD's food service program. Without the transfer, the ending fund balance would have sharply decreased by 65.2 percent to \$85,353.

In some instances, the director of Student Nutrition has taken steps to control costs and improve efficiency, including the replacement of aging equipment, the use of local food bids instead of cooperatives to purchase groceries, and the proposal brought to the board in April 2005 to switch to a new food cooperative to continue to lower food costs. In other instances, the director of Student Nutrition has generally continued existing practices without analyzing or proposing specific initiatives to increase revenue or reduce expenditures to eliminate the loss.

EXHIBIT 6-1
FOOD SERVICE OPERATION
REPORTS AND EFFICIENCY MEASURES

RECOMMENDED REPORT/USE	RECOMMENDED FREQUENCY	PREPARED BY NISD
Budget Analysis: provides means to monitor revenues and expenses by comparing to projected amounts.	Monthly	No documented analysis/report. Director of Student Nutrition reviews weekly expenditures and compares with previous month expenditures and against budget.
Profit and Loss Statements: show revenues, expenditures, and changes to fund balance over a period of time.	Monthly	No – annual financial report provides an annual statement.
Cash Flow Statement: shows the cash inflow (revenues) and outflow (expenditures) for a period of time.	Monthly	No documented cash flow statement. Director of Student Nutrition indicates that the district has documentation showing all deposits and expenditures.
Food cost as percent of revenues: provides a ratio to monitor food cost.	Monthly	No – director of Student Nutrition indicates that yearly bids and costs of each item are monitored.
Labor cost as percent of revenues: provides a ratio to monitor labor cost.	Monthly	No – director of Student Nutrition indicates that the department does not do this because labor is a fixed monthly cost.
Meals-per-labor-hour: provides an efficiency measure to monitor staff productivity.		No – director of Student Nutrition prepares a calculation of staff hours divided by student enrollment but not an MPLH calculation. Director of Student Nutrition indicates that the department will do this.
Pre- and post-meal pricing: provides comparison of estimated cost to actual cost to highlight issues related to the variance.	Monthly	No – director of Student Nutrition indicates that items are not bid out that are outside food cost range and that there are yearly bids to monitor costs.

SOURCE: School Foodservice Management for the 21st Century, Fifth Edition, 1999, and NISD director of Student Nutrition.

EXHIBIT 6-2
SUMMARY OF STUDENT NUTRITION DEPARTMENT'S FINANCIAL ACTIVITY
2001–02 THROUGH 2003–04

CATEGORY	2001–02	2002–03	2003–04 (INCLUDING TRANSFER)	2003–04 (EXCLUDING TRANSFER)
Beginning Fund Balance	\$297,542	\$245,574	\$321,613	\$131,808
Revenues*	\$ 2,523,155	\$2,663,040	\$2,872,054	\$2,872,054
Expenditures	\$ 2,575,123	\$2,776,806	\$2,918,509	\$2,918,509
Profit/(Loss)	(\$51,968)	(\$113,766)	(\$46,455)	(\$46,455)
Transfer In	\$0	\$189,805	\$0	\$0
Ending Fund Balance	\$245,574	\$321,613	\$275,158	\$85,353

*Includes other financing sources.

SOURCE: NISD audited financial reports 2001–02, 2002–03, and 2003–04.

For example, the director of Student Nutrition said that keeping meal prices at a minimum helps reduce the financial burden on district families. The director of Student Nutrition and the assistant superintendent of Administrative Services both indicated that there was a discussion of meal prices during the director's annual appraisal. However, the district did not provide the review team with any documentation showing that it had presented the impact of keeping prices the same when costs are increasing to administrators or the board.

In another example, the director of Student Nutrition has not analyzed staffing allocations or costs. The number of student days in 2004–05 is 179. However, the department assigns food service staff and managers a significant number of additional days beyond student days that is not comparable to other districts. The department assigns cafeteria staff 195 contract days (16 more than student days), and it assigns managers contract days ranging from 198 for elementary cafeteria managers to 201 for middle and high school managers (19 and 22 more than student days) and 205 for the central kitchen manager (26 more than student days). Two other districts that the review team contacted indicated that they provided three to four additional days to cafeteria staff beyond student days for training and cafeteria opening and closing and between six and 10 days of additional time for managers.

When asked how he determined the number of contract days, the director of Student Nutrition said it was like that when he arrived. The 195 contract days provided to staff consists of 179 school days with four days for cafeteria opening and clean up, two days for staff development, and 10 days for sick and personal leave.

Although the director of Student Nutrition is responsible for financially managing the program, district management has not formally defined financial objectives and goals for the program. The board and district administrators have not defined objectives such as whether the program is to be self-supporting or a source of revenue to cover indirect costs paid for by the General Fund budget, or whether it should keep charging low prices to students. The director of Student Nutrition said that the department did not have a mission statement, goals, or objectives.

In addition, the board and district management do not require the director of Student Nutrition to report program performance or hold the director of Student Nutrition accountable for poor financial performance. Neither the assistant superintendent of Administrative Services, the superintendent nor the board has required the director of Student Nutrition

to provide monthly or quarterly program status reports showing whether the program is cost-effective or whether it is operating at a profit or a loss. The program has sustained operating losses in each of the last three years. However, the district has not required the director of Student Nutrition to analyze the causes for the losses and develop and present specific options to administrators and the board to increase revenues or reduce expenditures to ensure the program does not continue to operate at a loss in future periods.

The assistant superintendent of Administrative Services indicated that financial management was a focus during the director's 2002–03 and 2003–04 performance evaluations with emphasis on improving participation and monitoring budget. However, the evaluations did not include specific, measurable goals that would allow the district to hold the director of Student Nutrition accountable for the program's financial performance. Examples of measurable goals include: improve student participation by 1 percent, maintain a two-month operating fund balance level, or reduce operating losses by 10 percent.

Well-managed food service operations have three components: defined financial performance goals and objectives, ongoing and timely financial monitoring to contain costs to meet the goals and objectives, and accountability for program performance.

Many district food service managers work with the administration and board to define the financial goals and objectives of the food service program. In Galena Park and South San Antonio ISDs, for example, both department directors indicated that they stressed financial performance and being a self-supporting operation and that they were accountable for the financial performance of the program as well as its operational performance.

To perform ongoing and timely financial monitoring and efficiently monitor and control costs, school food service managers use automated reports and cost models. The director of Food Services for South San Antonio ISD (SSAISD) identified the financial measures that he wanted to track on a monthly and cumulative basis and developed a spreadsheet profit and loss model to efficiently monitor SSAISD's food service operations. The spreadsheet workbook contains five linked spreadsheets: a meals and claim spreadsheet that includes an MPLH analysis, a monthly profit and loss calculation by cafeteria, a summary of year-to-date profit and loss, a department recap that summarizes information for the board, and a summary of the department budget.

The director of Food Services at SSAISD inputs labor, food, and meal counts from tracking sheets into the model. The model automatically generates the MPLH calculations from the meal counts entered and calculates the reimbursement. It also automatically generates the department recap.

The district should define financial goals for the food service program and require the director of Student Nutrition to financially monitor and report results to the board. The director of School Nutrition should work with the board and senior administrators to define the financial goals and benchmarks of the food service program. This collaboration to define the financial goals and benchmarks should result in the identification of types and frequency (quarterly or semi-annually) of financial reports needed to achieve the goals.

Examples of financial goals, benchmarks, or standards that the director should consider include:

- maintaining a self-supporting financial food service program;
- maintaining an optimum fund balance of three months' expenditures;
- identifying all costs and using excess fund balance to cover indirect costs paid by the General Fund;
- meeting MPLH industry standards at all cafeterias; and
- maintaining a 40 percent labor cost-to-revenue ratio and a 40 percent food cost-to-revenue ratio.

In addition, the director of Student Nutrition should work with the business manager to design and develop management reports specified by the board and senior administrators to measure and report the department's financial and operating efficiency.

Based on predetermined goals the director of Student Nutrition should develop reports that include:

- budget to actual comparisons for revenue and expenditures;
- monthly MPLH;

- monthly and year-to-date profit and loss; and
- projected fund balance and actual impact.

Finally, the board should also require senior administrators to incorporate the goals and standards in the director of Student Nutrition's annual performance evaluation to hold the director accountable for program performance.

MEALS PER LABOR HOUR (REC. 36)

NISD does not control labor costs by using the food service industry standard, MPLH, to manage staffing levels for the Student Nutrition Department. The director of Student Nutrition does not use MPLH calculations to set expected productivity at individual schools or districtwide. The evaluation team could not find documented MPLH targets for any specific school or districtwide. When asked how staffing is allocated or performance is measured, the director of Student Nutrition said that he takes the enrollment of a school as a proxy for meal equivalents and divides it by the number of hours worked in the individual kitchen. However, the director does not calculate MPLH using the industry formula.

MPLH is a standard used to measure the efficiency of school districts, hospitals, restaurants, and other food services operations. MPLH is the number of meal equivalents served in a given period divided by the total hours worked during that period. The formula consists of calculating meal equivalents by taking the number of lunches plus an equivalent number of breakfasts and a la carte sales. Calculating MPLH includes converting breakfasts (with smaller serving sizes) and lunches (with a la carte sales) to lunch equivalents.

Exhibit 6-3 shows meal equivalent conversions for NISD. The review team has adjusted industry meal equivalent standards for NISD breakfasts and a la carte sales based on aspects of its operations. The review team adjusted the breakfast meal equivalent because NISD serves several breakfast items that it prepares from scratch, requiring additional staff time. The review team also adjusted the a la carte sales equivalents to reflect that NISD meal prices have not increased for several years to help reduce the financial burden on district families.

Exhibit 6-4 outlines the MPLH industry standards used to evaluate NISD's staffing.

**EXHIBIT 6-3
CONVERSION OF NISD MEAL EQUIVALENTS**

TYPE OF MEAL	INDUSTRY MEAL EQUIVALENT STANDARDS	NISD CONVERTED MEAL EQUIVALENT STANDARDS
Lunch	1 Lunch = one meal equivalent	1 Lunch = one meal equivalent
Breakfast	3 Breakfasts = one meal equivalent	1.5 Breakfasts = one meal equivalent
A la carte	\$3 in a la carte sales = one meal equivalent	\$2 in a la carte sales = one meal equivalent

SOURCE: School Foodservice Management for the 21st Century, Fifth Edition, 1999.

**EXHIBIT 6-4
RECOMMENDED MPLH STANDARDS**

NUMBER OF EQUIVALENTS	MEALS PER LABOR HOUR (MPLH)			
	CONVENTIONAL SYSTEM		CONVENIENCE SYSTEM	
	LOW PRODUCTIVITY	HIGH PRODUCTIVITY	LOW PRODUCTIVITY	HIGH PRODUCTIVITY
Up to 100	8	10	10	12
101-150	9	11	11	13
151-200	10-11	12	12	14
202-250	12	14	14	15
251-300	13	15	15	16
301-400	14	16	16	18
401-500	14	17	18	19
501-600	15	17	18	19
601-700	16	18	19	20
701-800	17	19	20	22
801-900	18	20	21	23
901+	19	21	22	23

SOURCE: School Foodservice Management for the 21st Century, Fifth Edition, 1999.

To use MPLH, the review team calculated staff hours for each cafeteria. NISD has a central kitchen that prepares breakfasts and lunches that drivers then deliver to five schools: Carpenter, Fredonia, Nettie Marshall, Raguet, and Thomas J. Rusk Elementary schools. The calculation includes pro-rating 97 hours for central kitchen and delivery staff and adding it to the staff hours for each of these schools. The central kitchen staff hours were allocated based on the meal

equivalents served by each school for the period from August through December 2004, provided by the NISD Student Nutrition Department as shown in Exhibit 6-5.

Exhibit 6-6 compares NISD’s October 2004 MPLH for each school kitchen to the conventional system industry standard. The review team applied the following criteria to NISD’s school kitchens:

**EXHIBIT 6-5
ALLOCATION OF NISD CENTRAL KITCHEN STAFF
AUGUST-DECEMBER 2004**

CAFETERIA	MEALS SERVED BY CENTRAL KITCHEN	PERCENT OF TOTAL MEALS	TOTAL CENTRAL KITCHEN HOURS	ALLOCATED HOURS PER SCHOOL (PERCENT MEALS X TOTAL CENTRAL KITCHEN HOURS)*
Carpenter Elementary	106,418	21.5%	97	21
Fredonia Elementary	90,156	18.2%	97	18
Nettie Marshall Elementary	67,754	13.7%	97	13
Raguet Elementary	100,564	20.3%	97	20
Thomas J. Rusk Elementary	130,339	26.3%	97	25
Totals	495,231	100.0%		97

*NOTE: Hours have been rounded to the nearest whole number.
SOURCE: NISD Student Nutrition Department, January 2005, SDSM calculations.

**EXHIBIT 6-6
NISD MEALS PER LABOR HOUR COMPARISON
OCTOBER 2004**

CAFETERIA	DAILY HOURS	CENTRAL KITCHEN STAFF HOURS	TOTAL HOURS	AVERAGE DAILY MEAL EQUIVALENTS	NISD MPLH	INDUSTRY MPLH	MPLH VARIANCE (+/-)
Nacogdoches HS	130.50	0	130.50	1,663	12.7	17*	(4.3)
Mike Moses MS	75.50	0	75.50	803	10.6	17*	(6.4)
McMichael MS	83.00	0	83.00	992	12.0	18*	(6.0)
Brooks Quinn Jones ES	70.50	0	70.50	890	12.6	18	(5.4)
Carpenter ES	30.25	21	51.25	639	12.5	16	(3.5)
Fredonia ES	23.25	18	41.25	550	13.3	15	(1.7)
Nettie Marshall ES	23.25	13	36.25	437	12.1	14	(1.9)
Raguet ES	26.25	20	46.25	633	13.7	16	(2.3)
Thomas J. Rusk ES	44.00	25	69.00	783	11.3	17	(5.7)
Central Kitchen	97.00	(97)	0.00	N/A	N/A	N/A	0.0
Totals	603.50	0	603.50	7,390	12.2		(37.2)

*NOTE: The industry MPLH for Nacogdoches High School was adjusted from 19 to 17 to reflect six serving lines that require additional staffing. McMichael MPLH has been adjusted from 19 to 18 and Mike Moses MPLH has been adjusted from 18 to 17 to reflect four serving lines requiring additional staffing.
SOURCE: Student Nutrition Department, January 2005, SDSM calculations.

- October 2004 meal and labor statistics. October is the month with the largest number of serving days in the fall; and
- Conventional versus convenience system industry productivity standard (NISD prepares food conventionally, using fewer processed items, with more items prepared from scratch such as raw vegetables and homemade breads; however, the district uses some convenience items like disposable silverware at six schools).

The review team adjusted the MPLH industry standard for Nacogdoches High School and both middle schools to account for the number of serving lines. The number of serving lines requires additional staffing and affects MPLH. The high school has six serving lines requiring additional staffing, reducing MPLH from 19 to 17. McMichael Middle School's and Mike Moses Middle School's have four serving lines each, reducing MPLH by one serving lines to maximize the limited time available for students to eat. Decreasing the time in serving lines allows more time for consumption.

As shown in **Exhibit 6-6**, all of NISD's cafeterias MPLH are lower than the industry standard. The overall district MPLH is 12.2, and the district serves 37.2 fewer MPLH than the industry standard. When the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. The number of hours worked is a function of two variables: the number of staff employed and the hours per worker, both of which are controllable. To achieve the recommended MPLH, the food service operation would have to increase the number of meals served or reduce the number of staff or the hours worked by each staff.

Exhibit 6-7 compares NISD's hours by cafeteria to the daily hours based on the MPLH standard, taking

the number of average daily meal equivalents and dividing the MPLH to calculate the daily hours. When converting the MPLH to hours, the department staff as a whole has 160.5 excess daily hours, or approximately 36 percent more than the standard.

Many school districts use MPLH as a tool to develop strategies to control labor costs. San Marcos Consolidated ISD, a peer district selected for this review, uses MPLH to plan and control staffing costs. San Marcos Consolidated has established MPLH standards for each cafeteria level: 16-18 MPLH for elementary schools, 14-16 MPLH for middle schools, and 12-14 MPLH for high schools.

The director of Student Nutrition should establish a meal per labor hour standard (MPLH) for the central kitchen and each of the cafeterias and submit the standard to the assistant superintendent of Administrative Services and superintendent for approval. An analysis of current staffing levels and the amount of time needed to prepare and serve the required quantities of food should provide a basis for determining a MPLH standard. The director of Student Nutrition should use this standard to adjust staff levels to ensure efficiency in staff allocation. The director of Student Nutrition should also

consider reducing hours and/or days worked for cafeteria staff, eliminating staffing levels through attrition and/or termination, and developing strategies to increase the number of meals served at low MPLH schools to increase MPLH district wide.

Because the MPLH formula is the total number of equivalents divided by the total number of hours, a combination of labor reductions and/or increased meals will need to occur for the district to meet MPLH standards. The department should hire staff only for time needed.

EXHIBIT 6-7
NISD MPLH HOURS COMPARISON TO ADJUSTED STANDARD
OCTOBER 2004

CAFETERIA	AVERAGE DAILY MEAL EQUIVALENTS	MPLH STANDARD	DAILY HOURS		NISD HOURS OVER (UNDER)
			INDUSTRY STANDARD	NISD	
Nacogdoches High School	1,663	17*	97.8	130.50	32.70
Mike M. Moses Middle School	803	17*	47.2	75.50	28.30
McMichael Middle School	992	18*	55.1	83.00	27.90
Brooks Quinn Jones Elementary	890	18	49.4	70.50	21.10
Carpenter Elementary	639	16	39.9	51.25	11.35
Fredonia Elementary	550	15	36.7	41.25	4.55
Nettie Marshall Elementary	437	14	31.2	36.25	5.05
Raguet Elementary	633	16	39.6	46.25	6.65
Thomas J. Rusk Elementary	783	17	46.1	69.00	22.90
Totals	7,390		443.0	603.50	160.50

*NOTE: The industry MPLH for Nacogdoches High School was adjusted from 19 to 17 to reflect six serving lines that require additional staffing. McMichael MPLH has been adjusted from 19 to 18 and Mike Moses MPLH has been adjusted from 18 to 17 to reflect four serving lines requiring additional staffing.

SOURCE: NISD Student Nutrition Department, December 2004 and January 2005 and School Foodservice Management for the 21st Century, Fifth Edition, 1999.

By increasing meals or adjusting staffing to meet industry MPLH standards, NISD's Student Nutrition Department can eventually generate savings of \$200,558 annually by 2007–08. The savings are based on the assumption that NISD will reduce daily hours worked from 603.5 to 443 to meet industry standards. Cafeteria staff works 195 days per year. Reducing daily hours by 160.5 is equivalent to annual hours of 31,298 (160.5 daily hours x 195 days worked by cafeteria workers). The hourly rate for starting food service workers is \$6.00 per hour. Fringe benefits are 6.8 percent of salary. Total savings are \$200,558 (31,298 annual hours x \$6.00 x 1.068 = \$200,558).

The fiscal impact assumes that the reduction in hours will begin in increments starting in 2005–06 with a reduction of 40 labor hours per day, 80 labor hours per day in 2006–07, and finally 160 labor hours per day in 2007–08. Total savings are \$49,982 in 2005–06 (40 daily hours x 195 days x \$6.00 x 1.068 = \$49,982), \$99,965 in 2006–07 (80 daily hours x 195 days x \$6.00 days x 1.068 = \$99,965).

The fiscal impact also assumes that the opening of the ninth grade center in the fall of 2005 will not require additional staff, since the district is not gaining new students but transferring them to a new location. If the district elects to serve students in the new ninth grade center, the review team assumes that some existing staff from the high school will transfer there because of the shift.

Any savings realized from a reduction in staffing hours in the Student Nutrition Department would result in an increase to the Food Services Fund balance and not to the General Fund. The federal government subsidizes food service operations, and federal law restricts the use of these proceeds to funding only food service operations, including equipment purchases.

ALLOCATION OF OVERHEAD COSTS (REC. 37)

NISD's food service program is using General Fund resources to supplement the program because it is not self-supporting and does not have an adequate fund balance to fund all appropriate overhead costs for its operations. The district does not have adopted policies that require the food service program to be self-supporting, define an optimum fund balance, or require that all appropriate overhead costs be allocated to the Food Service Fund. There are also no administrative procedures to identify and allocate all costs.

NISD's food service program is not self-supporting and has operated at a loss for the past three years (**Exhibit 6-2**). The district has used fund balance,

which has declined, to cover the loss. The 2003–04 fund balance of \$275,158 is less than one month of operating expenditures. To maintain non-profit status, food service operations may maintain up to three months of operating expenses. A prudent fund balance is considered to be between one and two months of operating expenditures.

The district also does not have processes and procedures in place to identify all costs or methods to pro-rate shared costs. In 2004–05, the Food Service Fund pays for general operating costs such as labor, staff development, supplies, promotion materials, waste removal, and advertising. It also covers capital equipment and technology costs and the costs for the purchase of its delivery trucks and their fuel and maintenance.

However, the district does not allocate shared operating costs, such as custodial services and maintenance support, some utilities, and general business and human resource support, to the Food Service Fund. The General Fund, which supports classroom instruction and activities, pays these costs.

The district charged utility costs for the Student Nutrition Department's central kitchen to the Food Service Fund, but not utility costs for the other cafeterias. The central kitchen utility costs are allocated to the Food Service Fund because the central kitchen is separately metered. Since cafeterias located within schools are not separately metered, the district's Business Office elects to charge the entire cost to the General Fund instead of allocating a portion of the utilities for the cafeterias to the Food Service Fund.

The district also does not allocate other allowable costs to the Food Service Fund. For example, NISD's Plant Services Department staff repairs cafeteria equipment, cleans the cafeterias, and performs other maintenance tasks at the central kitchen and cafeterias. The director of Plant Services said the Student Nutrition Department usually pays for parts used to repair central kitchen and cafeteria equipment, but the department does not generally track or charge labor costs and materials that do not have to be specifically purchased for the repair. The Plant Services Department budget, which is funded by the district's General Fund, bears these costs.

Custodians assist with the cleanup of the cafeterias, but the department does not track their time or charge their cost to the Food Service Fund. In addition, the district has not developed a cost allocation process for support functions such as the Business Office and Human Resources Department so that it can charge a prorated share of these costs to the Food Service Fund.

According to federal regulations, school districts can only use food service profits for food service operations. When districts do not allocate expenses used to generate food service revenue, such as utilities, maintenance, and custodial services, to the food services operations, they must use the General Fund to pay for these costs. This results in fewer funds available for instructional use. In addition, the true cost of operating the program is understated.

Effective school food service programs define and maintain prudent fund balance levels, evaluate all costs that contribute to food service operations, and allocate available fund balance to cover these costs. In allocating costs, they use a pro rata basis such as square footage for items such as utilities. For salaries and materials, many use cost allocation methodologies supported by an analysis of actual time and materials.

The Galena Park ISD (GPISD) Student Nutrition Services Department aggressively monitors and uses its available fund balance to allocate costs of overhead to its Food Service Fund budget, reducing the costs paid from the general operating fund. GPISD's Student Nutrition Services Department budgets funds utilities (based on a percent of facility use), capital equipment, kitchen renovations, garbage removal, fees for check printing, delivery truck and fuel, printing, reproduction and postage costs, equipment maintenance costs, promotional materials, and maintenance and computer support.

GPISD's Student Nutrition Services Department does not fund custodial services since cafeteria staff is responsible for the majority of cleaning and trash removal in the cafeterias. The director of Student Nutrition Services works jointly with the director of Finance and Budget to analyze costs annually and adjusts budget allocations as appropriate.

The cost allocations represent approximately four percent of the total Student Nutrition Services Department operating expenditures and totaled \$178,669 in 2003–04. This means that GPISD's general operating fund paid less for these costs, leaving it with more money to support classroom functions.

The board should adopt a policy directing the director of Student Nutrition to implement strategies to achieve self-supporting food service operations with a target fund balance of two months of operating expenditures within three years. Identify all allowable food service costs and develop a three-year phased approach to allocate all allowable operating costs to the Student Nutrition Department while maintaining prudent fund balance levels. The board policy should also require that administration identify

the allocation of all appropriate food service-related expenditures, such as utilities, waste removal, maintenance, custodial, and business office support, to the Food Services Fund. The business manager should work with the directors of Student Nutrition and Plant Services to develop administrative procedures to identify all allowable food service costs. The director of Student Nutrition should work with the business manager to phase in the allocation of food service costs, while maintaining target fund balance levels. The department should maintain documentation validating the cost allocations made.

STUDENT ELIGIBILITY DETERMINATION (REC. 38)

NISD does not actively identify eligible students for free or reduced-price meals during the school year, so the district is not maximizing the receipt of state compensatory education revenues. At the beginning of the school year, the district gives eligibility forms, including a multi-child family application, to students, and it includes them in new student enrollment packets. Student Nutrition Department staff reviews returned applications to ensure that it identifies students in the program the previous year who are enrolled at NISD in the current year.

The Student Nutrition Department has also set up a table at Wal-Mart prior to the school year to receive applications and placed notices in the newspaper and on the local television station informing parents and students that the Student Nutrition Department will be open on a specific date prior to the opening of school to receive applications. The department also sends information home with prospective students during the district's annual kindergarten roundup. While the district has initiatives at the beginning of the year to qualify students, there are no special initiatives during the school year to attract attention to the program, to identify eligible students who have not applied, or to emphasize that the district is losing funding for eligible students who have not applied.

The compensatory education funding allotment flows to school districts based on the number of students identified as economically disadvantaged. The criteria used for determining the number of economically disadvantaged students is the highest six months' enrollment of students eligible for - free or reduced-price meals in the previous year. Allocating these funds to districts enables the provision of supplemental services to students at risk of dropping out of school.

Most Texas school districts receive approximately \$500 to \$800 per child annually in compensatory funds for every child found eligible for free and reduced-price meals. NISD's 2003–04 compensatory educational allotment is \$529 per student.

NISD as of December 2004 has 4,313 applications for students eligible for free or reduced-price meals as shown in **Exhibit 6-8**.

By failing to identify all students eligible for free and reduced-price meals, NISD is losing state compensatory education funds. Identifying students who are eligible for free and reduced-price lunches and breakfasts is a difficult process. Parents are sometimes reluctant to complete program applications because of pride, or they may not understand the forms. In addition, students may not want their school to identify them as economically disadvantaged and request that parents leave them off the applications. Some successful programs that Texas school districts use to ensure all eligible families are enrolled in the free and reduced-price meal program include:

- Incentive awards—Giving prizes to students and parents for completing an eligibility application. The contest is open to all students regardless of family economic status. There is no stigma attached to the application process since all students could complete an application and be eligible for the prizes, which have included televisions and bicycles in various districts.
- Advertising campaigns—Using billboards, posters, and flyers to disseminate information about the program in a positive manner.
- Parental assistance—Providing parents with assistance in completing applications. This technique is critical for non-English-speaking or illiterate parents.
- Multi child-family identification—Districts work to make sure they automatically qualify all children within a family, even if the parent fills out a form for only one child.

- Direct certification—Some districts do not require families to complete an application for the federal free and reduced-price meal programs if the Texas Department of Human Services has already pre-certified the children as eligible through the Temporary Assistance for Needy Families (TANF) program.
- Campus-based at-risk budgeting—Other school districts encourage principals to aggressively qualify eligible students to increase funds for at-risk programs by linking their campus budgets to the number of identified students. In the Texarkana ISD, for example, principals are motivated to identify every eligible child for the program because their campus’ compensatory budget links directly to the number of children identified as eligible.

The district should develop initiatives to identify eligible students and increase applications for free and reduced-price meals. The department should conduct initiatives during the school year that increase awareness of the free and reduced-price meal program, resulting in increased registration of eligible students and subsequently increased revenue to the district. The Student Nutrition department should provide information to students and parents explaining the program, the benefit to the students, and the additional revenue potential for the district. District staff should emphasize that it will keep enrollment confidential. The Student Nutrition department should maintain records to track which initiatives are successful, so it can repeat those in subsequent years and discontinue the unsuccessful initiatives.

Identifying and increasing applications from eligible students by only 2.5 percent would increase compensatory education funds to NISD by \$57,132

**EXHIBIT 6-8
NUMBER OF STUDENTS REGISTERED FOR FREE AND REDUCED-PRICE MEALS
DECEMBER 2004**

CAFETERIA	STUDENTS ON FREE MEALS	STUDENTS ON REDUCED-PRICE MEALS	TOTAL STUDENTS
Nacogdoches High School	780	110	890
Mike Moses Middle School	366	58	424
Mc Michael Middle School	445	49	494
Brooks Quinn Jones Elementary	637	57	694
Carpenter Elementary	347	33	380
Fredonia Elementary	275	42	317
Nettie Marshall Elementary	214	33	247
Raguet Elementary	345	38	383
Thomas J. Rusk Elementary	418	46	464
NISD/SFA Charter School	18	2	20
Totals	3,845	468	4,313

SOURCE: NISD Student Nutrition Department, Monthly Report, December 2004.

annually. This is estimated by increasing the number of students that receive free or reduced-price meals by 108 (4,313 applications as of December 2004 x .025 = 108). The additional 108 applications would increase compensatory funds to the district by \$57,132 and cost the state treasury (108 additional applications x \$529 per student = \$57,132). Because compensatory education enrollment is based on the

prior-year six-month average of eligible students, NISD would not receive compensatory funding for additional eligible students identified in 2005–06 until 2006–07.

For background information on Food Services, see p. 174 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
35. Define financial goals for the food service program; require the director of Student Nutrition to financially monitor the program and report results to the board.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36. Establish a meals per labor hour standard (MPLH) for the central kitchen and each of the cafeterias and submit the standards to the assistant superintendent of Administrative Services and superintendent for approval.	\$49,982	\$99,965	\$200,558	\$200,558	\$200,558	\$751,621	\$0
37. Implement strategies to achieve self-supporting food service operations with a target fund balance of two months of operating expenditures within three years.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38. Develop initiatives to identify eligible students and increase applications for free and reduced-price meals.	\$0	\$57,132	\$57,132	\$57,132	\$57,132	\$228,528	\$0
Total Chapter 6	\$49,982	\$157,097	\$257,690	\$257,690	\$257,690	\$980,149	\$0



Chapter 7

Facilities Management

CHAPTER 7

FACILITIES MANAGEMENT

A comprehensive facilities department includes building maintenance, grounds maintenance, custodial services, and energy management and should effectively coordinate all physical resources in the district. The program's objective is to provide a safe and clean environment for students and to integrate facilities planning with other aspects of school planning.

The Nacogdoches Independent School District's (NISD) facilities total 986,718 square feet of space in ten schools and a number of support facilities. The ten schools account for 925,318 square feet of space and include one high school, two middle schools, six elementary schools, and a charter school. Support facilities include an administration building, maintenance shop, bus barn, and athletic facilities.

In 2001, district voters passed a \$46.9 million bond package to fund a new elementary school, a new middle school, a ninth grade center at the high school, and renovations at other schools. Construction is complete for all projects except the ninth grade center, which the district plans to complete in the summer of 2005 and open for classes at the beginning of 2005–06.

The Plant Services Department includes 112 positions and is responsible for cleaning and maintaining district facilities and grounds. The director of Plant Services, who reports to the assistant superintendent of Administrative Services, heads the department, manages all NISD facility operations, and serves as the district's construction project manager for the bond projects. There are three administrative positions in the Plant Services Department, including one secretary who performs clerical duties for the department, supports the directors and three supervisors, and maintains the work order system. There are two half-time receptionists that share clerical duties, primarily answering the phone and time-keeping. There are three supervisors in the department, a supervisor of Grounds and Custodial who supervises custodians and groundskeepers, a supervisor of Maintenance who supervises maintenance and repair staff, and a nighttime custodial supervisor. In addition to the Plant Services Department, the director of Plant Services also supervises the warehouse and receiving operation. Staffing for each of the three major functions of the department is as follows:

- **Custodial Operations** staffing includes the supervisor of Grounds and Custodial, a nighttime custodial supervisor, and 75.5 full-time equivalent (FTE) positions. This staff

cleans 933,331 square feet of building space, an average of 12,362 square feet per custodian, significantly less than the industry average of 20,000 square feet per custodian.

- The **Grounds Operations** staff reports to the supervisor of Grounds and Custodial and includes 14 staff (two crew leaders and 12 groundskeepers with one vacant position) that is responsible for maintaining 236 acres of grounds, including athletic fields. Each staff member maintains 16.9 acres on average, which compares favorably to the industry standards of one staff per five acres of intensely maintained grounds such as athletic fields and entrances to schools and one staff per 25 acres for routine maintenance.
- **Maintenance Operations** includes the supervisor of Maintenance, 11 craft positions, and two general maintenance positions (12.5 FTEs). The department has one carpenter, two electricians, one plumber, one hardware and security specialist, one appliance technician, and five Heating-Ventilation-and-Air-Conditioning (HVAC) system repair staff. Industry standards from the Association of Physical Plant Administrators (APPA) suggest ranges from one staff per 200,000 square feet for carpenters to one staff per 500,000 square feet for general maintenance. NISD maintenance staff, based on recommended square feet per maintenance technician, falls below the industry-suggested ranges.

FINDINGS

- NISD lacks a custodial staffing formula and its custodial staffing levels exceed recommended industry standards for custodial operations, resulting in unnecessary costs for the district.
- The director of Plant Services does not use the available automated work order system to effectively manage district maintenance operations. The Plant Services Department has not updated its automated work order system software to efficiently generate and track work orders or obtained technical system support to provide staff with the knowledge to effectively use the system.
- NISD does not periodically track the condition of its facilities to identify deferred maintenance needs.
- NISD lacks a facilities planning committee and does not have a long-term facilities master plan.

- NISD did not develop comprehensive standard specifications when it constructed new facilities and made renovations to existing buildings during the 2001 bond program.

RECOMMENDATIONS

- **Recommendation 39 (p. 102): Develop a custodial staffing formula that meets industry standards and reduce custodial staffing accordingly.** The supervisor of Grounds and Custodial and the director of Plant Services should develop custodial staffing levels based on industry standards and use the standards to develop budget needs and assign custodians to district facilities. The director of Plant Services and the supervisor of Grounds and Custodial should also review work schedules, cleaning practices, and tasks to ensure that custodians are performing their assigned duties efficiently.
- **Recommendation 40 (p. 105): Update the district's automated work order system and produce management reports to monitor productivity and track costs.** The director of Plant Services, with the assistance of the director of Technology, should analyze the current system, identify desired features, and determine whether to purchase an updated version of the district's existing work order system or purchase a new system. The system selected should be web-based to enable users to enter work requests and electronically send them to the Plant Services Department to eliminate work order data entry by the Plant Services Department staff.
- **Recommendation 41 (p. 106): Develop a process to document and periodically monitor the condition of district facilities.** Plant Services Department staff should conduct a comprehensive annual inspection of all facilities and compile a list of deferred maintenance issues along with the estimated cost to make the needed repairs. The department should prioritize the list and send it to the assistant superintendent of Administrative Services so identified surplus funds may be allocated. The department should also submit an up-to-date list during the annual budget process to assist in allocating funding to priority projects. The staff should develop a process to add and delete deferred maintenance projects as they occur.
- **Recommendation 42 (p. 107): Establish a facilities planning committee to develop a long-term facilities master plan, and update it annually.** NISD should establish a facilities

planning committee, with the director of Plant Services serving as the chairman, to develop a comprehensive facilities master plan and update it annually. NISD should update and maintain key facility use data identifying classroom and building use to develop utilization rates and incorporate the data in a facilities master plan. The district should outsource a comprehensive facilities assessment to a consultant or hire consulting services on an as-needed basis as an extension of staff.

- **Recommendation 43 (p. 110): Develop specification standards for materials and equipment and incorporate the standards in replacements and upgrades.** The director of Plant Services, with assistance from school, maintenance, custodial, and central office staff, should develop a set of standard specifications for district facilities. The district should use the set of standard specifications when it undertakes repairs, replacements, or renovations. The specifications should include: ceiling tiles, carpet, light fixtures, floor tile, restroom partitions, plumbing fixtures, roofing material, wood for cabinets, paint, HVAC equipment, and furniture for classrooms, laboratories, and libraries.

DETAILED FINDINGS

CUSTODIAL STAFFING FORMULAS (REC. 39)

NISD lacks a custodial staffing formula and its custodial staffing levels exceed recommended industry standards for custodial operations, resulting in unnecessary costs for the district. The supervisor of Grounds and Custodial does not use specific staffing formulas to assign staff. The district cleans 933,331 square feet of space out of 986,718 square feet of space in the district. The amount of space cleaned by each custodian currently averages 12,362 square feet per custodian, based on 75.5 FTE positions. When the new ninth grade center opens in August 2005, adding 114,939 square feet of space to clean, the average area cleaned by each custodian will increase to 13,884 square feet.

NISD generally schedules custodial duties when children are not in the classrooms. The workday is 8 hours, with 30 minutes for a meal break. Custodians report to work at different times with day custodians reporting to work between 6:00 AM and 7:00 AM. Other custodians report to work starting at 11:00 AM up until 2:00 PM. Shifts end at 7:00 PM to 8:00 PM at the smaller elementary schools (Carpenter, Fredonia, Marshall, and Raguette) and the administration building. Shifts at the other schools and the field house end at 10:00 PM. Two custodians work a split shift.

Even though the district’s custodial staff exceeds industry standards, the cleanliness of NISD facilities varies due to the lack of documented cleaning standards for supervisors and head custodians and the limited training programs. The usage, age, and condition of individual schools also contribute to the problem. For example, the high school has 10-year-old carpet in its corridors and wall finishes that the staff cannot effectively clean. Newer schools have tile and linoleum in their corridors and wall finishes that the custodial staff can scrub. **Exhibit 7-1** shows responses to the survey about facilities use.

Survey comments echoed the results. The high school in particular received many comments related to the cleanliness and pest problems. Representative examples of teacher, student, principal, and parent comments regarding cleanliness include the following:

- “I have worked on one campus 10 plus years. The cleanliness has declined a tremendous amount. I realize that staffing may be an issue. I had a good relationship with each custodial employee, but to be honest their work is not good. Empty the trash, sweep, and mop, that’s it.”
- “When a teacher cannot leave a sealed package of food in their desk with out having rats invade their space, eat/contaminate the food, then leave their waste, the facilities are not sanitary.”
- “NHS has a severe rodent and insect infestation. I have sat in meetings and watched rodents run along baseboards or had to move my seat because ants were all in the carpet and biting me. The facility is filthy.”
- “Older schools have rat infestation and custodial maintenance is disgusting because the custodial staff does not clean properly when it comes to sanitation and overall cleanliness of floors, sinks, and toilets.”
- “I consider it a blessing and privilege to be in one of the new buildings. However, it is only

halfway through the first year the doors have been open and it is filthy. The floors in the classrooms aren’t mopped regularly. The desks aren’t wiped down. The counters are never cleaned. Nothing is dusted.”

While the supervisor of Grounds and Custodial and the night supervisor use a quality evaluation form to rate each school as to whether it meets standards, the district has not established formal standards. The supervisors evaluate schools every other week. The supervisor of Grounds and Custodial stated that he also uses the custodial staff performance appraisal prepared at least once a year to evaluate the cleanliness of the schools, but the form does not specifically address cleanliness of the facility as an evaluation item. The district’s custodial training program consists of showing videos supplied by its chemical supplier once each month. Without documented standards and consistent training, NISD does not have the ability to evaluate improvements in work production or quality of cleaning.

In 1998, APPA published industry standards for cleaning school facilities in *Custodial Staffing Guidelines Second Edition*. APPA bases these standards on five defined levels of cleanliness, ranging from orderly spotlessness (level 1) to unkempt neglect (level 5). The APPA recommends staffing service levels for various types of spaces at each level. APPA bases these standards on the assumption that there is a direct correlation between the amount of available resources and the appearance of the facilities.

APPA formulas tie the five levels to the number of workers required to produce a given level of appearance. As an example, one custodian should be able to maintain 8,500 square feet of classroom space with a hard floor at level 1 and up to 45,600 square feet at level 5. The APPA recommends the use of level 2 (ordinary tidiness) as an appropriate level to evaluate staffing in most cases. The following define this level of cleanliness:

- Floors and base moldings shine and are bright and clean. There is no buildup in corners or

**EXHIBIT 7-1
NISD FACILITIES USE SURVEY RESPONSES
JANUARY 2005**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
Teachers	12.0%	19.4%	33.3%	16.8%	5.2%	13.6%
Students	48.0%	19.6%	16.9%	8.4%	1.8%	5.3%
Parents	24.1%	10.3%	41.4%	20.7%	3.4%	0.0%
Principals	0.0%	13.3%	46.7%	40.0%	0.0%	0.0%
Administrators	4.5%	0.0%	27.3%	40.9%	27.3%	0.0%
Professional Staff	8.0%	9.3%	28.0%	32.0%	8.0%	14.7%
Support Staff	2.2%	2.2%	37.0%	39.1%	4.3%	15.2%

SOURCE: NISD School Review Surveys, January 2005.

along walls, but there can be up to two days worth of dust, dirt, stains, or streaks.

- All vertical and horizontal surfaces are clean, but marks, dust, smudges, and fingerprints are noticeable upon close observation. Lights all work and fixtures are clean.
- Restroom fixtures and tile gleam and are odor-free. Supplies are adequate.
- Trash containers and pencil sharpeners hold only daily waste and are clean and odor-free.

Level 2 (ordinary tidiness) is the standard used to evaluate NISD facilities and staffing. The formula uses an average of 20,000 square feet per custodian for schools and 21,000 square feet for facilities that are primarily office space. The definition of school space includes classrooms, offices, public areas, kitchens, auditoriums, and gyms. **Exhibit 7-2** compares NISD staffing levels to these standards. This comparison includes all custodial cleaning positions in the calculations except for the night supervisor, supervisor of Grounds and Custodial, and the night supervisor in training.

According to APPA industry standards the district should reduce staffing by 23.5 FTE positions. The supervisor of Grounds and Custodial and the director of Plant Services should develop a custodial staffing formula that meets industry standards. The standards should be used to develop budget needs and assign custodians to district facilities. The

director of Plant Services and the supervisor of Grounds and Custodial should also review work schedules, cleaning practices, and tasks to ensure that custodians are performing their assigned duties efficiently.

The National Clearinghouse for Educational Facilities at www.edfacilities.org/rl/cleaning.cfm provides many examples of custodial and maintenance manuals, procedures, and standards. The director of Plant Services, with assistance from principals, should obtain sample standards and customize them for NISD. Once the director of Plant Services and the supervisor of Grounds and Custodial develop the standards, they should develop procedures that support the standards and train the custodians using the procedures.

The director of Plant Services should also develop cleanliness evaluation checklists to assess the cleanliness of schools and use the checklists to monitor how well the staff is cleaning the schools. The night custodial supervisor should complete the checklist at least once a week for each school, and the supervisor of Grounds and Custodial should complete the checklist at least once a month for each school. The night supervisor should also randomly place evaluation forms in different classrooms and offices to obtain user feedback. Once each quarter at unscheduled times, the director of Plant Services should request principals at each school to complete the checklist.

**EXHIBIT 7-2
COMPARISON OF NISD CUSTODIAL STAFFING NEEDS TO INDUSTRY STANDARD
2004-05**

SCHOOL/FACILITY	TOTAL GROSS SQUARE FEET	CURRENT CUSTODIAL STAFF	SQUARE FEET PER CUSTODIAN	STAFF BASED ON 20,000 SQUARE FEET PER CUSTODIAN	OVER (UNDER) STANDARD	OVER (UNDER) ROUNDED TO HALF-TIME POSITION
Nacogdoches High School	208,022	15.0	13,868	10.4	4.6	4.5
Mike M. Moses Middle School	113,970	13.0	8,767	5.7	7.3	7.5
McMichael Middle School	143,560	14.0	10,254	7.2	6.8	7.0
Brooks Quinn Jones Elementary	86,584	8.0	10,823	4.3	3.7	3.5
Carpenter Elementary	51,908	4.5	11,535	2.6	2.2	2.0
Fredonia Elementary	47,648	3.5	13,614	2.4	1.1	1.0
Nettie Marshall Elementary	52,788	3.5	15,082	2.6	0.9	1.0
Raguet Elementary	51,580	3.5	14,737	2.6	0.9	1.0
Thomas J. Rusk Elementary	136,186	6.5	20,952	6.8	(0.3)	(0.5)
E.J. Campbell Administration Building*	21,155	1.0	21,155	1.0	0.0	0.0
Field House/Press Box	13,200	2.0	6,600	0.7	1.3	1.5
1800 Douglas*	6,730	1.0	6,730	0.3	0.7	0.5
Current Totals	933,331	75.5	12,362	46.6	29.2	29.0
Ninth Grade Center**	114,939	0.0	0.0	5.7	(5.7)	(5.5)
2005-06 Totals	1,048,270	75.5	13,884	52.3	23.5	23.5

* 21,000 square feet per custodian applied to facility, which is primarily office space.

** Scheduled to open in 2005-06. The square footage cleaned by the custodial staff does not include the charter school located on the Stephen F. Austin State University campus and cleaned by university staff, one wing of the Thomas J. Rusk Elementary School currently used for storage, the bus barn, the day care center, the alternative education wing at the high school, and parts of the field house and maintenance facility.

SOURCE: NISD Supervisor of Grounds and Custodial, January 2005.

The district should develop a custodial staffing formula that meets industry standards and reduce custodial staffing accordingly. The district should immediately freeze vacant positions and reduce temporary staff to the extent possible. It should eliminate positions filled by substitutes before eliminating positions filled by permanent employees.

Applying the industry standard of 20,000 square feet per custodian to the current number of FTE positions determined the cost savings related to this finding. Adjusting staffing levels to industry standards will require NISD to eliminate 23.5 FTE positions and will reduce the district's annual salary costs by \$344,903 (23.5 positions x \$16,042 annual compensation = \$376,987). The basis of the cost savings is the annual minimum compensation of NISD fulltime custodians of \$16,042. This includes salaries of \$12,480 plus insurance premiums paid by the district of \$2,713 and fringe benefits for Medicare, workers' compensation, and retirement costing the district \$849 per custodian (\$12,480 salaries + \$2,713 insurance + \$849 other fringes = \$16,042).

MAINTENANCE WORK ORDER SYSTEM (REC. 40)

The director of Plant Services does not use the available automated work order system to effectively manage district maintenance operations. The Plant Services Department has an automated work order system, the Applied Computer Technology (ACT) system, purchased in 1995. Currently the director uses the system primarily as a log to track open work orders for which the staff has not performed the work. The system does not track the information necessary to effectively monitor workloads and costs. The staff does not enter all work orders into the system, including grounds, custodial, and emergency requests. Work order processing is inefficient, relying on manual preparation and faxing rather than electronic process. The department has not trained its staff to use the system.

When the designated liaison for a facility identifies a repair or other facility issue, he or she completes a work order form and faxes it to the Plant Services Department. The supervisor of Maintenance receives the work order request, assigns the work order to a technician, and forwards the work order form to the department secretary. The secretary enters the assignment into the work order system, prints a work order, and gives it to the assigned technician.

The staff does not enter grounds, custodial, or emergency requests into the system to generate work orders. The staff makes requests for emergency repairs or other facility issues that need immediate attention by phoning the Plant Services Department.

The supervisor of Grounds and Custodial handles grounds and custodial requests informally. The director of Plant Services, the supervisor of Grounds and Custodial, and the supervisor of Maintenance are all on 24-hour call to respond to emergencies at district facilities. The part-time energy manager is also on 24-hour call.

After completing the work, the technician or custodian marks the work order as complete and gives it back to the secretary to enter in the system. If the assigned technician or custodian reports the number of hours and materials used, the secretary enters them into the system. However, the director of Plant Services said that it has not been a priority or requirement to consistently show the costs of materials on the completed work order, and the department does not use a process to ensure that the staff reports all time. The review team sampled work orders for 2003–04 and through October 2005. None of these work orders included labor and material costs.

Because the department staff does not report labor and material costs, the district cannot use system reports to monitor productivity, evaluate cost efficiency, or determine appropriate staffing. For example, there is a report that shows costs per student and cost per square foot. However, the district cannot use it to analyze and manage its maintenance program because the system does not contain accurate cost data for labor and materials; thus, the report contains distorted ratios. Instead, the director of Plant Services and the supervisor of Grounds and Custodial rely on their experience and judgment to monitor workloads and cost effectiveness. The department bases its staffing on the amount of funds available, not documented needs and specific maintenance standards.

The district continues to partially use the ACT work order system, even though it has not purchased technical support for five years. The district has not trained the staff to take advantage of its capabilities. The work order system has a number of report capabilities listed on its menu screen, but administrative support staff was not aware of how to access the reports or what information the reports would provide. The only report used is a report that shows a list of uncompleted work orders. The supervisor of Maintenance uses this report to verify that the staff completes the requested work.

To effectively plan and manage daily operations, maintenance departments need accurate and timely information regarding service levels, workload assignments, and labor and material costs for the upkeep of its facilities. Without this information, the director must rely on personal judgment to evaluate

staff performance and department responsiveness. Historical information on repairs at a given facility should form the basis for replacement decisions and evaluation of preventive maintenance. Without this information, the maintenance director cannot develop documented support for increasing preventive maintenance or addressing deferred maintenance.

Many districts use automated systems to manage maintenance work orders. Districts such as Galena Park ISD use these systems to track information about work orders that manual systems do not usually track, including:

- work order number;
- location requesting the work;
- date received;
- personnel assigned;
- description of work;
- priority ID number;
- warehouse supplies used;
- supplies purchased;
- labor to complete request;
- vehicle driven;
- miles driven;
- action taken; and
- authorized signature.

Facility managers use these systems to control maintenance resources effectively. Such a system makes it easier to fill work orders, coordinate preventive maintenance, control inventory, and track equipment.

NISD should update the district's automated work order system and produce management reports to monitor productivity and track costs. The director of Plant Services, with the assistance of the director of Technology, should analyze the current system, identify desired features, and determine whether to purchase an updated version of the district's existing work order system or purchase a new system. The system selected should be web-based to enable users to enter work requests and electronically send them to the Plant Services Department to eliminate work order data entry by the Plant Services Department staff. The system should also allow managers to assign the work to a technician and generate a pre-numbered work order.

In purchasing the system, the district should purchase sufficient software licenses to implement the software for administrative support staff and

maintenance management. It should also procure training and technical support to enable each user to take advantage of the system's capabilities, including producing reports. Since most software has a one-year warranty and support, ongoing technical support costs start in year two of implementation.

The fiscal impact of this recommendation assumes the district will purchase a new system in 2005–06, with licenses for 10 users, that includes a module allowing users to electronically submit work requests. The software is a one-time cost of \$5,000. The fiscal impact also assumes that the district will purchase extended support costing approximately \$800 annually to provide staff with telephone and email-based technical support and updates to the system, which will begin a year after the district purchases the software.

FACILITIES DEFERRED MAINTENANCE ASSESSMENT (REC. 41)

NISD does not periodically track the condition of its facilities to identify deferred maintenance needs. Deferred maintenance is maintenance work that the department should perform according to maintenance management standards, but it defers the work to a future budget cycle or postpones it until funds are available. With the exception of the director of Plant Services inspecting building roofs each year, the district does not annually assess the condition of its facilities to identify items needing replacement, prepare a list of needed repairs and replacements and their estimated costs, or track completion of the repairs and replacements that occur.

In November 2003, the district compiled a list of projects to consider for funding using available maintenance and operations funds and interest earned on bond funds that it did not need to complete the bond projects (**Exhibit 7-3**). The district classified approximately one-third of the projects identified, such as replacement of roofs and air conditioning units and asbestos abatement, as deferred maintenance projects. The district did not prioritize these projects or track whether it ever completed them.

Deferred maintenance may result in increased safety hazards, poor service to the public, higher costs in the future, and inefficient operations. Identifying and tracking deferred maintenance issues provides management the information needed to prioritize the use of available funding. A deferred maintenance tracking system that assesses all facility conditions on an annual basis, adds projects when the district identifies needed repairs, and deletes projects when it funds and completes them, and makes the

**EXHIBIT 7-3
MAINTENANCE PROJECTS
NOVEMBER 2003**

LOCATION	PROJECT DESCRIPTION	AMOUNT
Nacogdoches High School	Repair bleachers/paint stadium (M&O money)	\$30,000
	Replace obsolete A/C controls	\$100,000
	Expand cafeteria (from 4 to 3 lunch periods)	\$5,000
	Add section of bleachers	\$25,000
	Replace field	\$400,000
	Add bathrooms, possibly at the north end of stadium	\$20,000
	Upgrade commons area	\$5,000
	Floor tiles to replace carpet in all corridors	\$20,000
	Greenhouse	\$100,000
	Upgrades to field house/paint, carpet, ceilings, and so forth	\$30,000
Mike Moses Middle School	Fencing around athlete field	\$10,000
	Goal posts	\$1,500
	Gas/water science labs	\$5,000
	Lockers for athletics/band practice areas	\$6,000
	Replace A/C controls	\$50,000
McMichael Middle School	Parking in front of new gym	\$30,000
	Concession stand/bathrooms	\$20,000
	Fencing around track and football field	\$10,000
Nettie Marshall Elementary	Pole gate	\$5,000
	Replace A/C units – minor repairs	\$75,000
Carpenter Elementary	Replace roof	\$20,000
Raguet and Fredonia Elementary Schools	Asbestos abatement/ceilings	\$150,000
Thomas J. Rusk Elementary (issue of fencing)	Playground equipment	\$50,000
Brooks Quinn Jones Elementary	Playground equipment	\$50,000
Southwest Student Transportation	Parking Area	\$20,000
E.J. Campbell Administration Building	Parking in rear	\$20,000
	Carpet hallway	\$5,000
Food Service	Cafeteria tables (fold-up with benches that seat 12)	\$10,000
Total Projects		\$1,272,500

SOURCE: NISD Plant Services Department, December 2004.

information readily available to management. It is critical to keep comprehensive information current on the condition of facilities to ensure that the district does not overlook the most needed repairs when funding is available. Without current information that provides management data on needed repairs, including a description of the problems that could get worse if not corrected, districts often have the tendency to use funding for new additions. Unless the district properly addresses the condition of its facilities and completes repairs/replacements in a timely manner, damage to facilities can occur and cost more to repair.

NISD should develop a process to document and periodically monitor the condition of district facilities. The Plant Services Department staff should conduct a comprehensive annual inspection of all facilities and compile a list of deferred maintenance issues along with the estimated cost to make the needed repairs. The department should prioritize the list and send it to the assistant superintendent of Administrative Services so identified surplus funds may be allocated.

The department should also submit an up-to-date list during the annual budget process to assist in allocating funding to priority projects. The staff

should develop a process to add and delete deferred maintenance projects as they occur.

FACILITIES MASTER PLAN (REC. 42)

NISD lacks a facilities planning committee and does not have a long-term facilities master plan. The district has the major elements of a facilities master plan in the demographic and facility information developed to support the bond construction program and the rezoning of the elementary and middle schools. The district has the opportunity to incorporate this information into a long-term facilities master plan to help ensure efficient use of facilities.

In June 2000, NISD completed a facility study that included an overview of the community, a fiscal analysis of the district’s tax base, bond election history, a condition appraisal of existing facilities, four planning scenarios, and existing student capacity by school. The district facilities task force used this information in the 2001 bond election. In December 2003, the district completed a demographic study of the district. This study projected increases in student population through 2013–14 using the following three scenarios: 361 students under a historical scenario, 422 under a moderate scenario and 549 students using a high scenario. For 2004–05, the

historical scenario projected student enrollment of 6,361. The district's actual enrollment was 6,365 students, a difference of only four students.

Other facility information used by the district to plan and monitor facilities is not easily accessible. Although the district provided the review team with requested information on square footage of facilities, the number of classrooms at each school, and other facility use data, NISD had to manually compile the information from building drawings, fire and safety floor plans, and the 2000 facility study maintained in the director of Plant Services' office. When compiling the information and during a subsequent tour of facilities, district staff could not consistently determine the current use of all rooms. Building drawings did not indicate current use to confirm classroom and building use rates.

School facility needs are constantly changing. Enrollments fluctuate, schools conceive new program initiatives, the relationship between schools and their communities is constantly evolving, and technology has altered the delivery of education. It would be hard to find any school building over five years old with every space used as originally intended. The challenge for districts is that often the taxpayers expect schools to last 40 years without a major retrofit, yet the programs provided by the school may change numerous times during that time period.

The initial step in planning requires the determination of capacity for each school facility with standards that govern student-to-teacher ratios and the amount of square feet required per student in the classroom. These standards should also deal with the minimum size of core facilities, such as gyms, cafeterias, and libraries, so that schools do not overload these facilities or use too many portable classrooms.

Effective planning requires accurate enrollment projections. These projections should be for at least five years in the future. Accurate projections require planners to examine neighborhood demographics and track new construction activity. Projections showing stable or declining enrollment are just as important to the planning process as projections showing growth.

Without a process to keep facility information current and an updated facilities master plan, the district does not have information to make informed decisions on allocating financial resources to its facilities, to plan beyond the scope of the bond program, or provide assurances that it has not redirected space intended for classrooms for other purposes. Districts often use poorly defined space

for alternative purposes to meet the immediate needs of a school or department, but this practice may not support the best use of facilities at a district level.

The Texas Association of School Administrators offers a facility planning service to Texas school districts that includes a thorough study of existing facilities and future building needs as well as demographic analyses and enrollment forecasts. Their facility study includes the following:

- an extensive evaluation of the condition and educational functionality of existing buildings and sites;
- a capacity analysis of all district educational facilities reflecting the district's instructional program;
- an evaluation of each school and facility to determine its best use, in light of local programs and state staffing and space requirements;
- a determination of technology capabilities within existing facilities;
- information relative to school facilities' conformance to state and federal mandates;
- a series of recommendations and options available to the district to meet current and projected facility needs;
- a 10-year enrollment forecast by grade, by school, and by district;
- historic school enrollment for the previous 10 years; and
- ethnic group enrollment forecasts for each year and each school.

NISD staff could easily incorporate many of the major elements of a facilities master plan that exist in recent studies into a master plan that the staff then updates annually. **Exhibit 7-4** describes the components of a facilities master plan, the parts of the plan currently in existence, and the actions needed to complete or update.

An accurate facility inventory is an essential tool in managing the usage of school facilities. Each school inventory should identify the use and size of each room. This enables planners to accurately set the maximum capacity of each school. The district should note modifications to schools in the inventory so it can keep the inventory up to date.

NISD should establish a facilities planning committee, with the director of Plant Services serving as the chairman, to develop a comprehensive facilities master plan and update it annually. A facilities planning committee should consist of

**EXHIBIT 7-4
FACILITIES MASTER PLAN
RECOMMENDED COMPONENTS**

COMPONENT	BEST PRACTICE OR CRITERIA	CURRENT STATUS	NEEDED ACTIONS
Facility Capacity	Districts establish the capacity of each school facility by setting standards that govern student/teacher ratios and the amount of square feet required per student in a classroom. These standards deal with the minimum size of core facilities—gyms, cafeterias, and libraries—so that schools do not overload these facilities or overuse portable classrooms.	Included in the 2000 Feasibility Study.	Update to reflect the new facilities and renovations made during the 2001 bond construction program.
Facility Inventory	An accurate facility inventory is an essential tool in managing the use of school facilities. Each school inventory should identify the use and size of each room. This enables planners to accurately set the capacity of each school. Districts note modifications to schools in the inventory to keep it current.	Summary-level information is available based on documentation and cursory inspection included in this report.	School principals should review to identify errors or inconsistencies. Should identify rooms converted from regular classroom use as well as unused space.
Enrollment Projections	Effective planning requires accurate enrollment projections. The district should make these projections for at least five years into the future. Accurate projections require planners to examine neighborhood demographics and track new construction activity in the district. Many school planners work in coordination with county and city planners to track growth patterns.	Included in the 2003 Demographic Study.	Update the projections each year to reflect actual enrollments for the current year.
Attendance Zones	While using portable classrooms can temporarily alleviate overcrowding due to fluctuations in enrollment, they can become a deficit to the educational program if overused. Therefore, an effective enrollment management plan calls for adjustments in attendance zones whenever they prove necessary. Attendance zones specify which school a student attends based on geographical area or zone. While such adjustments often prove unpopular with parents and students due to a possible school reassignment determined by the re-zoning, they are necessary if all students are to have appropriate access to school facilities.	NISD adopted new attendance zones as part of the 2004–05 district reconfiguration.	Update annually to reflect changes in student population.
Facilities Deferred Maintenance Assessment	Districts identify items that are functionally obsolete or those that will be soon to support budgeting efforts.	List prepared in November 2003.	Update the list to reflect deferred items addressed during the 2001 bond program. Prioritize the remaining items and prepare cost estimates.
Building Systems Lifecycles	Effective long-term budget planning requires an estimate of the remaining life of all major building systems such as roofs, HVAC, and security systems to identify systems that are functionally obsolete or will be soon.	Only performed for roofs on an annual basis. The district assessed the condition of many building systems in the 2000 Feasibility Study but did not project the remaining useful life.	Update condition of building systems and project remaining useful life.
Listing of any remaining school needs to address educational adequacy and functional equity among schools	Educational standards change over time as districts implement new research and tools.	The 2000 Feasibility Study included school educational needs using the TEA School Facilities Standards (TEC §16.402) in place at the time.	Identify outstanding or unaddressed items. Evaluate all schools against the current TEA School Facilities Standards that focus on libraries and technology requirements.

**EXHIBIT 7-4 (CONTINUED)
FACILITIES MASTER PLAN
RECOMMENDED COMPONENTS**

COMPONENT	BEST PRACTICE OR CRITERIA	CURRENT STATUS	NEEDED ACTIONS
Capital Improvement Master Plan	Effective planning requires the district to anticipate its future needs and balance these needs against resources. A capital master plan charts future improvements to school facilities and identifies funding sources for them. The planning process, which should involve the community, should identify district goals and objectives and prioritize projects based on those goals and objectives.	Not in place.	Develop Capital Improvement Master Plan use in the budget process.
School CAD Drawings (Optional)	Districts keep a comprehensive facilities inventory by space type and use and put all of their facilities into a CAD (Computer-Aided Drafting) system, at least in line drawing format.	Not in place.	Consider creating a comprehensive facilities inventory using a CAD system. High school CATE students could perform much of the actual work under professional supervision.

SOURCE: SDSM, Inc., 2005.

teachers, administrators, maintenance and operations personnel, parents, members of the community, and students. The district should integrate the master plan with maintenance and education programs. The district may want to extend the current bond oversight committee.

The facilities planning committee should develop a long-term facilities master plan and update it annually. The director of Plant Services should identify key facility data for each school such as the number of classrooms, classroom use rates, classrooms used for other than teaching purposes, students per classroom, and classrooms as a percent of total space. The director of Plant Services should track the data in a spreadsheet or database and update the data.

The district should outsource a comprehensive facilities assessment to a consultant or hire consulting services on an as-needed basis as an extension of staff. Given the current level of staffing in the Plant Services Department, it appears as though a comprehensive assessment would be difficult without the addition of outside resources or additional staff.

The Texas Association of School Administrators estimated the cost to evaluate district facilities, in an effort to create a long-range facilities master plan, as a one-time cost of approximately \$20,000.

COMPREHENSIVE STANDARD SPECIFICATIONS (REC. 43)

NISD did not develop comprehensive standard specifications when it constructed new facilities and made renovations to existing buildings during the 2001 bond program. NISD is nearing the completion of a \$46.6 million construction program that includes

constructing two new schools, a new ninth grade center, and renovations to other district schools. The district did not take advantage of using a comprehensive set of standard specifications. The director of Plant Services said that he recommended to the bond advisory committee standardizing some project items such as paint and carpet, but the committee did not approve this for use in bid specifications. The only standard specifications that the district has developed are the specifications used for energy management systems in schools across the district.

Comprehensive standard specifications include specifications for all materials and equipment needed for a construction project to provide to prospective bidders. A comprehensive set of standard specifications normally includes specifications for items such as ceiling tiles, carpet, floor tile, restroom partitions, plumbing fixtures, roofing material, wood for cabinets, paint, HVAC equipment, and furniture for classrooms, laboratories, and libraries.

Using standardized materials and equipment for facilities allows districts to reduce architectural and engineering fees associated with designing facilities because the architect does not have to develop specifications for non-standard types of materials, furniture, and equipment. It also reduces overall procurement and inventory costs by reducing the numbers of different items that the district must stock and allowing it to purchase in higher quantities to achieve volume discounts. In addition, standardization reduces maintenance costs because the district does not need to train staff on different types of equipment. Standardization also creates a uniform, cohesive appearance in the school's facilities. The cost savings and productivity

improvements are greatest when districts build new facilities or renovate existing facilities.

Although the optimal time to use a set of standard specifications is for new construction and renovation projects, districts can gradually incorporate their use when they need to replace items such as carpet, paint, and equipment.

NISD should develop specification standards for materials and equipment and incorporate the standards in replacement and upgrades. The director of Plant Services, with assistance from school, maintenance, custodial, and central office staff,

should develop a set of standard specifications for district facilities. The district should use the set of standard specifications when it undertakes repairs, replacements, or renovations. The specifications should include: ceiling tiles, carpet, light fixtures, floor tile, restroom partitions, plumbing fixtures, roofing material, wood for cabinets, paint, HVAC equipment, and furniture for classrooms, laboratories, and libraries.

For background information on Facilities Management, see p. 175 in the general information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL 5-YEAR (COSTS) SAVINGS	ONE TIME (COSTS) SAVINGS
39. Develop a custodial staffing formula that meets industry standards and reduce custodial staffing accordingly.	\$376,987	\$376,987	\$376,987	\$376,987	\$376,987	\$1,884,935	\$0
40. Update the district's automated work order system and produce management reports to monitor productivity and track costs.	\$0	(\$800)	(\$800)	(\$800)	(\$800)	(\$3,200)	(\$5,000)
41. Develop a process to document and periodically monitor the condition of district facilities.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42. Establish a facilities planning committee to develop a long-term facilities master plan, and update it annually.	\$0	\$0	\$0	\$0	\$0	\$0	(\$20,000)
43. Develop specification standards for materials and equipment and incorporate the standards in replacements and upgrades.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 7	\$376,987	\$376,187	\$376,187	\$376,187	\$376,187	\$1,881,735	(\$25,000)



Chapter 8

Computers and Technology

Nacogdoches Independent School District

CHAPTER 8

COMPUTERS AND TECHNOLOGY

Nacogdoches Independent School District's (NISD) Technology Services Department consists of one director and six staff. The director of Technology Services reports to the assistant superintendent of Administrative Services. Responsibilities include: supervising the Technology Services Department, providing staff instruction in technology, and serving as the district's Webmaster. The staff includes a secretary, four technology specialists, and a media and energy specialist responsible for taping media events for NISD's access television programs. The four technology specialists are individually dedicated to a specific function within the Technology Services Department. These functions include: Public Education Information Management System (PEIMS) reporting; business and student management software support, computer repair and software support, and Macintosh computer and telephone system repair and support. The district also has technology coordinators at each school comprised of existing staff, in many cases teachers. Technology coordinators provide initial diagnostic support and serve as liaisons between the Technology Services Department and each individual school. Technology coordinators report to the principals of their respective schools.

The district has a wide area network (WAN) for the district's education and administrative operations and local area networks (LANs) at the schools and administrative offices. NISD has more than 3,200 computers and 1,200 printers. The telephone systems are stand-alone units at each building. The district's infrastructure and computer capability has been largely developed since the superintendent's arrival in 1997. The district uses Pentamation software for its business and student management systems in addition to other instructional and administrative technology.

ACCOMPLISHMENTS

- NISD has taken several steps to optimize bandwidth availability and monitor software licensing compliance.

FINDINGS

- The Technology Services Department lacks a technology staffing formula for reaching the appropriate staffing level.
- The Technology Services Department cannot ensure that the district has sufficient computers to meet defined standards. The district does not have adequate procedures to facilitate Technology Services Department participation

in the pre-approval, purchasing, receipt, and inventory of technology assets.

- The district does not have standards for staff technology proficiency, staff development policies that support the standards or performance measurement and appraisal systems that demonstrate proficiency as standards are incorporated.
- The district does not use technology integrated with its student management system to efficiently track grades and produce report cards.
- NISD has not completed or tested the disaster recovery plan to ensure protection of the district's data.
- The Technology Services Department does not have accurate technology work order information to manage its operations because district staff is not required to use the district's problem tracking software when reporting technology issues.

RECOMMENDATIONS

- **Recommendation 44 (p. 114): Develop and employ a technology staffing formula on a periodic basis as technology variables change.** The district should develop and employ a technology staffing formula to maintain staffing levels, ensuring the Technology Service Department's ability to maintain technology assets and support technology users. The district should hire a computer repair technology specialist, to focus on computer hardware repair and maintenance, to address existing backlogs, and to provide responsive technical support to its schools. It should also hire an applications software technology specialist to address administrative and instructional technology user training, application support, software evaluation, and maintenance needs.
- **Recommendation 45 (p. 118): Conduct a comprehensive evaluation of district technology assets.** The district should obtain the information necessary to ensure there are sufficient computers at each school that meet defined standards. The technology services department should modify inventory procedures to ensure the department's participation in the approval, purchasing, receipt, and inventory of technology assets. This participation will provide

the Technology Services Department with inventory information necessary to provide ongoing evaluation of district technology assets to support defined standards. The goal of defined standards is to support the district's instructional program by ensuring that consistent and equitable computing capability exists district wide.

- **Recommendation 46 (p. 121): Develop and implement technology proficiency standards for all teachers and staff.** The standards should outline expected instructional and administrative technology proficiency levels. The standards should be linked to performance appraisal systems to ensure proficiency is achieved. The district should also develop staff development policies that support the standards and provide coordinated training opportunities to achieve proficiency.
- **Recommendation 47 (p. 123): Fully implement the gradebook software and the purchase and implementation of the report card software module to improve teacher efficiency and data integrity.** The gradebook and report card modules of the district's student management system will allow teachers to enter grades once and generate report cards and progress reports electronically. It will also allow teachers to access the gradebook software from multiple locations for greater flexibility and provide nightly backups to ensure data are protected. The final implementation of the gradebook software should occur before the start of 2005–06, and the report card software should be implemented in 2005–06.
- **Recommendation 48 (p. 124): Complete the disaster recovery plan and conduct tests to evaluate it.** A comprehensive disaster recovery plan will help the district restore key business and technical operations if a disaster occurs. The district should periodically test the disaster recovery plan and the district should incorporate the results annually.
- **Recommendation 49 (p. 125): Require schools and departments to use the problem tracking software to report all technology work orders.** The district should require all users to report technology issues using the district's problem tracking software. Comprehensive use of the problem-tracking software will provide the workload information necessary for staff to analyze trends, such as frequency of repair or similar problems occurring at multiple campuses.

DETAILED ACCOMPLISHMENTS

SOFTWARE COMPLIANCE AND MONITORING

NISD has taken several steps to optimize bandwidth availability and monitor software licensing compliance. In August 2003, the district experienced problems with bandwidth—the amount of data passing through a connection over a given time. The Technology Services Department staff determined that downloading potentially unlicensed software was the major cause of deficient bandwidth. The Technology Services Department implemented a lockdown on all district computers, which electronically prohibited unlicensed software from being downloaded onto district computers. The district used two types of technology to implement the lockdown: group policies on district servers that allow the administrator to give certain functions to the user and Internet filtering software that prevents designated content from being viewed.

After the lockdown, the Technology Services Department conducted a software audit at the high school to ensure that software loaded on individual computers was appropriately licensed. Additionally, the Technology Services Department implemented a procedure requiring the technology specialist responding to a work order to conduct a software audit while repairing the computer he or she is repairing. If software licensing found on the computer is not documented, the software is immediately removed.

This approach ensures the district complies with software licensing requirements and promotes optimum bandwidth availability.

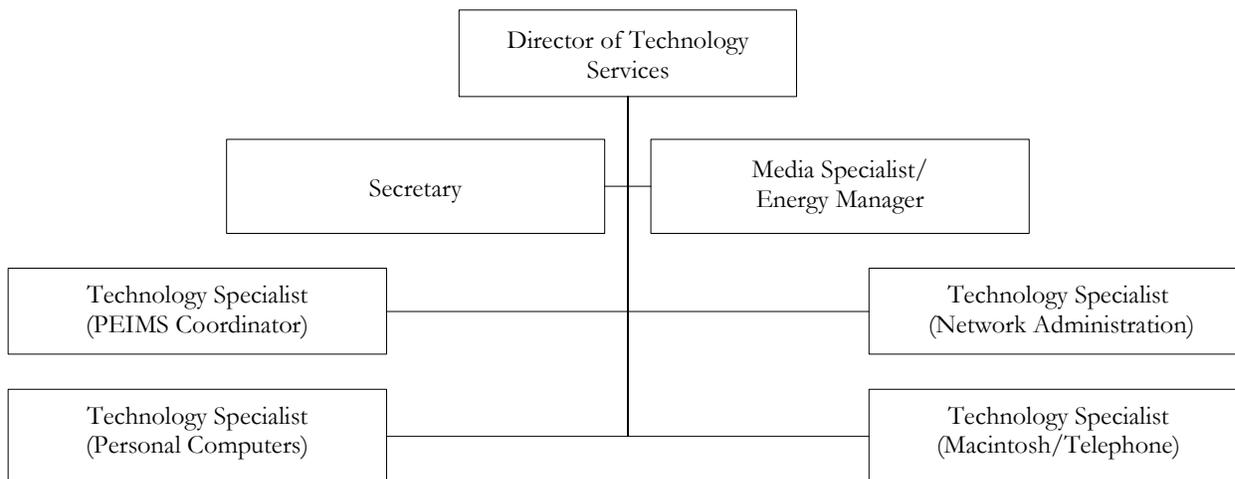
DETAILED FINDINGS

TECHNOLOGY STAFFING LEVELS (REC. 44)

The Technology Services Department lacks a technology staffing formula for reaching the appropriate staffing level; as a result, the department does not have sufficient staff to maintain its computer hardware or provide adequate application support to its instructional and administrative technology users. The Technology Services Department has the equivalent of 1.5 technology specialists dedicated to providing personal computer maintenance support as shown in **Exhibit 8-1**.

As shown in **Exhibit 8-1**, the district has four technology specialist positions. Two of these technology specialists are dedicated to PEIMS coordination, reporting, and network administration. The two remaining technology specialist positions are assigned computer maintenance duties; however,

**EXHIBIT 8-1
NISD TECHNOLOGY ORGANIZATION/ASSIGNMENTS
2004-05**



SOURCE: NISD director of Technology Services, December 2004.

one of these specialists supports the district’s phone system approximately half the time.

The Technology Services Department had three technology specialist positions dedicated to computer maintenance until March 2002. In March 2002, one of the technology specialists, assigned to computer maintenance, was promoted to the interim director of Technology Services, and eventually became permanent director in July 2002. The vacated technology specialist position was not backfilled and was eliminated in the 2002–03 budget.

After the district eliminated the technology specialist position, the number of computers and printers to be maintained increased. At the same time, the availability of technology coordinators at the schools decreased. Technology coordinators are generally teachers with full teaching loads and limited time available for providing support. Technology coordinators are responsible for assisting technology specialists in providing diagnostic and computer maintenance support. According to district inventory records for the inventory completed in August 2003, NISD has more than 3,000 computers and 1,200 printers. In 2004–05, the district purchased an additional 225 computers.

The Technology Services Department does not have a dedicated software applications specialist position to provide software evaluation, user training, and technical support for both instructional and administrative software. Until the fall of 2004, the district did not have processes that consistently evaluated and standardized software districtwide. Principals at the school level made decisions related to the purchase and use of software. As a result,

many different software programs requiring technical support are used throughout the district. **Exhibit 8-2** lists NISD’s specialized instructional and administrative software.

The director of Technology Services responds to software application problems in addition to managing the department and providing training. The district does not have a dedicated software application specialist position to provide principals and administrators with assistance before software is purchased. The district is not evaluating and identifying the best technical solution to meet districtwide needs rather than individual school needs. The lack of a dedicated software application specialist position has limited district technical support and training for these applications to the existing technology specialists and users.

In 2003–04, the curriculum instructional specialist provided training on Microsoft products and Internet use to approximately 60 users. The ability to provide training to district staff is limited by the lack of a dedicated software application specialist position, which affects both staff productivity and software use.

Elimination of the technology specialist position prevented the Technology Services Department from responsively providing computer maintenance support and has resulted in computer maintenance backlogs. For example, in December 2004, the review team toured the high school and observed that seven of 21 computers in the library were not working. During the conduct of an interview, the principal said that the computers had been out of service for at least two weeks. In another example,

EXHIBIT 8-2
NISD SPECIALIZED SOFTWARE
2004–05

TITLE	USE	AREA
Phone master	Parent Notification	Administrative
Follett	Library Circulation System	Administrative
Accelerated Reader	Reading Assessment (Elementary)	Instructional
Accelerated Math	Math Assessment (Middle)	Instructional
Star Reading	Reading Assessment (Middle)	Instructional
Star Math	Math Assessment (Middle)	Instructional
Reading Counts	Reading Assessment (Elementary)	Instructional
Bluebonnet	Reading Assessment (Elementary)	Instructional
AES-It	Student Assessment (Elementary/Middle)	Instructional
Edusoft	Student Assessment (Districtwide)	Instructional
Pentamation	Student Management and Business Functions	Administrative
Misty City-Grade	Gradebook	Administrative
Nova Net	Curriculum	Instructional
Adobe Photoshop	Web Design (Elementary/Secondary)	Instructional
File Maker Pro + PDAS	Database Software/Staff Evaluation	Administrative
Rosetta Stone	Language Software	Instructional
Perfect Copy	Writing Assessment (Elementary)	Instructional
Auto-CAD	Graphic Design (High School)	Instructional
Type Master/Typing Tutor	Typing/Keyboarding	Instructional
Kid-Pix	Elementary Learning/Graphics	Instructional
Microsoft Publisher	Web Design (Elementary)	Instructional
Reader Rabbit	Elementary Reading	Instructional
Kidspiration	Elementary Learning/Creativity	Instructional
Academy of Reading	Reading Assessment (Elementary)	Instructional
Plato	Curriculum	Instructional
Adobe Suite	Web Design/Graphics	Instructional

SOURCE: NISD director of Technology Services, December 2004.

one of the technology coordinators indicated that her school has had to wait for as long as six weeks for issues to be handled.

In the administrative technology area, a number of system features that would increase staff productivity in areas such as finance, purchasing, warehouse, and human resources have not been implemented. For example, the district owns but does not use warehouse requisition, warehouse inventory, or online receiving features of the system. In February 2004, the Texas Association of School Business Officials (TASBO) performed a management review of NISD's business office. The review identified a lack of resources in the Technology Services Department to address financial system support issues. The TASBO management review recommended considering additional software programming support for this area.

The 2004–05 *Navagdoches ISD Technology Plan* needs assessment identified technology staff development as the top priority. Objective 2.1 of the plan says that 85 percent of teachers and administrators will exhibit proficiency in technology software and hardware by June 2005. Objective 3.1 of the plan says that by June 2005, 90 percent of students and staff will use technology to meet state academic standards. In addition, the needs assessment specifically identified the need for an additional computer technician to

provide each campus with direct technology support. All of these objectives identify strategies that require staff training. Technology Services Department staff, technology coordinators, and principals who were surveyed and interviewed for this review indicated that additional technical support staff was needed.

Effective organizations maintain critical mass—a level of staffing necessary to perform all functions adequately. These organizations provide a level of staff based on an evaluation of all duties that need to be performed. The Michigan Department of Education funded a project to identify staffing guidelines for its schools to maintain effective educational technology programs. The project team adapted industry benchmarks for the education field and developed the *Michigan Technology Staffing Guidelines*.

The *Michigan Technology Staffing Guidelines* consider the amount of equipment to be maintained; the number of software applications that are installed and maintained on each computer; the number of staff required to handle website content, telephone, video, and other non-computer technologies; and the number of management, administrative, and administrative support staff. The *Guidelines* also consider environmental factors that may require additional support such as the physical size of the district as well as the age and condition of computers

and buildings. **Exhibit 8-3** shows the results of conservatively applying these standards to Nacogdoches ISD in the computer and software support areas.

The district should develop and employ a formula on a periodic basis as technology variables change. These variables include the amount of equipment to be maintained; age and condition of equipment; the number of software applications that are installed and maintained; the number of staff required to handle website content, telephone, video, and other non-computer technologies; and the number of management, administrative, and administrative support staff required to maintain efficient operations.

The district should hire two additional staff in 2005–06 to provide sufficient staffing to repair and maintain its computer hardware and to support users in the evaluation and use of various software applications. The additional computer repair position would allow the Technology Services Department to eliminate the backlog in computer repairs.

The additional software applications specialist position should help instructional and administrative technology users understand and apply technology more effectively. The position would also allow the Technology Services Department to actively work with principals and administrators to define their

needs, evaluate software to meet those needs, and implement more standardized software districtwide.

The director of Technology Services should request the positions, and the board should approve funding for the positions in the 2005–06 budget. The individual selected for the computer repair position should have personal computer repair and diagnostic skills and the ability to effectively communicate how to use hardware. The application specialist position job description should be developed and should identify duties to address training and applications support gaps including instructional and administrative software diagnostic support and training (80 percent) and evaluation and review of software products (20 percent). The individual selected for this position should have software evaluation, diagnostic, and programming skills as well as the ability to train and effectively communicate how to use software.

The fiscal impact is the cost of the salary and benefits for the technology specialist positions. The specialist positions are classified as pay grade 1 in the technical support job family, with a midpoint annual salary of \$35,400. Fringe benefits for each position consist of \$2,713 in annual insurance costs, plus Medicare, workers' compensation, and retirement at approximately 2.423 percent of salary, or \$858. Each position would cost \$38,971 annually [$35,400 \times 1.02423 + 2,713 = \$38,971$] for a total for both

**EXHIBIT 8-3
NISD STAFFING REQUIREMENTS
APPLYING TECHNOLOGY STAFFING GUIDELINES**

STAFFING AREA GUIDELINE	CALCULATION ASSUMPTIONS USED/FORMULA	GUIDELINES STAFFING LEVEL	CURRENT NISD STAFF LEVELS	ADDITIONAL STAFF NEEDED
Computer support = (number of workstations and peripherals in use full-time)/500	Number of workstations: 3,056* Number of printers: 1,261 Percent of full-time use***: 0.4 $[0.4 \times (3,056 + 1,261)] / 500$	3.5**	1.5	2.0
Support provided outside Technology Services Department	Assumes that technology coordinators at all schools combined provide equivalent of 1.0 staff in this area.	0.0	1.0	(1.0)
Totals for Computer Support:		3.5	2.5	1.0
User support = number of users/1000. Users are pro-rated based on determination of their frequency of use high end: 1 multiplier medium: 0.5 multiplier occasional: 0.25 multiplier	Number of high-end users (daily use of 50–100%): 82 Number of medium users (daily use of 10-50%): 4,181 Number of occasional users (10 % or less): 2,697 $[82 + (0.5 \times 4,181) + (0.25 \times 2,697)] / 1000$	2.9**	0.9****	2.0
Support provided outside Technology Services Department	Assumes that technology coordinators at all schools combined provide equivalent of 1.0 staff in this area.	0.0	1.0	(1.0)
Totals for Software Applications Support:		2.9	1.9	1.0

* Does not include 225 computers purchased in 2004-05.

** Staffing levels have been rounded to the nearest tenth.

***Adjusted percent of full-time use to conservatively reflect the amount of equipment in use that must be supported.

****Assumes 0.2 support level each from the network and PEIMS technology specialists and 0.5 from the director.

SOURCES: Michigan Technology Staffing Guidelines, found at <http://techguide.merit.edu>; NISD Inventory Reports through August 2003; NISD Staffing Report, 2004–05; and Texas Education Agency (TEA), PEIMS, 2003–04 Student Enrollment (in membership).

positions of \$77,942. The fiscal impact assumes hiring both positions at the beginning of 2005–06.

IDENTIFICATION AND MANAGEMENT OF TECHNOLOGY ASSETS (REC. 45)

The Technology Services Department cannot ensure that the district has sufficient computers to meet defined standards. The district does not have adequate procedures to facilitate Technology Services Department participation in the pre-approval, purchasing, receipt, and inventory of technology assets.

The review team requested technology asset information by location to determine whether the district met the 2003–04 target student-to-workstation ratio for computers and they are on track to meet future goals (**Exhibit 8-4**), as outlined in the Texas State Board of Education's *Long-Range Plan for Technology 1996–2010 (LRPT)*. The Technology Services Department staff said they could not provide this information because the district does not require the Technology Services Department's involvement in the pre-approval, purchase, receipt, or inventory of computers.

EXHIBIT 8-4 TARGET STUDENT-TO- WORKSTATION RATIOS LONG-RANGE PLAN FOR TECHNOLOGY 2003–10

SCHOOL YEAR	TARGET STUDENT-TO-WORKSTATION RATIO	TARGET PROFESSIONAL EDUCATIONAL STAFF-TO-WORKSTATION RATIO
2003–04	4:1	1:1
2005–10	1:1	1:1

SOURCE: Texas State Board of Education's Long-Range Plan for Technology

PRE-APPROVAL CONSULTATION PROCESS

The district has a decentralized approach for technology purchases. Principals and department heads at the school level generally purchase computers and software for their individual schools or departments without Technology Services Department consultation or pre-approval. According to the director of Technology Services, the district adopted processes in fall 2004 that require Technology Services Department approval and sign-off for hardware and software acquisition, as shown in **Exhibits 8-5** and **8-6**.

As demonstrated by **Exhibit 8-5** and **8-6**, NISD's purchasing process for computer hardware and software, references three forms: Hardware Technology Selection and Purchase Form (HSPF),

Instructional Technology Selection and Purchase Form (ITSPF), and the NISD Purchase Requisition Form. The first two forms contain a placeholder for Technology Services Department signature approval with comments. The purchase requisition form does not contain a space for Technology Department review and approval. All three forms lack a place to show purchase disapproval by the Technology Department, with space for comments concerning the reason for disapproval and instructions for returning the request to the purchase originator for additional action. With the exception of the online requisition, the HSPF and ITSPF are not accessible electronically. The Technology Department does not consistently receive NISD requisition, ITSPF, or the HSPF. The Technology Department does not use the three forms provided to disapprove of technology purchases not consistent with Technology Department objectives.

Although the district has a process requiring Technology Services Department approval and/or disapproval for hardware and software, the assistant superintendent of Administrative Services does not enforce compliance with the procedure. The director of Technology Services said the procedure is not routinely followed, and there was no documentation provided to the review team showing that the procedure is followed.

Without participation, the Technology Services Department does not have the necessary information to determine whether objectives are achievable or existing computers have sufficient capacity and capability, based on age and computer specification, to effectively support the district's instructional program.

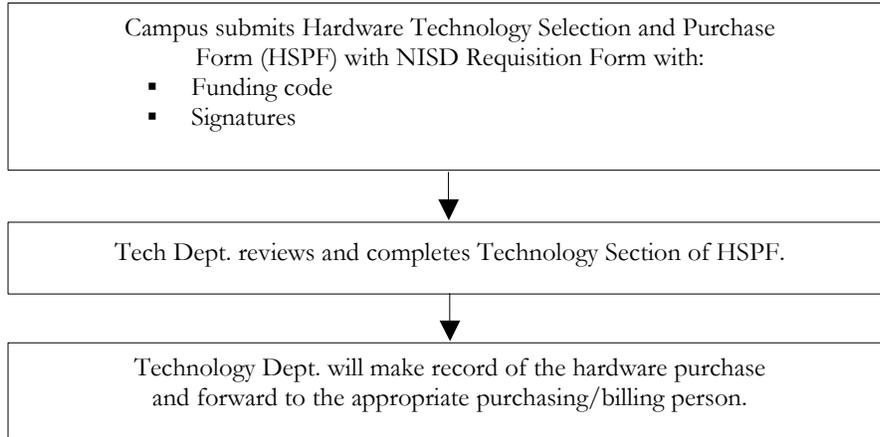
PURCHASE ORDER APPROVAL PROCESS

The district does not have a procedure that requires the director of Technology Services to approve all purchase orders containing technology assets. Documentation demonstrating approval is neither required nor forwarded to the business manager, who approves the online purchase order. Requisitions for technology-related purchases do not require online approval from the Technology Services Department, and the system software feature that could require this is not activated. Currently, all requisitions are electronically routed directly to the business manager to generate purchase orders.

RECEIVING PROCESS

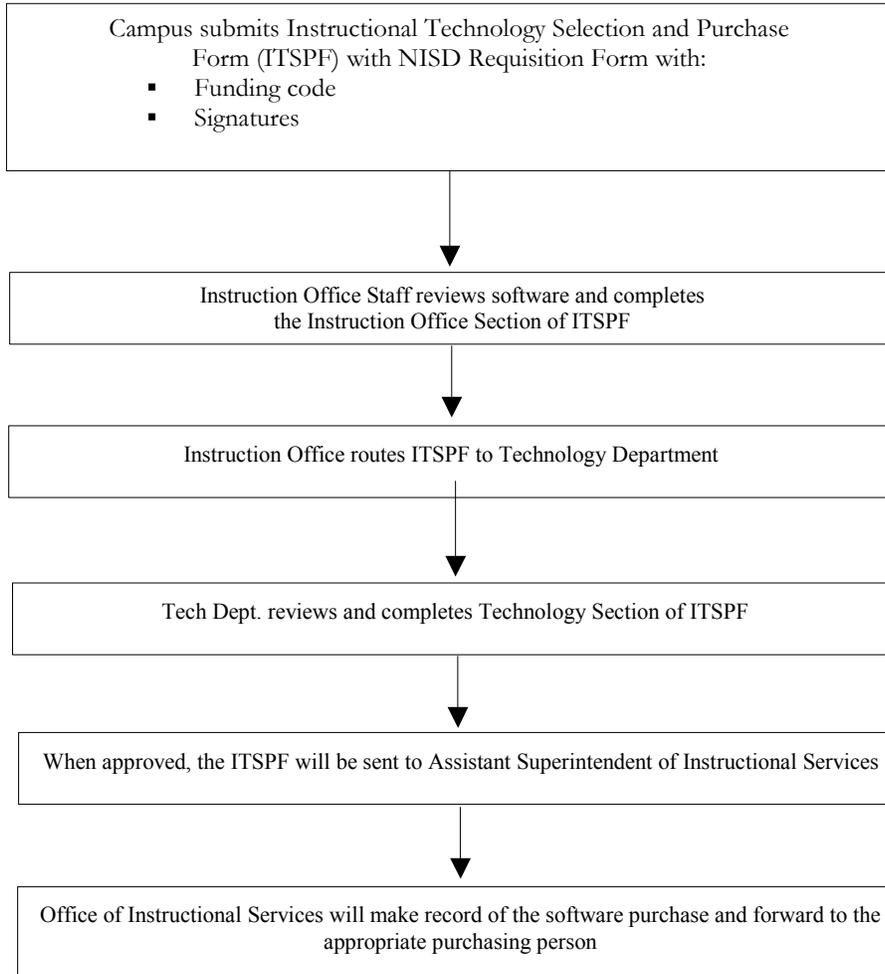
The district does not have a procedure for notifying Technology Services Department staff when technology assets have been received, by warehouse and individual schools, respectively. Warehouse staff centrally receives the technology assets but does not

**EXHIBIT 8-5
NISD HARDWARE SELECTION AND PURCHASE PROCEDURE**



SOURCE: NISD director of Technology Services, December 2004.

**EXHIBIT 8-6
NISD INSTRUCTIONAL TECHNOLOGY SELECTION AND PURCHASE PROCEDURE**



SOURCE: NISD director of Technology Services, December 2004.

inform the Technology Services Department, nor do they check in, inventory, or tag the items at the time of receipt. Instead, they match the number of containers to the shipping document and then deliver the items to the appropriate school or department, where they are unloaded and set up by school staff. The Technology Services Department generally is unaware of the purchase unless a principal calls because something does not work.

INVENTORY DATA COLLECTION PROCESS

The district does not have a procedure to collect sufficient inventory information, such as an asset's condition or age. Items that have been purchased are not tagged at the time of receipt but during annual inventory. The district contracts with RCI Technologies Inc. to perform the annual inventory, but the Technology Services Department does not receive inventory reports for technology. The inventory reports provided to the review team contained location information for all computer assets, but purchase date information to determine the computer's age was only available for computers acquired since December 2000. The inventory reports reviewed did not describe the asset's condition.

An evaluation of the condition, age, and distribution of existing computers is essential to determine whether the district is meeting the required ratios and the computers can provide the necessary computing capability to meet their intended use.

Without detailed inventory information, the Technology Services Department does not know the number, age, condition, or location of the district's computers. Department staff cannot determine whether the district is complying with the Texas State Board of Education's Long-Range Plan for Technology 1996–2010 target ratios. Staff also cannot identify whether the district's existing computers meet defined minimum standards for their use and whether they should be upgraded or replaced.

Good business practices require that school districts maintain sufficient inventory information to evaluate their technology assets to ensure that they can support their intended use. They implement controls and processes that enable them to track each asset and its condition. Tatum ISD (TISD), for example, has mapped every computer in the district to determine whether it has sufficient technical specifications to operate its required software applications. TISD bases its recommendations for upgrade or replacement on the system's ability run the necessary programs for its intended use.

To provide the necessary information to support the development of standards, the district should conduct a comprehensive evaluation of all district technology inventory assets. The district should provide overtime and temporary funds for the project to allow the Technology Services Department to form evaluation teams led by a technology specialist. Before conducting the evaluation, the Technology Services Department should obtain the latest audit reports provided by RCI Technologies Inc. and should download these reports to use in verifying technology assets. The Technology Services Department should request that its computer suppliers provide an electronic list of computers sold to the district. The requested list should contain the make, model, serial number, purchase date, and purchase order number. This will enable the district to verify the asset, determine its age, and identify whether any warranties apply.

Once the evaluation is completed, the Technology Services Department should identify all equipment that does not support the standards. This equipment should be prepared for disposal. The Technology Services Department should provide this information to RCI Technologies Inc. to update the district's inventory records. The Technology Services Department should also develop a recommended replacement cycle for the remaining equipment to ensure that standards continue to be met. It should provide each principal and technology coordinator with the updated information and the recommended replacements for their school.

The district should also modify its purchasing, receiving, and inventory processes to provide an ongoing mechanism for information sharing. To ensure that the Technology Services Department is aware of and approves technology purchases as specified in the purchasing manual, the district should activate the feature in its Pentamation system, which allows the district to specify multiple approval routes for online requisitions. The approval routing should include the Technology Services Department for all requisitions using the 6639, 6659, or 6359 expenditure codes.

Warehouse staff should notify the Technology Services Department when computers are received. The receiving process should be modified to require warehouse staff to examine technology purchases, note serial numbers, and tag the new purchases with bar-coded tags. It should provide a copy of the packing list with the serial numbers, purchase order, asset tag number, and delivery location to the Technology Service Department ensuring inclusion in the receiving and distribution process.

Additionally, this will enable the Technology Services Department to compile an asset evaluation database for future reconciliation.

Upon completion of the annual inventory, the Technology Services Department should be provided with the RCI Technologies Inc. inventory lists. The Technology Services Department should match the list to its evaluation database and note any additions or exceptions for correction. Department staff should work with technology coordinators at each school to reconcile any exceptions and provide them to RCI Technologies Inc. for update.

The fiscal impact of this recommendation is a one-time cost of \$4,665 based on the estimated cost of overtime for technology specialists for the evaluation project. The project assumes 80 hours each for two computer technology specialist positions at an average overtime rate of \$28.46. Fringe benefits consist of Medicare, workers' compensation, and retirement at approximately 2.423 percent of salary. Total cost for the specialist time is \$4,665 [$\$28.46 \times 80 \text{ hours} \times 2 \text{ specialists} \times 1.0243 = \$4,665$].

STAFF DEVELOPMENT (REC. 46)

The district does not have standards for staff technology proficiency, staff development policies that support the standards or performance measurement and appraisal systems that demonstrate proficiency as standards are incorporated. The review team confirmed this with the director of Technology Services who said that there is no required training for new staff. If requested, the director of Technology Services will discuss the acceptable use policy with new staff and coordinate training for districtwide software such as Pentamation. Otherwise, campus based technology coordinators perform training.

The staff development initiative has not been well attended or sustained. In 2003–04, the Technology Services Department provided technology staff development using online courses and campus-led workshops in how to use district software. According to the needs assessment, there was minimal participation in the online courses, and the campus workshops were short and not sustained over time. In 2004–05, the district contracted with Region 7 to provide technology training and assessment support, but the program has not been implemented.

The needs assessment included in the 2004–05, district technology plan identified staff development as the top priority. The board policy that deals with professional development, DMA (LEGAL), states, "The staff development provided by the district must be conducted in accordance with standards

developed by the district and designed to improve education in the district." It identifies training in technology as one possible area of training.

Performance objective 3.3 of the 2004–05 district improvement plan (DIP) says that by June 2005, all staff will exhibit proficiency in technology software and hardware, while objective 2.1 of the district technology plan says that 85 percent of teachers and administrators will exhibit proficiency. The DIP also included a strategy to develop technology proficiency standards for NISD employees by January 30, 2005, that has not been completed.

Campus improvement plans include objectives and strategies to improve teacher use and knowledge of technology but do not include objective measures to demonstrate proficiency. Many rely on a self-assessment survey or on copies of training agendas as measures, rather than completion and submission of projects or completion of tests that would demonstrate proficiency. They are also not linked to performance appraisal systems.

To achieve proficiency in technology, effective school districts develop an integrated approach that defines staff proficiency standards and requirements, provides training opportunities in multiple formats, objectively assesses staff proficiency, and links standards to annual performance appraisals. For example, Seguin ISD, a peer district for this review, identifies required technology training for its new teachers and administrators. Staff can register and verify their registration online for courses. The training occurs during the district's required in-service days as well as comp days. Teachers can opt to take a proficiency test to exempt them from some training.

Galena Park ISD (GPISD) has developed a comprehensive technology training approach that defines proficiency requirements for all teachers, clerical staff, and administrators coupled with training in multiple formats and objective measurements (**Exhibit 8-7**). GPISD's Technology Proficiency Standards program has three levels of proficiency that are designed to build upon each other. The district has defined standards for new and returning teachers and staff, with specified completion dates for demonstrating the proficiency. Each standard is objectively measured through observation, testing, or submitting a project that is evaluated by a grading rubric. GPISD's technology department offers training, but it is not mandatory if an employee can pass the proficiency test without it. Extensive training manuals are also provided online at the district's website.

Without a comprehensive approach that defines expected standards of performance, requires

EXHIBIT 8-7
EXAMPLES OF TECHNOLOGY PROFICIENCY STANDARDS AND MEASURES
2004-05

PROFICIENCY REQUIREMENT	PROFICIENCY INDICATOR/MEASURE	PROFICIENCY LEVEL/GROUP
Software	Attend training. Attend lab and use classroom computers. Effectively integrate technology into the assigned curriculum.	Level I (teachers)
Security (based on acceptable use policy)	Score of 75% or above on the GPISD computer security test.	Level I (all staff)
Basic Computer Skills	Login to network; execute programs; demonstrate mouse skills; basic troubleshooting; saving files and proper disk care; scan for viruses; understand infrastructure overview; identify and use storage devices. Score 75% or above on GPISD basic computer skills test.	Level I (all staff)
Attendance software	Check attendance; look up student demographics; manipulate seating chart; clear students entering and leaving box. Secondary teachers—send progress reports online. Proficiency is demonstrated by independent observation.	Level I (teachers)
Gradebook software	Setup, maintain, and print reports; make a backup. Secondary teachers – export grades each grading period. Proficiency is demonstrated by independent observation.	Level I (teachers)
Copyright	Working knowledge of copyright, fair use, and public domain items. Knowledge of educational copyright issues and basic software issues. Score of 75% or above on the GPISD copyright test.	Level II (all staff)
Microsoft Word	Execute the following functions: font selections, bullets, alignment, change paragraph defaults, copy and paste, cut and paste, select tool bars, use tables, save and print, manage files and create folders. Score of 75% or above on the GPISD Microsoft Word Test	Level II (all staff)
Microsoft PowerPoint	Execute the following functions: slide layout, create new slides, change background appearance, insert graphics, font selection, and view the final presentation. Complete the GPISD Microsoft PowerPoint project according to the grading rubric.	Level II (all staff)
Microsoft Word	Execute the following functions: font selections, create page breaks, format alignment, format paragraph, change bullets, highlight and underline text, insert a table, use WordArt and clip art, merge columns, insert a text box and create hyperlinks. Complete the Microsoft Word project according to the grading rubric.	Level IIIa (veteran staff)

SOURCE: Galena Park ISD Technology Proficiencies Program, www.galenaparkisd.com/training.

demonstration of proficiency, and is linked to annual performance evaluations, NISD's efforts to integrate technology into the curriculum and its ability to increase its employee productivity using technology will be limited.

The district technology vertical team (Technology Services Department Director, department staff, instructional specialists, and campus technology coordinators) should develop and implement technology proficiency standards for all teachers and staff. The team should research available training models from other districts as well as use the campus and district improvement plans as a guide for developing the policies, standards, and measures. The standards should define expected proficiency, the means to measure it, and timelines for staff to be able to demonstrate the required proficiencies. It should also specify how demonstrated proficiency would be identified and evaluated for teachers in the Professional Development and Appraisal System (PDAS) and in the district's appraisal system for

administrators and other staff. **Exhibit 8-7** provides example technology proficiency standards and measures from the GPISD program that can be adapted for NISD use.

Once the standards and measures have been developed, they should be submitted to the superintendent for approval. After approval, the director of Technology Services should work with all principals and department heads to develop training plans, schedules, and training formats to ensure training of all staff. The director of Technology Services should also implement training according to the published schedules.

The director of Technology Services should also work with district administrators and principals to identify staff that would monitor and evaluate staff compliance with attaining required proficiencies by the expected due date and the process to ensure this information is communicated to appropriate supervisors so that it can be incorporated into performance appraisals.

GRADEBOOK AND REPORT CARD SOFTWARE (REC. 47)

The district does not use technology integrated with its student management system to efficiently track grades and produce report cards. NISD uses the Pentamation student management software. At the time of the initial fieldwork in January 2005, it had not purchased the gradebook module of the management software, and only the middle and high schools were using the report card module.

GRADEBOOK SOFTWARE

The district's teachers either manually keep grades or use the existing gradebook software, Misty City Grade Machine, which was purchased during the 1999–2000 school year. The software is not networked but stored on individual computers. Public comments from the community open house indicated that data had been lost, and that teachers were now keeping manual copies of grades as backup.

According to the district's network technology specialist, data security and administration of the existing gradebook software is inefficient because data cannot be stored in folders that enable the Technology Services Department to include it with nightly backups of the server. Teachers must individually back up the system on their computers to maintain data security.

The current software is not web-based; thus, teachers cannot access the system from a remote location. To complete work at another location, teachers must transfer the data on a floppy disk, which increases the risk of data corruption or disk failure.

District staff researched and proposed converting from the existing gradebook software to the student management system's gradebook and report card module. The software was demonstrated to district administrators and principals on August 4, 2004. Funding from Title I funds was identified to purchase this software in addition to a module that permits parents to view student progress online. Even though funding was available, the assistant superintendent of Administrative Services did not approve the purchase. The assistant superintendent of Administrative Services said that additional research would be done in Spring 2005 with possible implementation in the 2005–06 school year.

Since the initial field work in January 2005, the district has purchased the gradebook software. The software was purchased in February 2005, with initial training held in March 2005. The district plans to hold campus-level training in April and use

Nacogdoches High School and T.J. Rusk Elementary School as pilot test sites for the last six-week grading period in 2004–05.

REPORT CARD SOFTWARE

Generating report cards and progress reports is also cumbersome and inefficient. At the secondary level, the district generates report cards and progress reports from the existing student management system gradebook module. However, teachers must key grades twice—once in the gradebook system and then again in the student management system, because the two systems are not integrated.

At the elementary level, the district does not own report card-generating software, using manual report cards and progress reports. The elementary schools have multiple versions of report cards: a pre-kindergarten version, a version for grades 1 and 2, and a separate version for grades 3–5. The report cards are designed and printed on card stock by the district print shop. Each school orders the number of report cards needed based on their enrollments. The print shop prints out the pre-ordered number of blank forms and sends them to each school. The school distributes them to teachers, who handwrite each student's name and grades on the form. Once the teacher completes the report card for the grading period, the report cards are copied and a copy is placed in the student's permanent folder. This is to provide a record in case the manual report card is lost or not returned by the student when it is sent home for the parent's signature.

In addition to report cards, elementary teachers also have manual progress reports that must be completed and distributed the fourth week of every six-week grading period. The grading data are gathered and processed in the same manner as the manual report cards.

Without integrated gradebook, report card, and student management software, teachers spend excessive time tracking grades and generating student report cards. A web-based gradebook software package that is integrated with report card software and the district's student management system would allow teachers to enter grades once and generate report cards. It would increase teacher and technology staff efficiency and data integrity by:

- eliminating teacher time currently spent with duplicate entry into multiple systems, which would decrease the risk of mistakes;
- eliminating teacher time spent handwriting grades multiple times for report cards and progress reports;

- eliminating the time spent and supplies used to make copies of grade cards and file them in permanent folders at the elementary levels;
- eliminating teacher time to back up systems; and
- improving data integrity and security with nightly backups of system provided by the vendor.

NISD should fully implement of the gradebook software, and purchase and implement the report card software module to improve teacher efficiency and data integrity. The full implementation of the gradebook software should occur before the start of 2005–06 school year, and the report card software should be implemented in 2005–06.

To minimize implementation issues with the elementary report card software, the district should pilot test the software at two elementary sites during the first semester of 2005–06 with districtwide implementation by January 2006.

The technology vertical team should meet and identify the use of elementary schools as pilot sites for the initial report card software implementation. The director of Technology Services and the network technology specialist should meet with principals of the pilot sites to discuss and identify any potential implementation issues. The report card software should be purchased and installed with initial training held in early August 2005, before the start of the school year. The district should use a train-the-trainer approach by working with principals to identify key users at each school to be trained as “experts” in the use of the report card module.

During the pilot implementation, the Technology Services Department should work with the principals to test the system. Trial progress reports and trial grade cards should be generated one week before their due dates to ensure that there are no errors. Follow-up meetings should be held with principals at the pilot sites after every grading period to address any issues that occurred. The remaining sites should be added before the start of the new semester, with training for system use held on the first staff development day of the new semester.

Since the district has already purchased a server and the gradebook software with installation and training support, the fiscal impact only includes the elementary report card software costs and ongoing software maintenance costs for both the gradebook and the report card software. The district receives a one-year warranty with the purchase of software, so maintenance costs do not begin until the second year after the purchase.

The elementary report card software one-time cost of \$13,640 includes \$8,940 for the software module, \$500 for installation, and three-day training of \$4,200. Ongoing annual software maintenance costs are \$1,490 for elementary report card software module. Since the gradebook software was purchased in 2004–05, the fiscal estimate assumes the district has already budgeted for its future software maintenance costs. Assuming purchase and implementation of the elementary gradebook software in 2005–06, the ongoing software maintenance costs for it will begin in 2006–07.

DISASTER RECOVERY PLAN (REC. 48)

NISD has not completed or tested the disaster recovery plan to ensure protection of the district’s data. In addition, the disaster recovery plan remains incomplete. The director of Technology Services described the plan as a work in progress and estimated that it was approximately 50 percent complete. Elements of the plan that exist are: identification of the recovery organization, assignments of responsibility, and contact information for key personnel.

Other elements of the plan related to physical and environmental considerations, file considerations, resource sharing, and communications considerations are generic and do not include specific details for accomplishing the recovery tasks. According to the director of Technology Services, the plan and recovery procedures have not been tested except for testing the telephone contact numbers of key personnel identified in the plan.

A disaster recovery plan is critical for the district to be able to quickly respond and recover key business and student data in the event of a catastrophic event such as fire, flood, or vandalism. In addition, a plan can help the district to restore quickly essential business and reporting functions such as payroll, accounts payable, or PEIMS student and financial reporting.

Glen Rose ISD (GRISD) has developed a comprehensive disaster recovery plan for handling the loss of its information systems. The plan includes emergency contacts for its technology staff, the district, and software and hardware vendors. It contains protocols for both partial and complete recoveries to ensure that the technology staff is knowledgeable in every aspect of recovery and restoration. The plan also outlines designated alternate sites dependent upon the type of outage that occurs, includes system redundancy and fault protection protocols, and contains a tape backup plan.

The National Center for Education Statistics publication “Safeguarding Your Technology” identifies the key elements in disaster recovery planning, as shown in **Exhibit 8-8**.

The director of Technology Services should complete the disaster recovery plan and conduct tests to evaluate it. These tests should ensure that the disaster recovery plan contains the key elements and steps identified in **Exhibit 8-8**. Once the plan is completed, the director of Technology Services should develop an annual test schedule and update the plan based on test results.

PROBLEM TRACKING SOFTWARE (REC. 49)

The Technology Services Department does not have accurate technology work order information to manage its operations because district staff is not required to use the district’s problem tracking software when reporting technology issues. NISD has a web-based, online work order system, Track It, but its use is not required. According to Technology Services Department staff, schools and departments do not consistently enter problems in the existing online work order system. Instead, many users report issues by phone or email.

**EXHIBIT 8-8
KEY ELEMENTS OF DISASTER RECOVERY PLANNING**

RECOMMENDED STEP	CONSIDERATIONS
Build the planning team.	<ul style="list-style-type: none"> ▪ Include key policy makers, building management, end users, key outside contractors, local authorities, and technical staff.
Obtain and/or approximate key information.	<ul style="list-style-type: none"> ▪ Develop an exhaustive list of critical activities performed within the district. ▪ Estimate the minimum space and equipment necessary for restoring essential operations. ▪ Identify a time frame for starting initial operations after a security incident. ▪ Develop a list of key personnel and their responsibilities.
Perform and/or delegate key duties.	<ul style="list-style-type: none"> ▪ Create an inventory of all computer technology assets including data, software, hardware, documentation, and supplies. ▪ Set up a reciprocal agreement with comparable organizations or lease backup equipment to allow the district to operate critical functions in the event of a disaster. ▪ Make plans to procure hardware, software, or other equipment as necessary to ensure that critical operations are resumed as soon as possible. ▪ Establish contractual agreements with backup sites as appropriate. ▪ Identify alternative meeting and start-up locations in case regular facilities are damaged or destroyed. ▪ Prepare directions to all off-site locations. ▪ Establish procedures for obtaining off-site backup records. ▪ Locate support resources that might be needed, such as equipment repair, trucking, and cleaning companies. ▪ Arrange priority delivery with manufacturers for emergency orders. ▪ Identify data recovery specialists and establish emergency agreements. ▪ Arrange for site security with local police and fire departments.
Specify details within the plan.	<ul style="list-style-type: none"> ▪ Identify individual roles and responsibilities by name and job title. ▪ Define actions to be taken in advance of an occurrence or undesirable event. ▪ Define actions to be taken at the onset of an undesirable event to limit damage, loss, and comprised data integrity. ▪ Identify actions to be taken to restore critical functions ▪ Specify actions to be taken to re-establish normal operations.
Test the plan.	<ul style="list-style-type: none"> ▪ Test the plan frequently. ▪ Analyze test results to improve the plan and identify additional needs.
Deal with damage.	<ul style="list-style-type: none"> ▪ If a disaster occurs, document all costs and videotape the damage. ▪ Immediately contact professional recovery technicians to deal with water damage to technical equipment. ▪ Be prepared to manage emergency expenses, as insurance settlements can take time to be resolved.
Consider other significant issues.	<ul style="list-style-type: none"> ▪ Do not make the plan unnecessarily complicated. ▪ Make one individual responsible for maintaining the plan, but structure it so that others are authorized and prepared to implement it if needed. ▪ Update the plan regularly and when making changes to the system.

SOURCE: National Center for Education Statistics, “Safeguarding Your Technology” (Modified by School Review).

In addition, when technology specialists are onsite responding to a work order, clearing and reporting of work orders informally occurs. Although the technology specialist tells the school or department to enter the work order into the online work order system, there is no follow up to ensure it has actually been entered. As a result, many work orders are not tracked, and the statistics do not accurately reflect actual workload. One technology specialist estimated that less than half of his calls are formally tracked in the system.

Well-managed technology support operations require that all problems and their associated resolutions be recorded to identify recurring trends and workload. Problem tracking software allows technology managers to evaluate staff productivity and monitor trends by equipment or type of maintenance call. By analyzing trends, managers can develop strategies to reduce recurring calls, such as publishing answers to frequently asked questions for a particular software

package. Problem tracking software also allows managers to analyze the frequency of repairs to equipment to make equipment replacement determinations.

The director of Technology Services should work with the assistant superintendents of Administrative Services, Instructional Services, and Human Resources to develop a policy that requires schools and departments to use the problem tracking software to report all technology work orders. In establishing the policy, the director of Technology Services should work with the assistant superintendents to communicate the benefits of reporting the problem using the software and should stress the importance of having accurate workload statistics to analyze trends and provide support, such as requests for replacement equipment.

For background information on Computers and Technology, see p. 181 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
44. Develop and employ a technology staffing formula on a periodic basis as technology variables change.	(\$77,942)	(\$77,942)	(\$77,942)	(\$77,942)	(\$77,942)	(\$389,710)	\$0
45. Conduct a comprehensive evaluation of district technology assets.	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,665)
46. Develop and implement technology proficiency standards for all teachers and staff.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47. Fully implement the gradebook software and the purchase and implementation of the report card software module to improve teacher efficiency and data integrity.	\$0	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$5,960)	(\$13,640)
48. Complete the disaster recovery plan and conduct tests to evaluate it.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49. Require schools and departments to use the problem tracking software to report all technology work orders.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 8	(\$77,942)	(\$79,432)	(\$79,432)	(\$79,432)	(\$79,432)	(\$395,670)	(\$18,305)



Chapter 9

Human Resource Management

Nacogdoches Independent School District

CHAPTER 9

HUMAN RESOURCE MANAGEMENT

Human resource management plays a substantial role in an organization's financial picture. School districts depend heavily on human resource departments to provide educational services. In 2003–04, payroll costs averaged about 72 percent of Texas school district budgets and were 67 percent of the Nacogdoches Independent School District (NISD) budget.

Human resource management includes development of compensation programs, recruitment of competent staff, and compliance with a variety of state and federal laws. Compensation programs must meet employee and organizational needs. Recruitment efforts must attract employees with the skills, experience, and attitudes desired by the organization. Programs that recruit, compensate, and provide for daily personnel management must meet organizational goals while complying with legal standards.

The assistant superintendent of Human Resources oversees a receptionist, secretary, and clerk.

ACCOMPLISHMENTS

- The district's employee transfer process benefits both staff and the district by allowing staff to take advantage of new opportunities while allowing the district to make effective administrative changes in its schools.
- The district has a well-orchestrated recruitment program that minimizes start-of-year position vacancies.

FINDINGS

- NISD does not have a compensation schedule that maintains market competitiveness and ensures pay equity within the district.
- The district has not integrated its timekeeping and leave processes with its financial system to efficiently process payroll or provide adequate oversight of hours worked and leave taken.
- The human resource staff has not received sufficient training and cannot perform many standard personnel tasks.
- NISD does not have job classifications or accurate descriptions that reinforce compliance with the federal Fair Labor Standards Act (FLSA).
- NISD does not use existing technology in its human resource processes, nor does it collect or analyze human resource data to adequately identify problems, resulting in inefficient operations.

- NISD sick leave policies do not protect employee medical privacy as required by law.
- NISD has not reviewed its policy for disclosure of personnel records with legal counsel and does not provide adequate procedures to ensure the district applies the policy according to law.

RECOMMENDATIONS

- **Recommendation 50 (p. 129): Align the salary schedule with district compensation goals and develop procedures for continuing analysis and maintenance of a competitive salary schedule.** To reach its compensation goals, the board should take steps to align its pay structure and any affected positions. Once aligned, the board should consistently apply those standards when making compensation decisions. Changes to compensation must consider not only budget but also each position's relationship to the market and to other jobs in the district. The district should apply standards consistently when considering the compensation of all employees.
- **Recommendation 51 (p. 133): Implement the time clock system for non-exempt employees, develop policies and procedures to support its use, and integrate the time clock with the district payroll system.** The district can increase efficiency and accuracy by implementing the time clock system for its non-exempt employees that it pays both bi-weekly and monthly. The district should develop procedures for time clock use and validation of employee hours worked. It should integrate the time clock system with the financial system to allow automatic transfer of timesheet and leave data into the financial system. The district should also configure the payroll system to track leave and compensatory time accruals for all categories of employees.
- **Recommendation 52 (p. 134): Expand the capacity of the human resource department by adding a paraprofessional position, provide training to existing staff, and realign tasks based on expanded skills and staff.** The new position should have human resource skills not currently provided by existing human resource staff to conduct position and classification audits, review and revise job descriptions, and analyze human resource data to produce statistical reports. Existing staff should also receive specific human resource training to increase their skills.

- **Recommendation 53 (p. 135): Maintain appropriate job classifications by periodically auditing positions and job descriptions and making necessary corrections to both documentation and pay calculation.** By establishing a schedule for auditing positions and job descriptions, the district can balance the workload while periodically reviewing each group. As the district creates new positions, it should adopt a job description and classification at the same time it considers the appropriate range of compensation. The job description should reflect the essential duties of the position and include a notation on the FLSA classification.
- **Recommendation 54 (p. 137): Review available human resource technology and software programs to determine current employee efficiency and train employees on use of the technology.** Develop human resources data collection and review procedures. The district should work with Technology Services department staff to determine what efficiencies are possible through existing district technology. As part of the analysis, the district should balance the cost of technology against efficiency or productivity gains. The district should determine available data, data necessary to identify trends, and reports to assist administrators in measuring performance. The district should work with principals and department heads in developing reports that will aid in managing operations. After identifying the type of report, NISD should identify collection methods to obtain the data.
- **Recommendation 55 (p. 139): Review and revise policies pertaining to medically related information and its use.** The catastrophic leave policy should remove the name of the co-worker from donation forms. The board should discuss personnel items that request medically related leave in executive session, and the NISD administration should place them on the agenda with appropriate language to ensure medical privacy. The district should secure any documentation relating to an employee's medical status in a separate personnel file in a locked file cabinet. The district should limit access to the medical information to those who need the information for a legitimate business purpose.
- **Recommendation 56 (p. 140): Review privacy procedures with legal counsel to develop a process for applying personnel confidentiality provisions.** The district should

train employees, management, and board members on the requirements of the Texas Public Information Act. NISD should develop a form that describes confidentiality options. The district should provide the form to new employees at orientation and make it available to all employees on the district website. Because this form assists the district with legal compliance, the district should have its legal counsel review this and other information request forms to ensure NISD is properly applying the law to all types of personnel information. The district should also develop training for all employees on the confidentiality laws that apply to school districts. Employees should understand the Texas Public Information Act, as well as privacy regulations for educational settings or any other category covered by state or federal regulation.

DETAILED ACCOMPLISHMENTS

EMPLOYEE TRANSFER OPPORTUNITIES

The district's employee transfer process benefits both staff and the district by allowing staff to take advantage of new opportunities while allowing the district to make effective administrative changes in its schools. In 2003–04, NISD restructured its elementary and middle schools to improve the vertical alignment of curriculum and improve student performance. The district reconfigured all elementary schools and the existing Rusk Middle School as K-5 campuses, with early childhood classes offered at Brooks Quinn Jones Elementary School.

NISD reconfigured Mike Moses Intermediate School, which served grades 5 and 6, as a middle school serving grades 6 to 8. The district also opened a new middle school for the first time in many years. The district redrew attendance zones, reassigned school principals, and assistant principals. The changes also required movement of a substantial number of teachers. In anticipation of the move, NISD used the opportunity to offer teachers a choice of assignment.

The human resource department developed a form that asked teachers to rank their choice for assignment. The form also asked teachers to update the human resource department on skills, certifications, or other information that might assist with placement decisions. The department reviewed the forms with school administrators, who participated in staff transfer decisions.

The process resulted in an estimated 80 percent of teachers receiving their first choice of placement. The process also minimized the disruption associated

with transfers by accommodating employee choices as much as possible within the needs of the district.

COORDINATED RECRUITMENT PROGRAM

The district has a well-orchestrated recruitment program that minimizes start-of-year position vacancies. In the fall, the district targets college recruitment fairs and other opportunities. NISD recruiters gather contact information from attendees who express an interest in NISD. The district uses the data to compile an invitation list for the NISD spring recruitment fair. If the district identifies an exceptional candidate at a fall college recruitment event, the staff will interview the applicant and when appropriate, provide a written letter of commitment.

In January, the district offers its teaching staff the first option to transfer to openings within the district. Once the district approves voluntary employee transfers, it opens the remaining positions for external recruitment. The human resource department also coordinates the contract renewal process with the recruitment and transfer processes to ensure they have identified all positions that staff will vacate at the end of the contract year. The human resource department completes the contract renewal process before the NISD recruitment fair in April of each year.

The district recruiting fair draws approximately 150 attendees. Principals and school hiring committees attend and set up their own tables to “sell” their school to the applicants. Principals make general contacts in the morning and identify those applicants they want to interview. The school hiring committee interviews selected applicants that afternoon. The committee makes employment offers the same day, followed by a commitment letter. While focused on NISD teacher recruiting, the fair is also open to surrounding districts. Using this process, the district has started recent school years with few or no teaching vacancies.

DETAILED FINDINGS

COMPENSATION PROGRAM (REC. 50)

NISD does not have a compensation schedule that maintains market competitiveness and ensures pay equity within the district. The compensation philosophy adopted by the NISD board stresses maintaining competitive pay to recruit and retain quality employees while keeping costs affordable, as shown in **Exhibit 9-1**.

Although the board’s adopted compensation philosophy stresses competitive pay, recruitment, and retention, the human resource department does not routinely perform market analysis and does not base pay levels on expressed workforce

requirements. An analysis of compensation data does not consistently support NISD’s recruitment and retention strategies.

At least every two years, the human resource Department prepares a compensation report that makes recommendations for employee pay. The district also annually adopts employee pay scales as part of the budget process. The adopted NISD compensation plan for 2004–05 includes four pay scales: manual trades, clerical and technical employees, professional and administrator staff, and teachers. Teaching specialist positions, speech therapists, and librarians are on the teacher pay scale. The teacher pay scale takes into account years of service and level of education. Teachers advance in the pay range for each year of service according to their educational achievement (that is, whether they have a bachelor’s, master’s, or doctoral degree). The other pay scales have a range of minimum, maximum, and midpoint.

NISD’s general compensation approach is to hire new employees at the minimum of each pay range. There are no written standards or guidelines that link increasing skills or experience to pay points within a range for those not on the teacher pay scale. If the district is very interested in an applicant, it may offer a salary higher in the range. The assistant superintendent of Human Resources makes the initial pay scale placement recommendation. Initial placement takes into account the applicant’s skills and experience, although there are no published standards or guidelines for initial placement. While the employee handbook does confirm that the district adjusts salaries annually based on budget, it does not provide additional guidance on the type of skills or amount of experience that will result in a higher placement in the position pay range.

The district does not routinely update its compensation schedules as markets and cost of living standards change, although NISD adopts its compensation plan annually. NISD occasionally participates in salary surveys generated by other organizations and receives a courtesy copy of the results. The district schedules market surveys specific to NISD job families when the Human Resource departments indicates it needs such a survey, rather than conducting them routinely.

The district authorized a survey of auxiliary positions and additional pay in 1998, reflected in the 1998–99 compensation presentation to the board. The 2001–02 compensation presentation did not reference a study, but planned on making adjustments as needed to remain competitive and to address any inequities in non-teaching salaries. The assistant superintendent of Human Resources said

**EXHIBIT 9-1
NISD PAY SYSTEM OBJECTIVES
2004-05**

OBJECTIVE	STRATEGY
Pay for job responsibility	Set and keep the proper pay distance between jobs that require different levels of skill, effort, and responsibility.
Pay competitively	Keep trained employees paid within a proper range in the competitive job market.
Provide continued pay advancement	Prevent employees from topping out of pay scales too soon or becoming overpaid for the worth of the job.
Recruit good applicants	Keep starting salaries attractive by making inflationary adjustments.
Keep payroll costs affordable	Keep payroll cost increases flexible to allow annual planning in response to revenue and market changes.
Keep good employees	Pay trained employees fair salaries for the value of their jobs over an appropriate period.

SOURCE: Nacogdoches Independent School District Employee Compensation Plan, 2004-05.

that the last survey was performed in 2002-03 with assistance from the Texas Association of School Boards (TASB). When asked to provide copies of past compensation studies or analysis, the department did not provide any supporting analysis or reports but did provide copies of two survey instruments that NISD completed as a participant in a TASB statewide survey.

Although the human resource department presents suggested compensation changes to the board every other year, the presentation is not an analytical document. The presentation identifies compensation goals in an abbreviated conclusion format, with cost projections for implementation of the goal. The goals are not associated with a specific concern or long-term objective developed because of surveys, needs assessments, or other planning based processes.

As an example, the district developed a strategic plan in 1998 that included an action step of providing stipends to teachers in special needs areas. The 1998-99 compensation recommendations referred to the TASB stipend study and indicated that \$30,000 would address inequities in extended days and stipends among district staff. Neither the strategic plan nor the compensation recommendation indicated which category of specialty teachers was underrepresented.

Bilingual teachers are one specialty group that receives stipends. The 2004-05 compensation recommendations did not address whether the stipend was effective or marginally effective, and whether the district needed to address other issues besides compensation in order to successfully recruit bilingual teachers. As part of NISD's district improvement plan development, the district performed a needs assessment. The assessment found that the district provides bilingual stipends and concludes that they serve as an incentive. It does not measure or report on the success of the incentive.

Even with the stipends, the district is still recruiting heavily for bilingual teachers in 2004-05. In January 2005, the assistant superintendent of Human Resources traveled to Mexico to recruit bilingual teachers as part of a Regional Education Service Center IV (Region 4) coordinated initiative. The district provided the review team with a list of stipends as documentation of the success of the use of bilingual stipends. However, the list is a conclusion. The lack of bilingual teachers is the problem. In between, there should be data collection, compilation, and analysis to support strategies such as international recruiting trips.

The lack of analytical support for compensation decisions can result in changes made on subjective observation rather than objective assessment. For example, in interviews the assistant superintendent for Human Resources said that the department decided to adjust teacher entry salaries based on a participant's statement that salaries were not competitive at a college recruiting fair. In support of a statement, that NISD does not monitor the compensation plan for performance at all times, the district referred the review team to the annual Employee Compensation Plan. However, the plan is a compilation of salary schedules. NISD did not produce documentation that linked the analysis of any recruitment or retention problem to the final solution as adopted in the compensation plan.

When the district makes changes to the compensation schedule to correct a specific problem, it does not review relative positions for market or internal consistency. For example, to assist the district in recruiting new teachers, the salary schedule for beginning teachers was adjusted in 2004-05. Salaries increased between 13 and 16 percent for teachers with 0-5 years of experience. The district did not make a corresponding adjustment to the salaries of experienced teachers in the mid-career range. This caused salary compression for teachers in

the mid-career ranges. A comparison of the teacher pay scales between 2001 and 2004 (**Exhibit 9-2**) illustrates the compression. In 2001, the salary difference between a 10-year teacher and a new teacher with no experience was \$7,815. Under the current schedule, the district has compressed the difference to \$3,850.

**EXHIBIT 9-2
NISD COMPARISON OF TEACHER
COMPENSATION SCHEDULES
2001-02 AND 2004-05**

YEARS OF SERVICE	2001-02	2004-05	+(-) CHANGE	PERCENT CHANGE
0	\$26,000	\$30,000	\$4,000	15.4%
1	26,300	30,500	4,200	16.0%
2	26,725	30,500	3,775	14.1%
3	26,920	30,500	3,580	13.3%
4	27,240	30,750	3,510	12.9%
5	28,380	30,750	2,370	8.4%
6	29,590	30,750	1,160	3.9%
7	30,720	31,250	530	1.7%
8	31,780	31,900	120	0.4%
9	32,805	32,850	45	0.1%
10	33,815	33,850	35	0.1%
11	34,755	34,780	25	0.1%
12	35,665	35,600	(65)	(0.2%)
13	36,515	36,500	(15)	0.0%
14	37,305	37,400	95	0.3%
15	38,075	38,315	240	0.6%
16	38,785	39,105	320	0.8%
17	39,485	39,875	390	1.0%
18	40,165	40,585	420	1.0%
19	40,805	41,285	480	1.2%
20	41,405	41,965	560	1.4%
21	41,985	42,605	620	1.5%
22	42,550	43,208	658	1.5%
23	43,080	43,785	705	1.6%
24	43,080	44,350	1,270	2.9%
25	43,080	44,880	1,800	4.2%
26	43,080	44,880	1,800	4.2%
27	43,080	44,880	1,800	4.2%
28	43,690	44,880	1,190	2.7%
29	43,690	44,880	1,190	2.7%
30	43,690	45,490	1,800	4.1%

SOURCE: Nacogdoches Independent School District, Employee Compensation Plans, 2001-02 and 2004-05.

Under the 2004-05 compensation schedule, entry salaries are now competitive. However, NISD teachers in mid-career receive salaries that are on average below the region and state.

Recent adjustments to the teacher pay scale have also decreased the district's ability to use the scale for market comparability. As a strategy to further increase entry-level salaries, the district adjusted the 2004-05 teacher salary scale. The adjustment changed years of service steps, severing the relationship between the step and actual years of teaching experience. Before 2004-05, the NISD scale started with zero years of experience and ended with 30 years of experience. In the 2004-05 adjustments, a teacher with no experience starts on the scale at

step one, as if the teacher had one year of experience. A teacher with one year of experience occupies what was previously a two-year position on the 2003-04 salary scale. With the step modification, teachers who would have moved to a higher pay category in 2004-05 stayed in place while appearing to have gained in years of service. As a result, the scale no longer accurately reflects years of service, which is a standard basis for comparison of teachers' salaries among districts.

In addition, the pay schedules are not consistent with area districts that compete with NISD for teachers. NISD maintains a 30-year teacher salary schedule. Neighboring districts such as Lufkin and Longview maintain 20-year schedules. The assistant superintendent of Human Resources said that NISD should compensate teachers along the range up to 30 years. The shorter schedule accelerates teachers through the pay scale more quickly, which means that it takes area teachers just 20 years to make the same salary as a 30-year NISD teacher, as shown in **Exhibit 9-3**.

**EXHIBIT 9-3
NISD COMPARISON OF COMPENSATION
SCHEDULES
2004-05**

YEARS OF SERVICE	NACOGDOCHES	LONGVIEW	LUFKIN
0	\$30,000	\$30,500	\$30,000
1	30,500	30,755	30,100
2	30,500	30,920	30,250
3	30,500	31,120	30,400
4	30,750	31,300	30,550
5	30,750	31,870	30,700
6	30,750	32,280	30,850
7	31,250	33,145	31,380
8	31,900	34,300	32,590
9	32,850	35,430	33,720
10	33,850	36,490	34,780
11	34,780	37,500	35,790
12	35,600	38,440	36,790
13	36,500	39,350	37,730
14	37,400	40,200	38,640
15	38,315	40,990	39,490
16	39,105	41,760	40,280
17	39,875	42,470	41,050
18	40,585	43,150	41,760
19	41,285	43,790	42,440
20	41,965	44,390	43,080
21	42,605		
22	43,208		
23	43,785		
24	44,350		
25	44,880		
26	44,880		
27	44,880		
28	44,880		
29	44,880		
30	45,490		

SOURCES: Nacogdoches Independent School District Employee Compensation Plan, Lufkin and Longview Independent School District teacher salary scales, 2004-05.

The district’s compensation schedules are also not market competitive because the district applies cost of living adjustments (COLA) to district jobs, not to the compensation scale. This practice moves employees farther along the pay scale over time. Because NISD adjusts individual salaries and does not cap salaries at the top of the range, senior employees’ salaries move beyond the maximum salary range of the pay scale. A review of district salaries noted instances of employee pay outside the approved pay schedule.

Average salaries for all NISD professional groups including teachers and professional support, and campus and central administrators are below state averages (**Exhibit 9-4**). Central administrator salaries are the closest to meeting state averages, with a gap of 3.5 percent. NISD salaries are above the average actual salaries of the districts in their region, although they are slightly below similarly sized area districts. NISD is the fourth largest district in the region with 32 percent of the region’s districts having less than 500 students and 27 percent having 501–1000 students. This may account for the difference in average actual salaries for NISD compared to region average actual salaries.

According to the assistant superintendent of Human Resources, another explanation for various salary differences is the years of experience of employees in a particular category. NISD, for example, recently turned over a large number of campus administrators. The replacements are less experienced and make a lower salary than the administrators who left the district.

The lack of competitive salaries contributes to employee dissatisfaction, as shown in **Exhibit 9-5**.

The review team asked teachers, administrators, and staff to rate the market competitiveness of district salaries. More than three-fourths of the support staff (78.3 percent), 74.7 percent of professional staff, 65.5 percent of teachers, and 40.9 percent of administrators rated salary competitiveness as poor or below average. Principals largely rated salary competitiveness as average.

Many organizations develop and monitor salary schedules based on adopted compensation principles that identify how they relate jobs to market and to each other. The district periodically reviews job families (similar jobs in a like function such as auditor I, auditor II, internal auditor) to ensure salary decisions consistently apply the organization’s compensation philosophy. The Society for Human Resource Management, a nationally recognized professional organization, provides tools that assist organizations in reviewing compensation philosophy to achieve organizational goals. The state of Texas also provides agencies with an audit tool that includes compensation and benefits.

To attract staff by maintaining competitive compensation, the NISD board should align the salary schedule with district compensation goals and develop procedures for continuing analysis and maintenance of a competitive salary schedule. In order to reach its compensation goals, the board should adjust its pay structure and any affected positions over time. Once aligned, the board should consistently apply adopted compensation standards when making salary-based decisions. Changes to compensation must consider not only the district’s budget but also the position’s relationship to the market and to other jobs in the district. For example,

**EXHIBIT 9-4
COMPARISON OF AVERAGE ACTUAL SALARIES
NACOGDOCHES AREA
2003–04**

POSITION	NISD	LUFKIN ISD	LONGVIEW ISD	MARSHALL ISD	REGION 7	STATE
Teachers	\$37,490	\$36,900	\$38,855	\$38,003	\$36,989	\$40,478
Professional Support	\$43,792	\$43,821	\$43,491	\$41,681	\$42,553	\$48,039
Campus Administration	\$58,485	\$58,845	\$64,068	\$59,589	\$55,484	\$60,822
Central Administration	\$72,046	\$81,786	\$75,370	\$73,086	\$67,800	\$74,728

SOURCE: Texas Education Agency, Academic Excellence Information System, 2003–04.

**EXHIBIT 9-5
NISD EMPLOYEE SURVEY RESPONSES
JANUARY 2005**

POSITION	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE COMPETITIVENESS OF DISTRICT SALARIES WITH SIMILAR POSITIONS IN THE JOB MARKET.						
Administrator	0.0%	40.9%	27.3%	22.7%	9.1%	0.0%
Principal	6.7%	6.7%	73.3%	13.3%	0.0%	0.0%
Professional Staff	20.0%	54.7%	20.0%	4.0%	0.0%	1.3%
Support Staff	41.3%	37.0%	17.4%	2.2%	0.0%	2.2%
Teacher	16.8%	48.7%	25.1%	6.3%	2.1%	1.0%

SOURCE: Nacogdoches Independent School District, School Review Surveys, January 2005.

when an employee reaches the top of the pay scale, the district should make no further increases to base pay unless the market and the scale changes. Districts should apply the standards consistently.

Once the salary schedule is consistent with board objectives, the district must periodically perform market and equity analysis to ensure the schedule remains competitive. It should review each employee pay scale for market competitiveness and internal equity at least once every three years—more often if workforce analysis suggests a recruitment or retention problem. The district subscribes to the TASB salary surveys and could perform the analysis itself or contract to have the analysis performed.

TIMEKEEPING EFFICIENCY AND OVERSIGHT (REC. 51)

The district has not integrated its timekeeping and leave processes with its financial system to efficiently process payroll or provide adequate oversight of hours worked and leave taken. In November 2004, the district purchased an electronic timekeeping system for \$35,645. NISD purchased the system to address inefficiencies and weaknesses in the district's timekeeping processes that would increase the district's risk of Fair Labor Standards Act (FLSA) violations.

In February 2004, Texas Association of School Business Officials (TASBO) identified inefficiencies and weaknesses of the business office. The review team also noted them. They include:

- The district does not require non-exempt paraprofessional employees to fill out timesheets.
- The business office does not capture and report timesheet data for manual trades employees efficiently. These employees document their hours on a timesheet. The department secretary uses the timesheets to create a list of these employees and the hours worked for that pay period and sends the list to the payroll clerk.
- The payroll clerk enters information from summary sheets instead of actual timesheets to generate paychecks. Validation and verification of pay against timesheets occurs after the office issues paychecks.
- Employees do not validate the time worked as correct before receiving a paycheck.
- The district does not centrally maintain compensatory time records in a leave bank. Instead, the staff maintains manual logs at the campus or department and do not forward them to payroll for verification.

- Manual trades employees cannot participate in direct deposit because there is insufficient time to key data into the payroll system to meet direct deposit file transmission deadlines.
- The district's leave pre-approval process is manual and inefficient. Employees wanting to take leave immediately before or after a holiday complete a form that includes the policy and a statement that the district will dock their pay if the leave taken violates the policy. Employees forward the form to the secretary of the assistant superintendent of Human Resources, who compares the leave request to the district calendar. If the requested leave violates district policy, the secretary makes a hand notation that the district will dock pay and returns the form to the employee. The secretary also sends a copy to the payroll clerk for pay docking in the event the employee takes the leave.

Although NISD is implementing a time clock system to capture electronically time worked and leave taken to ensure compliance with FLSA requirements, the business manager said the new time clock system is not capable of integration with the existing payroll system. The district chose the system because the vendor is local and can give local support. The system that is capable of integration is from an out-of-state vendor that cannot provide adequate support, as determined by the district.

The business manager said that staff prints out time clock information and keys it into the payroll system, which is inefficient and can increase the risk of errors. Without the integration, the district also cannot use the payroll system to track compensatory leave accrual or ensure that NISD meets FLSA requirements. In addition, the district has not developed specific time clock procedures for employees to verify actual time worked or for supervisors to monitor time, resolve discrepancies, and authorize corrections.

By itself, a time clock will not stop unapproved overtime or ensure employees use leave according to policy. Federal law requires employers to keep accurate records of time worked for non-exempt employees. Frequently, employers implementing automated timekeeping systems ensure compliance with federal laws by adopting approval policies and training both employees and supervisors in the law, the system, and related procedures.

Many private and public organizations require a dual approval process for time worked and leave taken. They require employees to document the actual time worked and leave taken, usually on a timesheet or time clock. The supervisor then reviews and signs

this information. The dual approval process gives employees an opportunity to correct errors before the district issues paychecks, and it documents an agreement by employer and employee that the time captured is correct. When managed properly, approval processes can reduce the risk of FLSA violations.

The district should implement the time clock system for non-exempt employees, develop policies and procedures to support its use, and integrate the time clock with the district payroll system. The district should expect these employees to use the time clock consistently, with penalties for misuse or failure to sign in or out. NISD should expect its supervisors to review time records and approve them as correct before submission to payroll.

The district should also hire the financial system vendor to develop an interface that integrates the time clock system with the payroll system. Once supervisors have reviewed and approved the time records, they or a staff member should upload the records electronically into the payroll system. The staff should document exceptions and forward them to the payroll clerk, who can adjust the hours in the payroll system.

The district should also approach the time clock implementation as an opportunity to review and revise manual processes and forms. For example, it could convert the leave request form to a one-time acknowledgement of the leave policy with permission to dock pay according to policy. Employees would sign the acknowledgement when the district hires them.

The fiscal impact assumes that the district will need to pay the financial system software vendor to develop an interface that allows it to upload time clock data from the time-keeping system. The cost of implementation assumes a one-time cost of \$9,000, based on 60 hours of programming time at \$150 an hour to program the interface.

HUMAN RESOURCES STAFFING (REC. 52)

The human resource staff has not received sufficient training and cannot perform many standard personnel tasks. The department of four provides personnel services and legal compliance to 848 employees, with a personnel staff to organization staff ratio of 1:212. The average industry-staffing ratio of personnel staff to organization staff is 1:100. The department has three non-exempt clerical positions to one exempt professional position. While Texas school districts have a tendency toward higher staffing ratios, the district's ratio is too high for the department's staff composition.

The assistant superintendent of Human Resources is solely responsible for implementation of most human resource activities. The assistant superintendent is the primary recruiter, the hearings officer for employee grievances, and works directly with supervisors on issues relating to employee discipline. He is responsible for developing forms, updating job descriptions, recommending compensation plan components, developing strategic personnel initiatives, managing workers compensation and return to work issues, and proposing benefit plan changes.

The department staff that supports the assistant superintendent of Human Resources is clerical and does not have specific human resource education or experience. None of the current staff has any certification in the human resource field. Their experience is largely administrative, with previous job experience ranging from office manager to account representative. Their lack of specific human resource training and certification limits their activities to clerical duties such as managing correspondence and documents, tracking applications, arranging travel, managing leave, assisting with budget, and employment contract and benefit administration.

Because of insufficient staff and the largely clerical composition of the human resource Department, there is no backup for the assistant superintendent of Human Resources. **Exhibit 9-6** shows that the department delays or does not perform strategic activities such as market salary surveys to address compensation and classification issues.

The impact of not performing tasks such as those outlined in **Exhibit 9-6** is three-fold and may have a long-term negative effect on the organization. The immediate impact is non-compliance with various federal employment regulations. A second consequence could be costly litigation due to successful employee grievances. An example is lawsuits based on perceived discrimination in assigning light duty when return-to-work programs are not well defined or monitored. The third consequence, which is longer term, occurs when an organization does not perform tasks such as market analysis and job classification. Over time, a district compromises its ability to recruit or retain quality employees when it does not analyze compensation schedules and maintain them for market competitiveness.

In the human resource industry, staff may have wide-ranging, general knowledge of personnel issues, or they may be specialists in a particular area such as compensation or recruitment. A human resource paraprofessional can perform more complex, analytical tasks requiring minimal instruction or

**EXHIBIT 9-6
NISD PERSONNEL SERVICES
2004-05**

TASK	VALUE	NISD PERFORMANCE
Market salary surveys	Supports compensation plan and keeps salaries competitive for recruitment and retention.	Performs spot surveys but does not perform routine comprehensive reviews of job families.
Forms update	Ensures forms contain latest legal language or efficiency changes.	Does not routinely review and update forms.
Turnover analysis	Turnover costs are approximately 1.5 times the salary cost of a vacated position. Identifying trends allows for targeted solutions to turnover.	Does not analyze turnover. Resignations and exit surveys capture individual reasons, which department presents to the board. Department does not compile, review, assess, or report reasons to identify trends.
Benefit statements	Employee relations tool that provides employees with actual costs of compensation with employer-provided benefits included in the compensation statement.	Not provided.
Documentation of organizational structure	Documentation assists both internal and external customers by showing the hierarchy of decision-making, various reporting relationships, and the division of responsibility among various departments.	Does not document the current organizational structure or its changes. Organizational chart provided was from 1996.
Administration of employee classification	Periodic review of jobs and job descriptions ensures compliance with FLSA regulations by identifying changes in assignments that alter a classification from exempt to non-exempt.	FLSA classifications are not associated with specific job descriptions, but overall with job families. Does not routinely review for continuing accuracy.

SOURCE: Interviews with Nacogdoches Independent School District staff, December 2004 and January 2005.

supervision and will perform many of the tasks found in **Exhibit 9-6**. A paraprofessional may also analyze the consequences of policy changes, develop or recommend new programs or policies, and monitor a variety of activities for compliance with employment laws. While these positions typically require a college degree in human resource management or a related field, some individuals gain requisite knowledge through intensive certification programs. By adding one position, NISD could improve its staff-to-employee ratio from 1:212 to 1:170.

The state of Texas provides a self-assessment for human resource departments that includes a method for determining adequate staff resources. One metric provided in the state’s toolkit is the percent of exempt staff performing human resource functions. If the percent is too low, the department may be focusing too much of its efforts on paperwork processing. The state sets a human resource staffing standard for state agencies above 500 employees at a ratio of one human resource employee for every 85 staff members at an agency.

The district should expand the capacity of the human resource department by adding a paraprofessional position. Provide training to existing staff and realign tasks based on expanded skills and staff. The district should develop the paraprofessional position description and include specific skills and services not currently provided by the human resource staff, such as conducting position and classification audits, reviewing and revising job descriptions, and

analyzing human resource data to produce statistical reports.

The district should also provide existing clerical staff with additional human resource training to support the activities identified in **Exhibit 9-6**. The staff can administer its own training through use of course module workbooks and training materials. Once the paraprofessional is on board and staff has received training, the department should realign job duties. After realigning duties, the department should update job descriptions and job titles for existing clerical positions to reflect more accurately the tasks and responsibilities.

The cost of adding a new human resource paraprofessional position starts at a midpoint of \$35,370. The fringe benefits for this position are \$3,470 and include insurance costs of \$2,713 and \$757 for Medicare, workers’ compensation, and retirement. The total cost of salary and fringe benefits is \$38,840, rounded to the nearest dollar.

The district can purchase self-administered human resource training for \$395, a one-time cost for one employee. The fiscal impact assumes the district will purchase training for three employees for a total one-time cost of \$1,209 (including shipping and handling of \$24).

JOB CLASSIFICATIONS AND DESCRIPTIONS (REC. 53)

NISD does not have job classifications or accurate descriptions that reinforce compliance with the federal Fair Labor Standards Act (FLSA). The FLSA

regulates employers and guides employees in determining pay for hours worked. FLSA defines positions as exempt, non-exempt, or not covered by the act. These classifications determine who is eligible for overtime. The classification also determines what type of pay and timekeeping records an organization must keep. NISD personnel documents such as job descriptions and personnel action forms do not contain evidence of how the human resource department determined FLSA position classification or supporting information.

The assistant superintendent of Human Resources is responsible for job classifications and maintaining job descriptions. Job descriptions, which assist in determining classification, are not current. The district has not performed a formal districtwide review of all job descriptions since 1998. It adopted and compiled changes from the 1998 review in a binder. The department has updated only a few of the district's job descriptions since then.

In addition, some positions do not have a description. While the employee or position has remained constant since the 1998 review, NISD has added new jobs, tasks, and titles without updating the corresponding job description, if one exists.

The review team was unable to document any process for associating the job description with an accurate FLSA classification. Although the law does not require job descriptions to include the classification and organizations can classify positions without a job description, position descriptions can serve as documentation of the classification and the factors used in its determination.

The district also does not have an evaluation process for classifying positions. Job evaluation is a systematic process through which an organization measures, compares, and categorizes job information and places each job into a structure for salary administration purposes. The FLSA establishes criteria for evaluating a position. The assistant superintendent for Human Resources said that NISD job classification is determined based on job families defined by TASB, rather than individual jobs as performed by district employees.

When asked for documentation showing NISD's position classifications, the human resource department staff said they did not have the information and referred the review team to the business office. When the review team requested a list of exempt and non-exempt positions, the business office staff provided a list of position titles extracted from the payroll system, and drew a line between those that were treated as exempt and those that were treated as non-exempt in the automated

payroll system. However, in the district payroll system, some non-exempt positions receive hourly pay. It pays others on a salary basis, similar to exempt district positions. The payroll clerk was unaware of any documentation that specifically identified individual positions as exempt or non-exempt.

When asked about the FLSA classification process, the assistant superintendent of Human Resources said that the district uses the TASB personnel services and adopts whatever FLSA classification TASB has identified for a particular job family. NISD has not performed its own job evaluations. Compensation services, such as the TASB subscription service, typically provide a position title and general description of the type of services associated with a position having that title. TASB will perform a detailed classification analysis for its members on a fee basis.

The basis for FLSA classification is evaluating the tasks a person actually performs, not the tasks the position is supposed to perform. As stated in the U.S. Department of Labor FLSA Overtime Security Advisor, each specific employment situation determines exemptions from the act, and job titles alone do not determine the exempt or non-exempt status of any employee. Matching only by position title is not reliable because a title may not reflect actual responsibilities. Job description matching can provide guidance but should not be the sole means of determining classification. Over time, actual job responsibilities may vary from an adopted description, increasing the risk of FLSA violations. **Exhibit 9-7** identifies a sampling of inconsistent jobs and descriptions that NISD did not develop or update to reflect current job duties.

Many Texas school districts document the position classification and keep the description accurate. Other public employers include a position's FLSA classification on the job description. Districts also periodically review and update job descriptions to reflect changing job duties. The district also provides job descriptions as part of the application process or posts them on intranet and Internet websites to comply with ADA and other laws. Employees and applicants can view the information to determine the duties and expectations for a particular position.

The district should maintain appropriate job classification by periodically auditing positions and job descriptions and making necessary corrections to both documentation and pay calculation. A position audit should include the following:

- a form for employee updates of tasks and responsibilities;

**EXHIBIT 9-7
JOB DESCRIPTIONS
2004-05**

POSITION	INCONSISTENCIES
Secretary to Assistant Superintendent	Description shows general secretarial functions. Individual actually performs human resource type functions plus receives additional pay for insurance contract administration.
Safety Officer	Position vacated. Other positions absorbed duties but descriptions do not reflect new duties.
Media Specialist/ Energy Manager	No description located. Energy management duties previously resided with the former coordinator of computer services position.
Human Resource Receptionist	No description located with this job title or job functions.
Dispatcher	No description located with this job title or job functions.
Warehouse Supervisor	No description located with this job title or job functions.

SOURCE: Nacogdoches Independent School District job descriptions and interviews with staff, December 2004.

- identification of duties the district believes are essential to performance of the position;
- assignment by employee of the amount of time spent performing essential tasks;
- a review of employee responses by the employee’s supervisor; and
- a review by human resource staff of employee and supervisor responses.

By establishing a schedule for review and update, the department can perform the work over time while ensuring it periodically reviews each job group. As the district creates new positions, it should adopt a description and classification when it considers the appropriate range of compensation. The job description should reflect the essential duties of the position and include a notation on the FLSA classification.

Upon completion of the audit, the assistant superintendent of Human Resources should align job duties to the position that performs them. Where the district provides additional pay for additional tasks not routinely expected of a particular position, the assistant superintendent of Human Resources should develop a written description of tasks and levels of responsibility associated with the pay. For example, if the district combines two part-time positions into a single full-time position, the district should redefine the position to include the duties previously performed by the two part-time positions.

Where the district develops a separate pay schedule for performance of a particular category of duties, it should document the expectations and essential functions associated with the second job. If the district assigns additional duties to a non-exempt position, it must include the amount in the employee’s base salary rate for purposes of calculating overtime earnings.

TECHNOLOGY USE AND DATA CAPTURE (REC. 54)

NISD does not use existing technology in its human resource processes, nor does it collect or analyze

human resource data to adequately identify problems, resulting in inefficient operations. Although the Human Resource department has made technology improvements that increase efficiency, such as integrating personnel and payroll to account for accurate salaries and communicating job vacancies on the district website, NISD still has many manual processes that do not maximize the use of technology. **Exhibit 9-8** provides examples of the effects and inefficiencies caused by either lack of technology or insufficient use of existing technology.

Failure to apply technology resources generally results in lost productivity or less effective programs or services. The state of Texas makes substantial use of technology in its personnel processes. For example, the exit interview process for the state allows terminating employees to complete the survey online with privacy. Job descriptions and salary schedules for all jobs are available through its website. Employee handbooks and personnel procedures are also located online.

NISD does not collect or analyze human resource information to adequately identify problems, develop solutions, or measure program performance. While NISD collects and reviews some data in the development of the district and campus improvement plans, it collects other data but does not analyze it. It disregards many other opportunities for collection and analysis of information.

The district has developed goals that are untied to analytically developed strategies. When asked what information he used in identifying the need behind the goal, the high school principal said that he developed the goal from observing recent retirements and not an analysis of specific data.

Exhibit 9-9 lists a sampling of available human resource information, and its use by the district.

If available data do not provide necessary information to support a strategy, the district does not develop a collection process to obtain the information. For example, the district has a goal of increasing the number of bilingual teachers, and one

**EXHIBIT 9-8
EFFECTS ON NISD STAFF EFFICIENCY CAUSED
BY LACK OF HUMAN RESOURCES TECHNOLOGY**

AREA	CURRENT SITUATION	EFFECT ON STAFF PRODUCTIVITY	POTENTIAL VALUE
Payroll/ Timekeeping	NISD does manual timekeeping. Proposed time clock system does not integrate with district's financial system.	<ol style="list-style-type: none"> 1. Department secretaries maintain manual time logs and create summary timesheets. 2. Payroll clerk manually enters timesheets into the financial system. 3. District staff prints out time clock reports and re-keys information into the payroll system to generate paychecks. 	<ol style="list-style-type: none"> 1. Increased staff availability. 2. Decreased potential for errors. 3. Ability to place all staff on direct deposit.
Benefits Administration	NISD does not have an online benefits enrollment system or the capability to transfer information from its financial system.	<ol style="list-style-type: none"> 1. Employees make selections on hardcopy forms, which staff enters individually into the financial system and again into the Internet-based benefit program of each of the 12 benefit providers. The process takes a month of staff time. 	<ol style="list-style-type: none"> 1. Staff time to assign to other duties. 2. Reduction in paper.
Benefit and Pay Inquiries	NISD cannot use viewing capability for benefit selections and paycheck because it does not mask Social Security numbers.	<ol style="list-style-type: none"> 1. Human resource staff continues to answer phone calls related to pay and benefits. 2. Human resource continues to mail pay statements on direct deposit payrolls. 	<ol style="list-style-type: none"> 1. Reduction in mailing costs.
Employee and Public Communications	NISD does not use its website to provide and communicate about district policies and forms.	<ol style="list-style-type: none"> 1. Employee handbooks are hard copies that the department must update and distribute manually. 2. The district compiles, prints, and distributes a district directory. 3. Human resource staff maintains forms at the human resource office. Departments and schools must request forms and copy them as necessary. 	<ol style="list-style-type: none"> 1. Reduction in paper and copy costs for handbooks and forms.
Human Resource Data Analysis	NISD does not capture exit interview information electronically.	<ol style="list-style-type: none"> 1. Terminating employees complete form by hand. Department cannot efficiently or easily analyze data because it is captured manually. 	<ol style="list-style-type: none"> 1. Increased potential for analysis.

SOURCE: SDSM, Inc. analysis, 2005.

strategy currently implemented increases pay for bilingual teachers. Before implementing the strategy, the assistant superintendent of Human Resources did not develop data to determine why the district is not attracting satisfactory applicants. Instead, individual stories, such as an applicant wanting to be closer to family or wanting to work in a larger city with higher pay, were the basis of the analysis.

While the assistant superintendent for Human Resources has said that the department analyzed exit data from terminating employees before adopting the strategy, the interview process did not reveal this information and it has not been documented. The exit interview form provides a blank in which the employee explains the reason for terminating employment. The form does not ask specific

questions to gather information, such as the salary or incentive offered by the new employer or what the district could have done in order to retain the employee. The district does not survey new employees to determine the most attractive incentives or ask exiting employees if other incentives, such as additional education assistance, were a factor in the decision to leave. In order to attract candidates, an organization must know what it would take for an applicant to choose that position over those offered by its competition.

The Society for Human Resources Management (SHRM) provides its members with a toolkit for analyzing and measuring performance of various personnel activities. Developing metrics for personnel activities connects human resource to

**EXHIBIT 9-9
NISD DATA COLLECTION PROCESSES
2004-05**

INFORMATION TYPE	ORGANIZATIONAL VALUE	NISD COLLECTION	USE
Exit Interview	Assists employer in developing strategies to reduce turnover.	Cursory information about resignations such as "career growth" or "relocation" for certain positions only.	District relays information to the board but does not analyze it for impact on district personnel strategies.
Overtime Expenditures	Assists in determining whether workload has increased and district needs additional staff.	Keeps overtime hours in the payroll system and in departments using compensatory time for additional hours worked.	Does not analyze or routinely report data for oversight or determination of need for additional staffing resources.
Leave Benefits	Review of leave use can establish benefit abuse or determine whether leave has triggered federal legal rights such as Family Medical Leave Act.	Leave use is in the substitute finder system and in departments with manual trades positions.	Does not analyze or routinely report data for oversight or review.
Turnover Data	Analysis can reveal trends, which district can address before major loss occurs.	Personnel system includes termination information; reports to human resource monthly.	Does not analyze termination data and calculate or report associated turnover costs.

SOURCE: Interviews with NISD staff, 2004 and 2005.

business objectives. SHRM advocates the use of measurements to show improvements toward goals, savings in activity costs, increases in productivity or reduction in turnover.

The district should review available human resource technology and software programs to determine current employee efficiency and train employees on use of the technology. **Exhibit 9-10** outlines possible options for integrating technology with NISD's manual processes.

The assistant superintendent of Human Resources should work with district administrators to determine what data is available, what data is necessary to identify emerging trends, and what reports will assist administrators in measuring and improving performance. Then the assistant superintendent of Human Resources should develop a method to collect data that is not already available in the district's human resource and payroll systems.

By making investments in technology, the district can enhance employee productivity and free up staff time

to dedicate to other tasks. The fiscal impact assumes that the district will update technology in two areas: masking the Social Security number for implementation of online benefits information and building an electronic interface to transfer electronic time clock information to the payroll system. The online benefits information update has a one-time cost of \$1,200. Recommendation 51 includes \$9,000 for the cost for building an electronic transfer protocol between the electronic time clock.

MEDICAL PRIVACY (REC. 55)

NISD sick leave policies do not protect employee medical privacy as required by law. The district has a catastrophic sick leave policy that provides the name of the seriously ill employee to co-workers. In a different leave-related process, an employee requesting extended leave must apply to the board, which lists the employee name and medical leave reason in the publicly posted agenda. Further, a review of personnel files revealed medical information stored along with other public information in the file. While the district has policies

**EXHIBIT 9-10
OPTIONS FOR TECHNOLOGY USE**

PROCESS	POSSIBLE SOLUTION
Dissemination of policies and procedures	Post on district website with any necessary forms.
Exit interview	Build an online form that allows employees to answer specifically developed questions in privacy.
Job descriptions	Post on the district website so employees and applicants can view the expectations and essential functions of the position
Benefits information access	Correct the Social Security number concern and open the application for employee use.
Electronic time entry	Build an interface between the time clock and the payroll system, allowing approved hours worked to transfer from the time clock to payroll without re-keying.
Data entry of demographic information	Develop upload format for employee demographic information. Download demographic information from the substitute finder system and upload into financial system.

SOURCE: SDSM Inc. interviews with Nacogdoches Independent School District staff and interview with Pentamation representative, 2005.

with intent to protect medical privacy, the various procedures applied in daily operations do not provide adequate protection.

NISD's sick leave donation policy allows employees with life threatening illnesses to apply to the district for additional sick leave. The district consulted TASB staff, which suggested a sick leave pool would be the appropriate mechanism. Other NISD employees who can donate leave days provide the sick leave. The procedure for requesting leave requires that the sick employee apply to an eligibility committee. The applying employee must submit a doctor's statement that the applicant has a life-threatening illness. If the committee approves the application, the staff notifies the applicant's supervisor. The supervisor then solicits individual leave donations from the employee's coworkers. The form requires the donor to specify the name of the seriously ill employee receiving the donation.

Because of the process, an employee must give up a measure of medical privacy in order to receive the benefit. In addition to human resources, the eligibility committee, the supervisor, and several coworkers all know that a named employee has a grave medical condition, even if they do not know the specifics of the condition. Since the process asks coworkers if they are willing to donate to a specific employee, the process is also open to discrimination. Employees or categories of employees that are favored may receive donations. Employees or categories of employees that are less favored may receive fewer or no donations.

In another process, the staff posts employee requests for extended leave for medical conditions on the NISD board agenda for approval. The agenda includes a description of the leave purpose, such as maternity leave. While a board meeting is a public forum with public notice requirements, the open meeting laws provide an exception for certain personnel issues, which the board may discuss confidentially in a closed executive session.

The school review team also sampled district personnel files and determined that the staff did not separate and secure medical information from other, more public information. The staff maintains personnel files in order that they and others can view documents related to an employee. Not everyone who should have access to a personnel file should have access to employee medical information. A number of laws including the Americans with Disabilities Act protect medical information.

In its *Questions and Answers to the Americans with Disabilities Act (ADA)*, the U. S. Equal Employment Opportunity Commission explains that the ADA

prohibits discrimination in all employment practices including hiring, firing, promotion, leave, benefits, and compensation. The ADA considers an individual to have a disability if he or she has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or others regard the individual as having impairment. This would include persons who have recovered from a disabling illness, such as cancer. The publication also states that employers must keep information from all medical examinations and inquiries apart from general personnel files as a separate, confidential medical record, available only under limited conditions.

With the recent adoption of federal health care privacy regulations, organizations are extremely protective of employee medical information. Widespread knowledge of a medical condition can also increase the district's risk of exposure to litigation from employees. If the district does not protect information related to an employee's condition, an employee may claim discrimination or personal invasion of privacy.

The assistant superintendent of Human Resources should review and revise policies pertaining to medically related information and its use. The catastrophic leave policy should remove the name of the co-worker from donation forms. Making donations without knowledge of who will receive the benefit will also protect district employees from inadvertent discrimination. The staff should place personnel items before the board that request medically related leave on the agenda with language that ensures medical privacy and discussed in executive session where appropriate. The district should secure any documentation relating to an employee's medical status in a separate personnel file in a locked file cabinet. NISD should limit access to the medical information to those who need the information for a legitimate business purpose.

PUBLIC INFORMATION ACT COMPLIANCE (REC. 56)

NISD has not reviewed its policy for disclosure of personnel records with legal counsel and does not provide adequate procedures to ensure the district applies the policy according to law.

The NISD handbook includes a general statement about personnel information disclosure, but the district does not provide employees with forms or specific opportunities to make a confidentiality election.

The employee handbook includes a section on personnel records that states that employees have an option of requesting that addresses, phone numbers,

Social Security numbers, and information that reveals the existence of family members, be kept confidential. This is a general statement of the law, and correctly repeats the requirements of the Texas Public Information Act.

The district produces an employee directory that includes employee addresses and telephone numbers. It gives employees the option of not listing **certain contact information in the directory**. The directory includes all staff, from custodian to superintendent. The original intent of the directory was to provide employee contact information to district staff for emergency contact use. In addition to its internal use, NISD has made a decision to sell the directory to vendors, professional organizations, and the public.

The Texas Public Information Act makes information collected and maintained by governments available to the public, unless the information meets a described exception. One exception allows government employees to designate certain personal information as confidential. Another exception makes the personal information confidential for police officers whether or not the officer has made a designation.

Section 552.024, Texas Government Code, states that each employee and official and each former employee and official shall state that person’s choice for confidentiality to the main personnel officer of the governmental body in a signed writing not later than the 14th day after the date on which the employee begins employment, the official is elected or appointed, or the former employee or official ends service with the governmental body. In its publication, “Open Records Made Easy,” the Office of the Attorney General of Texas construes the Public Information Act to require that employers ask employees whether they want them to treat such information as confidential. The school review team reviewed a sample of personnel files and did not locate any written election of confidentiality, suggesting that the department staff does not clearly understand the information provided on page 28 of the employee handbook.

Section 552.117 adds additional protections for peace officers. Information that relates to the home address, home telephone number, or Social Security number of an individual or that reveals whether the officer has family members is confidential; officers may not disclose it to the public, whether or not the officer has met the requirement of a signed writing. Open Records Made Easy interprets this section as not requiring a peace officer to file a written request to keep his or her personal information confidential. NISD does not have to ask its police employees if

they want their personal contact information treated as confidential in the directory, because the law makes it confidential.

NISD procedures do not adequately guide employees and staff in properly applying Public Information Act rules. New employee forms do not include a place to designate contact and family information as confidential. The district does not provide employees with forms for changing a previous designation. It does not make the employee handbook available online for easy access to information about the right to protect personal data. While NISD does provide employees the opportunity to decline having certain contact information in the directory, management policies, such as selling employee directories, do not adequately protect confidential police contact information from public access.

The consequences for violating open government laws are significant. The Public Information Act provides enforcement penalties, including consequences for release of confidential information.

- Section 552.352 makes dissemination a crime punishable by fine of not more than \$1,000 and up to six months in jail. This section also defines the release of confidential information as official misconduct.
- Under the Texas Constitution, Article 5, Section 24, incompetency, official misconduct, and other causes are causes for removing public officers.
- Texas Penal Code 7.02 states that a person is criminally responsible for an offense committed by the conduct of another if he causes or aids an innocent person to engage in prohibited conduct, or encourages or directs another person to commit an offense, or having a legal duty to prevent commission of the offense fails to make a reasonable effort to prevent commission.

Many governments provide new employees with election forms and information on how to change their choices later. South San Antonio Independent School District provides new employees with an election form as part of their hiring paperwork. Other organizations provide periodic opportunities, such as a privacy election update during annual benefit enrollment.

The district should review privacy procedures with legal counsel to develop a process for applying personnel confidentiality provisions. The district should train employees, management, and board members on the requirements of the Texas Public Information Act.

NISD should also develop a form that describes confidentiality options, provide it to new employees at orientation, and make it available to all employees on the district website. Because this form assists the district with legal compliance, the district should have this and any other information request forms reviewed by district counsel to ensure it is properly applying the law to all types of personnel information.

The district should develop training for all employees on the confidentiality laws that apply to school districts. Employees should understand the Texas

Public Information Act, as well as privacy regulations for educational settings or any other category covered by state or federal regulation. The district can tape the training and use it as part of the new employee orientation process. At a minimum, the district should offer the training after each legislative session to ensure employees remain current on the requirements of the law. There is no fiscal estimate as the assumption is that the district could develop the training to address the districts particular needs.

For background information on Human Resource Management, see p. 181 in the General Information section of the appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
50. Align the salary schedule with district compensation goals and develop procedures for continuing analysis and maintenance of a competitive salary schedule.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51. Implement the time clock system for non-exempt employees, develop policies and procedures to support its use, and integrate the time clock with the district payroll system.	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,000)
52. Expand the capacity of the human resource department by adding a paraprofessional position, provide training to existing staff, and realign tasks based on expanded skills and staff.	(\$38,840)	(\$38,840)	(\$38,840)	(\$38,840)	(\$38,840)	(\$194,200)	(\$1,209)
53. Maintain appropriate job classifications by periodically auditing positions and job descriptions and making necessary corrections to both documentation and pay calculation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54. Review available human resource technology and software programs to determine current employee efficiency and train employees on use of the technology. Develop human resources data collection and review procedures.	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,200)
55. Review and revise policies pertaining to medically related information and its use.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56. Review privacy procedures with legal counsel to develop a process for applying personnel confidentiality provisions.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Chapter 9	(\$38,840)	(\$38,840)	(\$38,840)	(\$38,840)	(\$38,840)	(\$194,200)	(\$11,409)



Chapter 10

Safety and Security

CHAPTER 10

SAFETY AND SECURITY

Developing a safe school environment requires a cooperative effort that includes parents, government and the community. Students must feel safe in order to learn. School districts are implementing policies, procedures and programs that comprehensively integrate prevention, intervention and enforcement.

The Texas Legislature has enacted a number of safety and accountability standards for Texas schools. School districts are authorized under Texas Education Code (TEC) § 37.081 to commission peace officers and employ security personnel to carry out the requirements of the code. TEC § 37.001 requires a school district to adopt a student code of conduct that specifies, the circumstances under which a student may be removed from the classroom, conditions that require an administrator to transfer a student to a disciplinary alternative education campus, conditions under which a student may be suspended, guidelines for setting the terms of discipline, and parental notification procedures. Students who engage in serious misconduct are not allowed in regular education settings; instead they must be placed in disciplinary alternative education programs.

Nacogdoches Independent School District's (NISD) safety and security responsibilities are distributed throughout the district. NISD has its own police department staffed with a chief of police and three officers responsible for patrolling and enforcing the law and district policies. Principals and teachers are responsible for monitoring student activity as well as enforcing discipline. Counselors support prevention and intervention programs. Business Office staff manage the district's risk management programs that reduce the risk of injury to staff or citizens on district property. The Plant Services Department staff controls building access and keeps campuses clean and free of hazards.

ACCOMPLISHMENTS

- Combining education and community outreach with law enforcement enables NISD's police department to work closely with school administrators in an effort to maintain a safe learning environment for all students.
- NISD Crime Stoppers tip lockers program, located throughout the high school, provides students with an additional and accessible method to provide confidential tips.
- The district leverages local training funds by using the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) online training, qualifying each officer as a

TCLEOSE-certified instructor, and requiring officers who attend outside training to train other officers.

FINDINGS

- The district's discipline management model is not effective because it does not apply progressive consequences to students who violate the standards. Discipline standards are not clearly defined and school administrators do not consistently apply equitable discipline.
- NISD student discipline data gathered from a variety of internal sources is not reconciled to ensure accuracy in reporting.
- NISD does not actively perform safety audits to reduce the risk of safety and security related incidents.
- NISD's police department lacks staffing guidelines to ensure there is sufficient staff to meet its workload, which includes coverage in times of officer absence.

RECOMMENDATIONS

- **Recommendation 57 (p. 145): Revise the discipline management model to provide clear guidelines, uniform application, and appropriate opportunities for rehabilitation.** The district should determine the number of actual students assigned and denied access to the Nacogdoches County Alternative Education Cooperative (NCAEC) due to capacity restrictions. The district should revise the code of conduct for clarity and link standards to consequences. School and central administrators should review and analyze discipline reports annually to determine whether staff understands and applies the disciplinary plan in a consistent manner. NISD should optimize current facility resources by ensuring that effective behavioral change programs are available to both the NCAEC and disciplinary assignment center (DAC) students. The district should evaluate, coordinate, and enhance the alternative program/counseling component to ensure DAC and NCAEC students have access to equivalent rehabilitative services.
- **Recommendation 58 (p. 147): Develop procedures for reconciliation of discipline data collected from alternate sources to ensure accurate reporting.** The chief of police should work with the technology specialist for PEIMS as well as the coordinator of Federal Programs to analyze variances between the different reports to identify the cause of the variances and should

implement needed changes to ensure consistent reporting.

- **Recommendation 59 (p. 148): Develop, implement, monitor, evaluate, and revise (as necessary) a comprehensive safety and security plan as required by district policy.** The district should create a corresponding schedule to periodically test for safety risks. In addition, the district should develop a mechanism for correction and consequences when problems or policies are not enforced. District police officers currently make safety recommendations and could periodically complete safety checklists to ensure adherence to recommendations.
- **Recommendation 60 (p. 150): Develop police department staffing level guidelines and adjust the number of police officers to ensure appropriate coverage.** The district should add an officer to increase support for officer absences and enhance elementary school and NCAEC service call response. The district should not assign the additional officer position to a particular school, which will enable the position to assist in booking and transporting arrestees. Stationary secondary school officers would be able to increase training opportunities to the elementary schools, as well as provide a more consistent daily presence at the assigned school.

DETAILED ACCOMPLISHMENTS

INTEGRATION OF POLICE IN EDUCATIONAL SERVICES

Combining education and community outreach with law enforcement enables NISD's police department to work closely with school administrators in an effort to maintain a safe learning environment for all students. In addition to their traditional law enforcement activities, NISD police provide training on safety-related topics and outreach to non-English speaking parents in identifying gang activity. Additionally, NISD police help educators resolve safety related problems by participating in problem-solving activities in an effort to develop comprehensive solutions similar to those found in community-based policing programs.

For example, the district identified a need to reduce the incidents of drugs on school grounds. Police officers provided drug avoidance training as part of the high school health curriculum. The district police chief held a drug-training program for parents to help them detect and identify drug use in their children. Taping and airing the program on the NISD television station provided additional community outreach.

These efforts complement law enforcement efforts. The district gave its approval for police to work student drug cases under standard police investigative

procedures. NISD increased investigation into drug supply lines into the district. With assistance of the Nacogdoches area drug task force, leads developed by NISD police resulted in the arrest of major area drug suppliers.

In addition to education and law enforcement, parents, social workers, teachers, and administrators call upon NISD police to assist with tasks related to keeping a child safe and in school.

CRIME STOPPER TIP LOCKERS

The NISD Crime Stoppers program, tip lockers, which is located throughout the high school, provides students with an additional and accessible method to provide confidential tips. The high school initiated a Crime Stoppers program in 2003–04 to identify and remove drugs and weapons from NISD school grounds. The Nacogdoches Crime Stoppers sponsors the program, and both students and the community support it.

In addition to a hot line for reporting anonymous tips, the high school also assigned certain lockers as tip receptacles. These lockers are located throughout the school and are marked with a Crime Stoppers decal. Flyers posted on school bulletin boards show students how to slide a tip through the vents on the locker door.

Tip cards are located near the lockers. A tip card has space for writing information such as the type of crime, suspect name, and features and details of the crime. The card also includes an informant code number. The informant code allows the tipster to remain anonymous. A perforated section of the card bears the same informant code number, so the tipster can tear off the number and keep it for his or her records. The tipster's portion of the card also includes information on how to request reward information without revealing identity.

A student board reviews tips and determines the amount of reward to give. School-based rewards generally amount to less than \$500, but the maximum Crime Stoppers reward is \$1,000. Since its implementation in 2003–04, the program has resulted in 24 paid tips. The average reward per tip has been \$118.75. The majority of tips are about drugs; however, tips have also reported graffiti, arson, and school policy violations.

MAXIMIZING TRAINING FUNDS

The district leverages local training funds by using the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) online training, qualifying each officer as a TCLEOSE-certified instructor, and requiring officers who attend outside training to train other officers. Peace officers have annual training requirements defined by TCLEOSE. Training must be provided by an approved source.

TCLEOSE provides a certification program for law enforcement instructors. Qualifying each NISD officer as a TCLEOSE certified instructor enables NISD officers to take free online training courses through TCLEOSE. Additionally, NISD officers who attend outside training return and train other NISD officers.

Money saved by taking mandated courses online frees up local training dollars for other outside training. This allows officers to attend different types of training programs. On their return, they train other NISD officers on information gleaned from the program they attended. This benefits both the officer who has attended the training as well as the officers who did not. As certified instructors, the training they provide to fellow officers will count toward the officers' annual training requirements. The other officers benefit because they are exposed to additional training topics as a result of the internal training.

DETAILED FINDINGS

COHESIVE DISCIPLINE MANAGEMENT (REC. 57)

The district's discipline management model is not effective because it does not apply progressive consequences to students who violate the standards. Discipline standards are not clearly defined and school administrators do not consistently apply equitable discipline. The district periodically exceeds capacity at the Nacogdoches County Alternative Education Cooperative (NCAEC), which limits employment of a progressive sanctions program. The district does not ensure equitable and effective use of behavioral change programs to reduce the periodic capacity burden.

NISD is in the process of reviewing and recommending changes to student discipline processes. The district work group formed in 2004 to review the disciplinary alternative education program and the alternative education program. The purpose of the work group is to study the effectiveness of the district's current organization and make suggestions for improvement. The group made a formal report to the board in April, 2005.

In addition, the district has formed a truancy work group to address truancy issues. In February 2005, the workgroup held a meeting to assess the effectiveness of district truancy programs and make suggestions for improvement. The truancy work group consisted of interested district, court, and human services officers including district judges, justices of the peace, child protective services workers, juvenile probation officers, along with NISD staff. Two recommendations from the truancy work group are to consolidate the filing of truancy cases to a single justice of the peace and to add a truancy officer for the district.

NISD has adopted a student code of conduct as its discipline standard. The districtwide code of conduct consists of 10 general expectations for student behavior. The section of the student code of conduct pertaining to campus discipline management offenses lists examples of behavior that require corrective action. These offenses range from violating safety rules to possessing a knife. For more serious offenses such as assault or possession of controlled substances, NISD has adopted sections of Texas Education Code (TEC) Chapter 37 as part of the student code of conduct.

The NISD code of conduct requires that severity of the discipline given to a student must be equal to the seriousness of the offense, the student's age, grade level, frequency of misbehavior, attitude, and effect of the misconduct on the school environment. The code also includes consequences for misconduct and lists examples of the types of corrective action, but it does not link corrective actions to a particular offense. Effective discipline must be viewed as fair and consistent and must be applied to individual situations with sufficient judgment to recognize appropriate exceptions.

TEC Chapter 37 does not clearly relate specific actions to a particular level of punishment. NISD does not have a local policy or administrative practice that transforms the legal language in TEC Chapter 37 into concise and actionable procedure to ensure district consistency. In interviews, staff said that in some cases, but not all, principals and assistant principals ask the chief of police to interpret sections of Chapter 37 for administrators who were attempting to apply the appropriate disciplinary consequence. Because of the lack of defined discipline actions, wide discretion is exercised in assessing discipline for selected behaviors. **Exhibit 10-1** compares the discipline assessed for selected misbehavior in middle school and high school. This exhibit shows that similar offenses can result in different consequences.

The discipline comparisons highlight the range of discretion in applying conduct standards to student behavior. While the code of conduct suggests committing an assault on a non-employee would result in placement in the disciplinary alternative education program, **Exhibit 10-1** shows that the district can punish an assault on a non-employee with in school suspension (ISS).

The disciplinary data further showed certain minority student groups were over-represented. The ethnic makeup of the 2004–05 student population is fairly balanced with 30 percent African American, 35 percent Hispanic, and 34 percent Anglo. In 2004, the disciplinary placement data documented that African American students represented 53.6 percent of the ISS

EXHIBIT 10-1
NISD ASSESSED DISCIPLINE COMPARISON
2003–04

OFFENSE	IN SCHOOL SUSPENSION		DISCIPLINARY ALTERNATIVE PLACEMENT	
	MIDDLE SCHOOL	HIGH SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL
Defy Authority	75	91	5	6
Assault on Non-Employee	0	2	4	3
Ethnic Slur/Derogatory Remarks	24	43	2	4
Disrespect	137	83	2	6
Improperly Dressed	1	2	0	1
Offensive Contact	150	35	15	4
Total	387	256	28	24

SOURCE: NISD discipline database, 2004.

assignments and 62.9 percent of the disciplinary alternative program assignments. Upon review of this data, the placement information did not include serious offenses requiring mandatory assignment; only behaviors that allowed for discretionary placement by administrators were included.

The district does not have a discipline matrix and does not routinely review discipline records to determine whether discipline is applied consistently. The high school initiated steps to address issues of consistency by developing a discipline matrix, which is being piloted in 2004–05. The assistant superintendent of Administrative Services is the disciplinary hearings officer and relies on parents to identify inconsistent punishment through the appeals process.

In addition to unclear standards and inconsistent application of the standards, the district does not have sufficient resources to apply progressive consequences to students who violate the standards. NISD has three levels of disciplinary alternative placements outside of the classroom: in school suspension (ISS), removal to a disciplinary assignment center (DAC) on school grounds, and removal to the Nacogdoches County Alternative Education Cooperative (NCAEC), a disciplinary alternative education cooperative located separately from district schools.

The NCAEC has the capacity to receive 65 students. The cooperative agreement provides 50 slots for NISD and 15 for students from other school districts in the county. The districts that participate in NCAEC share in the costs of the program. NCAEC serves NISD's middle schools and high school. There is no permanent off-campus disciplinary alternative program for elementary students, although elementary students have been placed in NCAEC on an emergency basis. When needed, elementary students are isolated from secondary students in a separate area of the NCAEC, or the district temporarily uses T.J. Rusk Elementary School. The district hires a certified substitute to teach elementary students during placement.

Until 2003–04, district elementary school enrollment included fourth grade. Fifth and sixth grades were

located in an intermediate school. Intermediate school students were sent to NCAEC. With the district's new configuration of two middle schools and no intermediate school, NISD fifth grade students are now located on elementary campuses, and sixth graders attend middle school.

When NCAEC is full, the program's lead teacher notifies NISD principals and generally the discretionary placements stop. Students, including repeat offenders, must then remain in the on-site disciplinary alternative program at their home school. The high school has an approximate capacity of 50 students in ISS and 32 students in DAC. The middle schools have approximate capacities of 20 in ISS and 15 in DAC. Assignments to DAC are generally no longer than 15 days, although the assignment could be longer if NCAEC is full. There is no documentation available to determine the current or historical rate of overflow.

Lack of capacity at the NCAEC limits employment of a progressive sanctions program, which involves increasing levels of supervision and correction for repeat behavior. As a progressive sanction, the DAC is not always an effective consequence. When the NCAEC is full, a student may continue to engage in the same misbehavior but cannot progress beyond DAC to the next level of penalty. In addition, students committing the same offense may have different consequences. One student may be sent to NCAEC and another may be held in DAC. The assignment can dictate the length of sentence; thus, the students could serve sentences of different lengths for similar conduct.

NISD students are referred to the NCAEC for three, six, or twelve weeks. In 2003–04, the average time spent in NCAEC by district students was eight weeks. Students assigned to NCAEC have a dress code and behavior requirements. The program works with social service agencies and community groups in providing support services to program students. In addition, NCAEC provides specific behavioral management programs. For example, speakers with incarceration experience may talk about the consequences of criminal behavior. NCAEC students also receive leadership training.

The district is evaluating its disciplinary management model, including the disciplinary alternative programs. In interviews, participants expressed varying views of the effectiveness of the current program. Principals acknowledged that students were held in the DAC because NCAEC reached capacity. Some felt the current NCAEC program is effective; others expressed a concern that recent budget constraints reduced NCAEC program effectiveness.

In addition, access to integrated behavioral change programs that would reduce repeat offenses by focusing on behavioral changes is limited. While the NCAEC has counselors and integrated behavioral change programs available, the on-campus high school DAC does not. DAC middle school students do have access to a Safe and Drug Free school grant-funded behavioral counselor.

Disciplinary data for 2004 was reviewed to determine whether students were repeating misbehavior after assignment to a disciplinary program. Of the 297 students assigned to a disciplinary alternative program in 2004, 159 were assigned to NCAEC. The remaining 138 remained at their home school DAC. **Exhibit 10-2** shows a substantial number of students are repeating disciplinary assignments at all levels of placement.

In its *Guide to Preventing and Responding to School Violence*, the International Association of Chiefs of Police (IACP) recognizes the same standards for effective disciplinary management programs. The IACP recommends that all rules have a purpose that is clearly understood and communicated. Rules must have pre-established consequences and be applied in a consistent manner. Schools should provide an alternative educational program in a separate environment and be available to elementary, middle, and high school students. Programs should use behavior modification or other applications of reward and punishment.

The Georgia Department of Education provides a sample policy for a progressive sanctions model that provides three levels of discipline. Each level defines the type of misconduct covered and the discipline management techniques appropriate to that level of discipline. As levels increase, the length and location of assignment is clearly distinguished from previous levels of discipline. A number of Texas schools have adopted

a similar approach and post their progressive discipline standards. Numerous samples are easily available to the district for review.

The Office of Juvenile Justice and Delinquency Prevention identified the following components as part of a successful alternative education program:

- strong leadership;
- early identification of student risk factors and problem behaviors;
- intensive counseling/mentoring;
- prosocial skills training;
- strict behavior requirements; and
- districtwide support.

Both centralized and decentralized disciplinary alternative programs require inclusion of performance measures and a plan for collecting and analyzing the application of discipline and the success of related strategies.

NISD should revise the discipline management model to provide clear guidelines, uniform application, and appropriate opportunities for rehabilitation. The district should determine the number of actual students assigned and denied to the NCAEC due to capacity restrictions. The district should revise the code of conduct for clarity and link standards to consequences. School and central administrators should review and analyze discipline reports annually to determine whether staff understands and applies the disciplinary plan in a consistent manner. NISD should optimize current facility resources by ensuring that effective behavioral change programs are available to both the NCAEC and DAC students. The district should evaluate, coordinate, and enhance the alternative program/counseling component to ensure DAC and NCAEC students have access to equivalent rehabilitative services.

CONSISTENT DATA COMPILATION (REC. 58)

NISD student discipline data gathered from a variety of internal sources is not reconciled to ensure accuracy in reporting. NISD gathers discipline data from a variety

**EXHIBIT 10-2
DISCIPLINARY RECIDIVISM CODE OF CONDUCT VIOLATIONS
2003-04 AND FALL 2004-05**

NUMBER OF REPEATS	PERCENT REPEATING 2003-04	PERCENT REPEATING FALL 2004-05
ISS 2-4 times	30.8%	15.4%
ISS 5-9 times	9.3%	1.0%
ISS 10 or more times	0.5%	0.0%
DAC or NCAEC more than once	30.0%	28.3%
Total	70.6%	44.7%

SOURCE: NISD discipline database, 2004.

of internal sources for district use and to report to external funding organizations such as the Texas Education Agency (TEA) and the federal Safe and Drug Free Schools program (SDFS). TEA requires capturing and reporting discipline incidents for the Public Education Information Management System (PEIMS). School districts use PEIMS data for statewide analysis, including identification of safe school issues. TEA data standards require capturing and reporting information on attendance, as well as misconduct and resulting disciplinary actions.

The federal Safe and Drug Free Schools (SDFS) program requires counts of discipline incidents as a program performance measure. NISD receives SDFS funds for programs that achieve the grant goals of improving attendance, decreasing substance abuse, reducing violence, decreasing disruptive behavior, as well as several measures for student achievement.

NISD police report on law enforcement activities, which includes incident reports related to student behavior. The police department maintains these reports. This information is used in developing law enforcement strategies, although the police do not routinely report monthly incident information to the board. The district uses its discipline database to report information to PEIMS and SDFS. The discipline information in the database does not match the arrest data captured by NISD police.

Exhibit 10-3 shows examples of disciplinary incidents that have not been reported consistently in the three separate sources. Some of the differences in reporting are appropriate; others are not. For example, documenting truancy in the 250 cases filed by the district in 2003–04 with local justices of the peace courts. It is appropriate that truancy cases would not appear in police incident reports, since NISD police do not write truancy citations and do not document the crime as part of their law enforcement activity. However, the review of the PEIMS data shows no truancy records for the same period, which is inappropriate because PEIMS requires truancy reporting.

In another example, police reports indicate three separate arson incidents unreported in PEIMS or in

SDFS. Other differences between the three reports may be appropriate and could be due to different reporting requirements. For example, the police chief indicated that the number of assault incidents in the arrest data might be less than those reported in discipline data because the complainant may refuse to file charges or the rules of evidence regarding assault for discipline cases and criminal cases are different.

However, the district was unable to document a process showing that differences between the three sources are reviewed to ensure accuracy in reporting.

Reporting disciplinary data relies on interpretation of conduct under a variety of laws and standards. Under some circumstances, throwing a pencil could be viewed as persistent misconduct, while under others it might be an assault. Quality control processes are essential to accurate reporting. Analysis of faulty data will not properly identify problems, support development of effective strategies or measure program performance. Unreliable data quality can also affect a district’s educational ranking.

Most school districts that rely on information develop quality control processes to ensure the data collected are accurate and correctly reflect the issue presented. The Texas Education Agency provides definition, procedures, and training on its data gathering processes. To ensure quality control, school district data is periodically audited.

The district should develop procedures for reconciliation of discipline data collected from alternate sources to ensure accurate reporting. The chief of police should work with the technology specialist for PEIMS as well as the coordinator of federal programs to analyze variances between the different reports to identify the cause of the variances and should implement needed changes to ensure consistent reporting.

MONITORING AND ENFORCEMENT OF SECURITY PROGRAMS (REC. 59)

NISD does not actively perform safety audits to reduce the risk of safety and security related incidents. NISD Board Policy CK (Local) Safety Program/Risk Management directs the district to develop a comprehensive Safety and Security Plan. The district

**EXHIBIT 10-3
NISD REPORTED MISCONDUCT
2003–04**

INCIDENT	PEIMS 425 REPORT	SDFS REPORT	NISD POLICE REPORTS
Drugs	23	23	20
Assault	22	22	14
Arson	0	0	3
Aggravated or Sexual Assault	1	1	0
Truancy	0	0	0
Illegal Weapon	3	2	2

SOURCES: NISD Public Education Information Management System (PEIMS) 425 Report, SDFS Annual Evaluation Report Part III: Program Performance Measures, LEA Program Specific Indicators Incident Counts, NISD police incident database 2004.

uses a number of methods to address various safety and security risks. In some cases, such as the Crisis Management Plan, the policy and procedures are addressed in a single document. In other cases, such as visitor identification, statements of policy and procedures are included in the student handbook. However, a formal district policy has not been established and enforcement procedures are not documented. With the exception of the Crisis Management Plan, the policies and procedures do not include regular testing, evaluation, and correction of program weaknesses. **Exhibit 10-4** below shows a sample of the current district security measures and any related enforcement procedures.

Of the policies and procedures noted in **Exhibit 10-4**, NISD tests only the application of the crisis management plan. The district drills on evacuation procedures, monitors the results, and tests the effectiveness of its components such as the identification and location of missing students. The crisis plan requires staff to list missing students on index cards. If, during an evacuation, staff encounters a student who is not with a class or other responsible adult, the student is listed on a card and remains with the staff member. Cards are collected and matched to ensure all students have been cleared from the school and that their location is known. During drills, school police may remove students from the classroom setting to see if they are identified and located with the evacuation procedures.

NISD does not routinely test the application of other policies and procedures, and many procedures have no

consequences for non-compliance. In interviews, the chief of police said his officers make recommendations for safety policies and procedures but do not routinely perform safety audits to ensure recommendations are implemented.

The school review team tested the district’s visitor identification procedures at several schools. Under this procedure, the district expects visitors to report to the school office and sign a visitor’s log. If a visitor plans to enter the school, he or she must wear an identifying tag. NISD schools have multiple entry points. While testing the visitor procedures, the team entered schools through doorways that did not have posted visitor instructions. Once in the office, the location of the sign in log was not always obvious. With the exception of the disciplinary alternative school, office staff did not direct the review team to sign the visitor’s log.

District procedures also set expectations that students and staff enforce the visitor policy. While testing at various schools, the review team was rarely stopped and directed to the office. No one asked the review team members to wear identification tags at any location. District staff opened locked side doors without asking questions or providing directions to the office. Other side entries leading to classroom areas were unlocked and the team was able to enter and pass numerous staff and students without question. At the high school, staff did stop the unidentified team member in the hall and provided an escort to the office on each visit. The high school staff did not assign a visitor’s badge, but a staff member escorted the team member to various destinations in the school.

**EXHIBIT 10-4
CURRENT NISD SAFETY AND SECURITY PROCEDURES
2004-05**

PLAN, PROCEDURE, PROGRAM	PURPOSE	MONITORING PROCEDURES
Crisis Management Plan	Orderly evacuation, communication, and resolution of emergencies caused by weather, community events, school-based incidents or other unexpected occurrences affecting staff, students, or district property.	Evacuation drills are conducted periodically on an unannounced basis and timed.
Visitor Identification Policy	Identify all persons on campus by having them report to the office, sign in, and receive an identification badge	Individual enforcement when unidentified persons are observed on property.
Student Safety Procedures	Engage students in the process of keeping schools safe by giving them responsibility for following school safety procedures and reporting violations.	Individual enforcement by reporting conduct violations and criminal activity.
Limited Vendor Access Procedures	Reduce access to schools by outside, unidentified delivery persons by central warehousing and deliveries by district employees.	No specific enforcement procedures.
Master Key Control	Reduce unauthorized access to schools after hours by tracking the assignment and return of building keys.	No specific enforcement procedures.

SOURCE: NISD staff interviews, NISD student handbook, NISD crisis management plan, 2005.

Exhibit 10-5 details outstanding areas of concern where security testing is either not routinely employed or known weaknesses have not been corrected.

NISD does not test its security equipment to make sure that it is operational. For example, faulty security cameras failed to capture incidents of arson. NISD has since developed a plan to update the faulty security camera system at the high school with bond renovation funds. While incidents that highlight security weaknesses have not been common, weaknesses corrected before a crisis occurs reduce the risk of injury to people or property. Effective risk reduction programs include mechanisms for testing, correcting, and enforcing the components of the plan or program.

Galena Park Independent School District contracts to have building security and identification policies randomly tested. The Harris County Department of Education provides facility safety review services, which include sending unannounced visitors to test open doors and unauthorized access to students and property. The Texas School Safety Center trains districts on how to perform a safety audit, which provides a foundation for developing procedures for regular review and correction.

The district should develop, implement, monitor, evaluate and revise (as necessary) a comprehensive safety and security plan as required in Board Policy CK (Local) Safety Program/Risk Management. The district should create a corresponding schedule to periodically test for safety risks. In addition, the district should develop a mechanism for correction and consequences when problems or policies are not enforced. District police officers currently make safety recommendations and could periodically complete safety checklists to ensure adherence to recommendations.

POLICE STAFFING LEVEL GUIDELINES (REC. 60)

NISD’s police department lacks staffing guidelines to ensure there is sufficient staff to meet its workload, which includes coverage in times of officer absence.

NISD has its own police department consisting of a chief and three officers. The district assigns the police chief and one officer to each of the middle schools and two officers to the high school. Besides their full-time stationary school assignment, officers also cover calls for service at the elementary schools and at the NCAEC, which do not have full-time officers assigned. **Exhibit 10-6** describes the current fixed assignments. The district also employs a security officer who patrols the high school grounds and parking lot. The district does not employ school crossing guards but uses student safety patrols, which district officers train and supervise. A department dispatcher provides communications and clerical support.

With fixed assignments, there is no relief factor for officer absences. A relief factor indicates how many persons it takes to fill a single job position for a single shift, taking into account vacation, sick leave, training days, and other types of leave. When an officer is sick or takes vacation, the assigned school is uncovered. Additionally, there is no coverage for contingencies, such as juvenile transport; thus, officer availability is reduced. Because Nacogdoches County does not have a juvenile detention center, NISD officers must transport arrested juveniles to distant facilities in Tyler and Kilgore, which takes officers away from their normal duties. A trip to an available detention facility can range from 50 to 140 miles round trip. To transport a female juvenile, two officers must transport the student due to the district’s standard practices, leaving the district at 50 percent of its law enforcement staffing.

The district provides officers with marked patrol vehicles, which they park in front of their assigned schools as visible deterrents to criminal activity. While officers do not provide a roving patrol of district properties, they respond to calls for service and transport arrestees to detention centers.

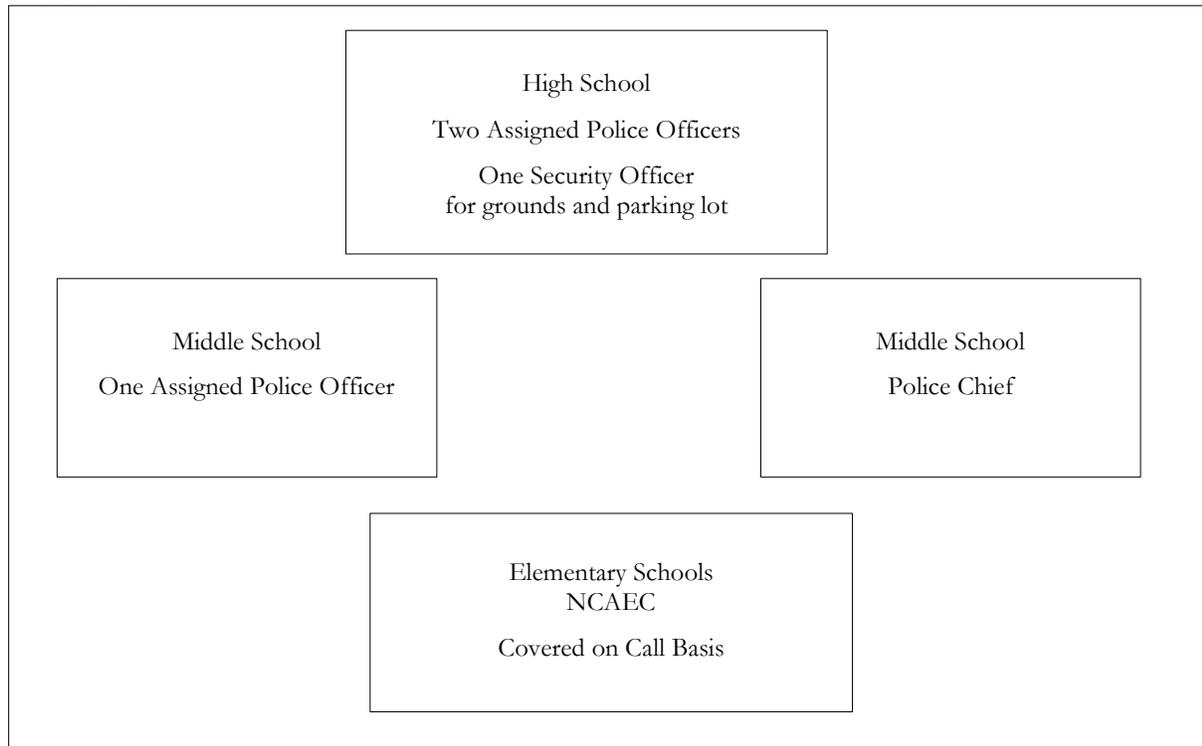
NISD’s workload has increased because its police department is modeled on a community-policing concept, which is more labor intensive than traditional

***EXHIBIT 10-5
NISD OUTSTANDING SAFETY CONCERNS
2004-05***

<i>AREA OF CONCERN</i>	<i>IDENTIFIED WEAKNESS</i>
Safety lighting	During a weather incident, the back-up batteries for emergency lighting and exit signs did not function properly. Staff also indicated exterior building lights were turned off as an energy conservation measure, creating unsafe conditions for employees working late.
Security cameras	A string of arsons occurred, the second arson in a corridor with a non-functioning security camera.
Student services vendors	Vendors such as photographers, ring salespersons, and others have access to schools and students without a process for identification or background check.
Unauthorized building access	Doors that could be secured during the day are not; some doors cannot be secured at all. High school staff has arrived early to find students inside the building.
Safety signage	Not all locations had signs visible from the various approaches to the school.

SOURCE: NISD staff interviews, School Review staff surveys, 2005.

**EXHIBIT 10-6
NISD POLICE OFFICER CAMPUS ASSIGNMENTS
2004-05**



SOURCE: NISD Police Chief, December 2004.

law enforcement. Community-oriented policing is a collaborative relationship between officers and the public they serve. In applying the model to an educational setting, district officers work with staff and students to develop solutions to behavior issues.

The NISD Campus Improvement Plan requires officers to participate in Safe and Drug Free Schools activities, counseling activities, social work activities, and community outreach activities, all of which can take officers away from their assigned schools. Each district school has included officer participation in their Campus Improvement Plan (CIP). **Exhibit 10-7** shows specific CIPs that expect police participation.

In interviews, staff at schools with full-time assigned officers feels police staffing is adequate. Elementary schools would like to have more access to a district officer. The district covered the elementary schools with four officers when the elementary schools did not extend beyond fourth grade. The district has not adjusted its level of service to the elementary schools since the intermediate school was dissolved and district elementary schools absorbed the fifth grade student population.

The International Association of Chiefs of Police (IACP) is a professional organization that provides resource materials and standards for law enforcement

organizations. The IACP has noted that community policing is a labor-intensive process and that staffing levels may vary greatly depending upon the responsibilities of the officers. The Office for Juvenile Justice Delinquency Prevention describes community policing as an effective program for reducing crime.

Staffing affects the level of service. Athletic events take from one to four officers out of the district, leaving NISD with a reduced response should an alarm or other incident occur. The lack of officer relief factor also affects outreach and safety training programs. Officers are careful about scheduling training programs, knowing they may be called to respond to an incident. Without adequate relief, patrol, safety audits, and other risk reduction strategies may be sacrificed. While the current staffing is meeting the district's priorities, important components of an effective safety program are sacrificed when staff is stretched too thin. With an additional officer to provide a relief factor, secondary school officers would be able to increase training opportunities to the elementary schools as well as provide a more consistent daily presence at the assigned school.

Effective school districts perform a security assessment to determine how many security personnel they need. The American School Board Journal cites the following

EXHIBIT 10-7
NISD POLICE PARTICIPATION IN CAMPUS IMPROVEMENT PLANS
2004-05

CAMPUS PLAN	STRATEGY
Nacogdoches High School	<ul style="list-style-type: none"> ▪ Participate in parent meetings; home visits. ▪ Continue to provide comprehensive education programs on drug-related activity. ▪ Initiate program to supervise parking lots before and after school.
Moses and McMichael Middle Schools	<ul style="list-style-type: none"> ▪ Provide guidance service in the area of drug, alcohol, and violence prevention programs to students through the campus guidance and counseling department. ▪ Contract with Interquest program to bring in drug dogs for random unannounced visits. ▪ Continue to implement school ID program for staff and students. ▪ Continue to revise and implement the district crisis management plan. ▪ Review and train all staff members in the crisis plan. ▪ Conduct random periodic drills for various crises.
Rusk, Marshall, Carpenter, and Brooks-Quinn Jones Elementary Schools	<ul style="list-style-type: none"> ▪ Use discipline data to determine chronic discipline problems and modify school plan if necessary.
Rusk and Marshall Elementary Schools	<ul style="list-style-type: none"> ▪ Explore ways to suppress bullying in an elementary setting.
Rusk, Marshall, and Carpenter Elementary Schools	<ul style="list-style-type: none"> ▪ Utilize district and community resources for students with excessive absences.
Marshall Elementary School	<ul style="list-style-type: none"> ▪ Use discipline data to determine chronic discipline programs and modify school plan if necessary.
Raguet Elementary	<ul style="list-style-type: none"> ▪ Provide comprehensive counseling program. ▪ Review and implement crisis management plan. ▪ Continue safe and drug free school and community program for Raguet campus and administer Texas School Survey of Drug and Alcohol Use.

SOURCE: NISD Campus Improvement Plans, 2004-05.

criteria in *Keeping the Peace* (March 1998): The number of students enrolled and the size of the physical plant should also be considered in determining staffing levels. These factors, combined with solid incident data and an examination of individual building needs, provide a starting point for determining the number of security staff to assign per building.

Develop police department staffing level guidelines and adjust the number of police officers to ensure appropriate coverage. Staffing guidelines will ensure that staffing levels are appropriate for fluctuations in enrollment. The district should add an officer to increase support for officer absences and enhance elementary school and NCAEC service call response. The district should not assign the additional officer position to a particular school, which will enable the position to assist in booking and transporting arrestees. Stationary secondary school officers would be able to increase training opportunities to the elementary

schools, as well as provide a more consistent daily presence at the assigned school.

The cost of adding an officer includes a one-time cost for vehicle and equipment plus an ongoing cost of salary and benefits. A police officer salary at the mid point of the district's 2004-05 salary schedules for police positions is \$35,400. The fringe benefit amount is calculated at \$5,142 (\$2,713 in annual insurance costs + fringe benefits for Medicare, retirement, and workers' compensation of \$2,429 = \$5142). Salary plus fringe benefits totals \$40,542. A police package vehicle costs \$22,746. The uniform, ballistic vest, and accessory costs total \$1,300, for a total one-time cost of \$24,046. NISD officers provide their own weapons.

For background information on Safety and Security, see p. 184 in the General Information section of the Appendices.

FISCAL IMPACT

RECOMMENDATIONS	2005-06	2006-07	2007-08	2008-09	2009-10	5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
57. Revise the discipline management model to provide clear guidelines, uniform application, and appropriate opportunities for rehabilitation.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58. Develop procedures for reconciliation of discipline data collected from alternate sources to ensure accurate reporting.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59. Develop, implement, monitor, evaluate, and revise (as necessary) a comprehensive safety and security plan as required by district policy.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60. Develop police department staffing level guidelines and adjust the number of police officers to ensure appropriate coverage.	(\$40,542)	(\$40,542)	(\$40,542)	(\$40,542)	(\$40,542)	(\$202,710)	(\$24,046)
Total Chapter 10	(\$40,542)	(\$40,542)	(\$40,542)	(\$40,542)	(\$40,542)	(\$202,710)	(\$24,046)



Appendices

Nacogdoches Independent School District

GENERAL INFORMATION

CHAPTER 1 EDUCATIONAL SERVICE DELIVERY

STUDENT OVERVIEW

NISD total student enrollment has increased gradually over the past years from 6,152 students in 2000–01 to 6,375 in 2003–04, or 3.6 percent. The demographics of the enrollment have changed over the same period, with increasing numbers of minority, economically disadvantaged, and limited English proficient (LEP) students. **Exhibit A-1** describes the changes. The numbers of Hispanic students increased by 8.1 percent, while the numbers of Anglo students decreased by 7.5 percent. The numbers of economically disadvantaged students increased by 7.3 percent. Students classified as LEP and CATE increased by 3.6 percent and 5.6 percent respectively. The number of special education students decreased by 3.6 percent over the same period.

STUDENT PERFORMANCE

The Texas Education Agency (TEA) provides information on the Texas Association of Academic Skills (TAAS), the Texas Assessment of Knowledge and Skills (TAKS), and other demographic, staffing, and financial data to school districts and the public through the Academic Excellence Indicator System (AEIS) and the Public Education Information Management System (PEIMS). This chapter uses data from both systems.

For 2003–04, the most current year for which accountability ratings are available, TEA assigned school districts one of four standard ratings—*Exemplary*, *Recognized*, *Academically Acceptable*, or *Academically Unacceptable*—or one of three special

circumstances ratings—*Academically Unacceptable* (special accreditation investigation), *Suspended* (data inquiry), or *Charter*. TEA assigned each school in the district one of four standard ratings—*Exemplary*, *Recognized*, *Acceptable*, or *Low Performing* or one of three special circumstances ratings—*Not Rated*, *Alternative Education* (commended, acceptable, needs peer review, or not rated), or *Suspended* (data inquiry).

Districts and schools must meet all of the TAAS and dropout rate standards to be eligible for a rating category. To receive an *Exemplary* rating, at least 90 percent of all students combined must pass the TAAS reading, writing, mathematics, and social studies sub-tests, and 90 percent of each student group (African American, Hispanic, Anglo, and economically disadvantaged) must pass the TAAS reading, writing, and mathematics sub-tests. In addition, the annual dropout rate in Grades 7–12 for all students cannot exceed 1 percent. To receive a rating of *Recognized*, the passing rates are 80 percent and the annual dropout rate is no more than 2.5 percent. To receive a rating of acceptable, the passing rates are 55 percent for reading, writing, and mathematics and 50 percent for social studies and the dropout rate is a maximum of 5 percent.

Before 2002–03, the Texas Assessment of Academic Skills (TAAS) was used to measure student performance. Districts administered TAAS in reading and mathematics in Grades 3–8 and Grade 10; in reading and mathematics in Spanish in Grades 3 and 4; in writing in Grades 4, 8, and 10; and in science and social studies in Grade 8. Districts also administered end-of-course (EOC) examinations in Algebra I, Biology, English II, and U.S. History. To graduate from a high school in Texas, a student had

EXHIBIT A-1 NISD STUDENT ENROLLMENT 2000–04

STUDENTS	2000–01	2001–02	2002–03	2003–04	PERCENT INCREASE CHANGE OVER TIME
African American	31.7%	31.4%	31.5%	30.7%	(1.0%)
Hispanic	24.0%	26.9%	29.7%	32.1%	8.1%
Anglo	43.4%	40.7%	37.6%	35.9%	(7.5%)
Asian/Pacific Islander	0.8%	0.9%	1.0%	1.1%	0.3%
Native American	0.1%	0.1%	0.1%	0.2%	0.1%
Total	100.0%	100.0%	99.9%	100.0%	
Economically Disadvantaged	58.1%	60.5%	64.2%	65.4%	7.3%
LEP	12.5%	14.2%	16.0%	16.1%	3.6%
Career and Technology Education (CATE)	17.1%	25.6%	28.1%	22.7%	5.6%
Special Education	12.2%	10.2%	8.9%	8.6%	(3.6%)
Total Enrollment	6,152	6,249	6,288	6,375	3.6%

NOTE: Percentages may not add to 100 percent due to rounding.

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS), 2003–04.

to pass the TAAS exit-level exam first administered in Grade 10.

Beginning in 2002–03, the Texas Assessment of Knowledge and Skills (TAKS) replaced the TAAS as the statewide assessment program. The TAKS measures to what extent a student has learned, understood, and is able to apply the important concepts and skills expected at each tested grade level on the statewide curriculum, the Texas Essential Knowledge and Skills (TEKS). TEA requires TAKS administration in reading at Grades 3–9; in writing at Grades 4 and 7; in English Language Arts at Grades 10 and 11; in mathematics at Grades 3–11; in science at Grades 5, 10, and 11; and in social studies at Grades 8, 10, and 11. Grades 3–6 receive the Spanish TAKS. A student must pass the TAKS at Grade 11 to receive a high school diploma in Texas.

The State Developed Alternative Assessment (SDAA) is administered to special education students who are receiving instruction in the TEKS but for whom the TAKS is an inappropriate measure of academic progress. Students are assessed at their appropriate instructional level, as determined by the Admission, Review, and Dismissal (ARD) committee, rather than at their assigned grade level. The SDAA is administered on the same schedule as the TAKS and is part of the state accountability system.

In November 2002, the State Board of Education (SBOE) adopted two performance standards for the TAKS, *met standard* (i.e., passing) and *commended performance* (i.e., high performance). However, because the TAKS is more challenging than the TAAS, the SBOE agreed to a transition plan recommended by panels of more than 350 educators and citizens to phase in *met standard* over several years. The passing standards during the phase-in are expressed as a “standard error of measurement” (SEM). In general, the passing standard is set at two SEM below the panel recommendation for 2002–03 and one SEM below the recommendation for 2003–04. Full implementation of the panel

recommendations for *met standard* will occur in 2004–05 with the exception of grade 11 students taking the TAKS exit-level test.

CAMPUS STAFFING LEVELS

Staffing in NISD comprises 72 percent of the budget, with campus staffing being the single highest cost. School districts focus time and attention on ensuring that they spend these resources in the most effective ways by evaluating school staffing based on state requirements and industry best standards. One widely accepted source of staffing standards is the Southern Association of Colleges and Schools (SACS), which provide accreditation for many colleges and K–12 schools in a 12-state region. SACS Standard 6 Resources provides that “each school has sufficient human, financial, physical, and material resources to support its vision, mission, and goals.” **Exhibit A-2** shows recommended staffing standards.

By adopting guidelines such as SACS standards for campus administrative and support staff, the district can effectively plan for growth and address staffing needs in a timely manner. **Exhibits A-3 through A-5** compare current staffing by school level and position to SACS standards. NISD added one clerical position at the elementary and middle schools and two clerical positions at the high school to take into account the stringent reporting requirements under PEIMS for Texas schools. Any half-time positions in the SACS standards were rounded up to a full-time position for comparison purposes. NISD compares favorably to the standards in most cases.

NISD assistant principal staffing follows SACS staffing guidelines very closely, based not only on the type of school (high, middle, and elementary) but also on size of student enrollment. For the purposes of this comparison, **Exhibit A-4** does not include the 0.5 assistant principal at McMichael Middle School who serves as the curriculum specialist for that campus.

Clerical staff at the high school exceeds the SACS standards. Clerical staffing at the middle schools is below the recommended standard.

**EXHIBIT A-2
SACS STANDARDS**

SCHOOL LEVEL	ASSISTANT PRINCIPALS	COUNSELORS	CLERICAL POSITIONS
High School	2.5 FTEs for enrollments up to 1,499 students and 1 FTE for each additional 250 students	3 FTEs for enrollments up to 1,499 students and 1 FTE for each additional 250 students	6 FTEs for enrollments of 1,500 or more
Middle Schools	1 FTE for enrollments up to 749 students and 0.5 FTE for each additional 250 students	1.5 FTEs for enrollments up to 749 students and 0.5 FTE for each additional 250 students	4 FTEs for enrollments for 500–749 students and 0.5 FTE for each additional 250 students
Elementary Schools	0.5 FTE for enrollments of 500–749 and 0.5 FTE for each additional 250 students	0.5 FTE for enrollments of 250–499 and 0.5 FTE for each additional 250 students	1 FTE for enrollments up to 499 students and 0.5 FTE for each additional 250 students

SOURCE: Southern Association of Colleges and Schools, 2005.

**EXHIBIT A-3
STAFFING COMPARISON USING SACS STANDARDS--ASSISTANT PRINCIPALS
DECEMBER 2004**

SCHOOL	ENROLLMENT	ACTUAL	SACS STANDARDS	UNDER (OVER)
Nacogdoches High School	1,847	4.0	4.0	0.0
Moses Middle School	614	1.0	1.0	0.0
McMichael Middle School	760	1.0	2.0	1.0
Brooks Quinn Jones Elementary School	807	1.0	1.0	0.0
Carpenter Elementary School	474	1.0	0.0	(1.0)
Fredonia Elementary School	388	0.0	0.0	0.0
Nettie Marshall Elementary School	292	0.0	0.0	0.0
Raguet Elementary School	473	0.0	0.0	0.0
Thomas J. Rusk Elementary School	573	1.0	1.0	0.0
Total*	6,228	9.0	9.0	0.0

NOTE: *Total enrollment does not include 137 students at the Charter Campus, which NISD and SFASU staff independently.
SOURCE: Fiscal Year 2005 Staffing Count, December 2004; and Enrollment, October 2004.

**EXHIBIT A-4
STAFFING COMPARISON USING SACS STANDARDS--CLERICAL POSITIONS
DECEMBER 2004**

SCHOOL	ENROLLMENT	ACTUAL	SACS STANDARDS	UNDER (OVER)
Nacogdoches High School	1,847	15.0	8.0	(7.0)
Moses Middle School	614	3.0	5.0	2.0
McMichael Middle School	760	4.0	6.0	2.0
Brooks Quinn Jones Elementary School	807	3.0	4.0	0.0
Carpenter Elementary School	474	2.0	2.0	0.0
Fredonia Elementary School	388	2.0	2.0	0.0
Nettie Marshall Elementary School	292	2.0	2.0	0.0
Raguet Elementary School	473	2.0	2.0	0.0
Thomas J. Rusk Elementary School	573	2.0	4.0	0.0
Total	6,228	38.0	35.0	(3.0)

NOTE: *Total enrollment does not include 137 students at the Charter Campus, which NISD and SFASU staff independently.
SOURCE: Fiscal Year 2005 Staffing Count, December 2004; and Enrollment, October 2004.

**EXHIBIT A-5
STAFFING COMPARISON USING SACS STANDARDS--COUNSELORS
DECEMBER 2004**

SCHOOL	ENROLLMENT	ACTUAL	SACS STANDARDS	UNDER (OVER)
Nacogdoches High School	1,847	5.0	5.0	0.0
Moses Middle School	614	2.0	2.0	0.0
McMichael Middle School	760	2.0	2.0	0.0
Brooks Quinn Jones Elementary School	807	1.0	2.0	1.0
Carpenter Elementary School	474	1.0	1.0	0.0
Fredonia Elementary School	388	1.0	1.0	0.0
Nettie Marshall Elementary School	292	1.0	1.0	0.0
Raguet Elementary School	473	1.0	1.0	0.0
Thomas J. Rusk Elementary School	573	1.0	1.0	0.0
Total	6,228	15.0	17.0	1.0

NOTE: *Total enrollment does not include 137 students at the Charter Campus, which NISD and SFASU staff independently.
SOURCE: Fiscal Year 2005 Staffing Count, December 2004; and Enrollment, October 2004.

The SACS standards indicate that the largest elementary school needs one additional guidance counselor or support person such as a social worker at each school.

GUIDANCE AND COUNSELING

One of the goals of the State Board of Education is to provide all Texas students with equal access to developmental guidance and counseling. TEA’s *A Model Development Guidance and Counseling Program for Texas Public Schools*, updated, in 2004 sets out four goals for an effective guidance and counseling program: guidance curriculum taught by counselors or integrated into the classroom curriculum; responsive services or interventions; individual student planning; and systems support or services support of parent and community efforts. The counselor-to-student ratio has a direct impact on the effectiveness of the program, and students’ and community needs should be determining factors since standards for counselor-to-student ratios range widely. The American School Counselor Association recommends a ratio of 1:250. The Texas School Counselor Association, the Texas Association of Secondary School Principals, and the Texas Elementary Principals and Supervisors Association have recommended ratios of 1:350. The Southern Association of Colleges and Schools Council on Accreditation and School Improvement recommends a ratio of up to 1:499 for secondary schools and 0.5:499 for elementary schools.

Qualified guidance counselors who have master’s degrees in guidance and counseling and a valid Texas counselor’s certificate staff the NISD guidance program. There is no separate guidance administrator in NISD. The counselors report to their principals with oversight provided by a lead counselor and the coordinator of Federal Programs. **Exhibit A-6** compares the current guidance staffing to the SACS standards. NISD staffing exceeds these standards

and applies more resources to this student service area.

SPECIAL EDUCATION

Under the federal Individuals with Disabilities Education Act (IDEA), districts must provide appropriate public education for all children with disabilities, regardless of their severity. The act requires districts to provide educational services in the “least restrictive environment” and to include students with disabilities in state and district assessment programs. IDEA also requires districts to develop an Individual Education Plan (IEP) for each of these students with input from general education teachers. The IEP has to provide special education students with curricula related to those of students in general education classrooms.

Mainstream—To ensure the least restrictive environment appropriate for each student, district personnel first consider providing services in general education classrooms with supplementary aids or services. Mainstreaming is the practice of allowing students with disabilities who spend all of their classroom hours in a regular classroom.

Resource—Resource classes are available for students in special education who need modified curriculum and instruction from a certified special education teacher. Students are assigned to the resource classroom based on the ARD committee’s recommendation. NISD has resource classes at all schools, except the charter campus. All schools use a pullout program for reading and math. Resource classes follow the student’s IEP, which is correlated to TEKS, and stays in sequence with the regular classes.

Self-Contained Classes—NISD will serve students with severe disabilities, whom the district cannot appropriately serve in a regular classroom, in a separate, self-contained classroom. The self-

**EXHIBIT A-6
COMPARISON OF NISD GUIDANCE STAFFING TO STANDARDS**

SCHOOL	2003-04 ENROLLMENT	NISD STAFFING	SACS STANDARDS	UNDER (OVER)
Nacogdoches High School	1,847	5.0	5.0	0.0
Moses Middle School	614	2.0	1.5	0.5
McMichael Middle School	760	2.0	2.0	0.0
Brooks Quinn Jones Elementary School	807	1.0	1.5	(0.5)
Carpenter Elementary School	474	1.0	0.5	0.5
Fredonia Elementary School	388	1.0	0.5	0.5
Nettie Marshall Elementary School	292	1.0	0.5	0.5
Raguet Elementary School	473	1.0	0.5	0.5
Thomas J. Rusk Elementary School	573	2.0	1.5	0.5
Total*	6,228	16.0	13.5	2.5

NOTE: Staffing for Rusk Elementary includes one social worker position. *Total enrollment does not include 137 students at the Charter Campus, which NISD and SFASU staff independently.

SOURCE: NISD Enrollment Count October 2004, Fiscal Year 2005 Staffing Count, and SACS Public School Standards, 2005.

contained classrooms, called life skills rooms, assure that the district meets the needs of students with severe and profound disabilities and that life skills training takes place. The emphasis of the core coursework is on daily application leading toward independent living. Some of the high school students in the life skills program receive community based vocational instruction to prepare them to enter the workforce upon graduation. Self-contained classes are available at two elementary schools, one middle school and at the high school.

Adaptive Physical Education—Students receive physical education instruction in the general education physical education program. The ARD committee addresses modifications for physical education and provides these when needed for the student to be successful. The classroom teacher, physical education teacher, and the occupational and physical therapist collaboratively provide adaptive physical education programs for students who would not benefit from a general education physical education program without modifications. NISD has two adaptive physical education teachers.

Homebound—This program provides at-home services for students at all grade levels that cannot attend school because of illness or injury.

The Preschool Program for Children with Disabilities (PPCD)—NISD provides a pre-school program for children with disabilities who are three to five years old at one elementary school.

NISD participates in the School Health and Related Services (SHARS) program, which reimburses it for services. The state amended its Medicaid program in September 1992, allowing school districts to enroll as Medicaid providers and apply for Medicaid reimbursement for services they provide to students with disabilities. SHARS provides reimbursement for services determined to be medically necessary and reasonable to ensure that a disabled child under the age of 21 receives the benefits of a free and appropriate public education. Services include assessment, audiology, counseling, medical services,

school health services, occupational therapy, physical therapy, speech therapy, physiological services and associated transportation.

NISD offers the full continuum of instructional arrangements for special education students at its schools. In February 2005, TEA took the district off its watch list of approximately 70 districts that had more than 125 percent of the state average of special education students in restricted environments. NISD had been on the list since its inception six years ago. The district had spent two years working to address this issue after TEA ordered corrective action in 2002. Reasons cited for the success by the director of Special Education include the following:

- the knowledge and awareness of the district’s least restrictive environment including individual campus plans that address this concern;
- in-house diagnosticians that are employees of the district and assigned to the schools; and
- implementation of a dual program where special education students, some with multiple handicaps, are in regular classrooms for at least part of the day with an assigned aide who helps ensure that the school meets their needs.

The district has successfully integrated these small groups of no more than four to six students into the regular classroom environment at the middle school level and now at the high school.

**CHAPTER 2
DISTRICT MANAGEMENT AND
COMMUNITY RELATIONS**

Effective school organizations must have appropriate management structures with clearly assigned roles and responsibilities. An elected seven-member Board of Trustees governs NISD. The community elects two members districtwide and five from single-member districts.

BOARD MEMBER TRAINING

Exhibit A-7 lists training hours for each NISD board member for May 2003–December 2004. Texas

**EXHIBIT A-7
NISD BOARD MEMBER TRAINING
MAY 2002–APRIL 2004**

MEMBER	TRAINING HOURS MAY 2003–APRIL 2004	TRAINING HOURS MAY 2004–DECEMBER 2004
Almarie Henderson	18.25	4.75
Richard Fischer, President	13.25	5.00
Rex Humphreys	9.00	None
Phil Mahar, Secretary*	22.50	5.00
Jay Knott, Vice President*	22.50	6.00
Duncan Rogde	8.5	None
Tom Davis**	No Requirement	18.50

NOTE: *Elected to office May 2003; **Elected to office May 2004.
SOURCE: NISD, Superintendent’s Office, December 2004.

Education Code (TEC) §11.159 states that new board members are required to have 16 hours of continuing education during the first year of service and eight hours in subsequent years. All members have met their requirements for the year of service ending April 2004, and one member has met the requirements for the year of service ending April 2005. The remaining board members have four months to complete their requirements. Board members Rex Humphreys and Duncan Rogde have announced that they do not intend to run for reelection in May 2005.

TEC Code §11.159 also requires that annually at the meeting at which the call for election of board members is normally scheduled, the board president shall announce the name of each board member who has completed the required continuing education, who has exceeded the required hours of continuing education, and who is deficient. The minutes of the meeting should reflect this information and make it available to the local media. This occurred at regularly scheduled meetings in February 2004 and February 2005.

DISTRICT STAFFING

Exhibit A-8 compares administrative staffing in NISD to its peer districts: Lufkin, Seguin, and San Marcos Consolidated. All three districts have larger enrollments than NISD, so the review team made comparisons based on the number of positions per 1,000 students. In three categories (principals, assistant principals, and instructional directors and coordinators), NISD had the smallest number of administrators per 1,000 students. In the two other categories (assistant superintendents and non-instructional directors), NISD was second smallest and highest respectively. Overall, NISD had the

smallest number of administrators per 1,000 students in the comparison.

LEGAL FEES

Exhibit A-9 lists legal fees paid by the district during the last three years from 2001–02 through 2003–04. The district uses a retainer plan that defines hourly rates for types of services and eliminates charges for phone calls and simple questions to control legal fees. The attorneys do not attend each board meeting, which also limits the ongoing costs of legal services. Legal costs have increased over the three-year period due to charges related to specific litigation cases, including one filed by an employee that TEA had dismissed, which is now in federal court under the whistle-blower statute.

COMMUNITY INVOLVEMENT

An effective school district community involvement program reflects the unique characteristics of the district and its community. Communications within the district and with the community are the core of an effective community involvement program because they are essential to gaining the participation and support of parents, local businesses, and other local groups to work with district staff to provide supplemental resources to the school. Other essential program components include methods for recruiting volunteers, soliciting business support for school programs and functions, and conducting outreach activities to encourage the community's participation.

NISD decentralized its community involvement function, with community involvement activities distributed districtwide. The coordinator of Federal Programs, who oversees parent involvement activities associated with federal program funds, is at the center of district-level community involvement.

EXHIBIT A-8 COMPARISON OF ADMINISTRATIVE STAFFING NISD AND PEER DISTRICTS 2003–04

STAFFING TYPE	NISD	LUFKIN	SAN MARCOS	SEGUIN
Student Enrollment	6,375	8,248	7,020	7,475
Assistant Superintendents	3	3	3	5
Principals	9	14	10	14
Assistant Principals	9	16	12	9
Instructional Directors/ Coordinators	5	11	6	6
Non-Instructional Directors/Coordinators	7	3	4	5
Total Administrators	33	47	35	39
STAFFING (PER 1,000 STUDENTS)				
Assistant Superintendents	0.47	0.36	0.43	0.67
Principals	1.41	1.70	1.42	1.87
Assistant Principals	1.41	1.94	1.71	1.20
Instructional Directors/Coordinators	0.78	1.33	0.85	0.80
Non-Instructional Directors/Coordinators	1.10	0.36	0.57	0.67
Total Administrators Per 1,000 Students	5.18	5.70	4.99	5.22

SOURCES: For Nacogdoches, Administrator Listing provided by Human Resources, December 2004. For peer districts, Texas Education Agency, Academic Excellence Indicator System (AEIS), 2003-04, and telephone interviews.

**EXHIBIT A-9
NISD LEGAL FEES
2000-2004**

YEAR	FEES
2001-02	\$25,347.96
2002-03	\$36,615.34
2003-04	\$41,551.22

SOURCE: NISD, Business and Finance Services Department, December 2004.

Individual principals at each campus are responsible for parent involvement activities at their campus as well as development of community and business partnerships and recruitment of volunteers. For this review, the three peer districts selected for comparative purposes are Lufkin, Seguin, and San Marcos Consolidated ISDs. **Exhibit A-10** compares NISD’s per-student community involvement expenditures to its peer districts. NISD has the third lowest per-student expenditure of the peer group, behind Seguin and San Marcos Consolidated.

Federal, state, and local laws define parent involvement requirements in public education. Section 1118 of the No Child Left Behind Act of 2002, the primary federal education law, requires parent involvement activities. The TEC strongly emphasizes the importance of parent involvement. Section 4.001 states, “A successful public education system is directly related to a strong, dedicated, and supportive family and that parental involvement in the school is essential for the maximum educational achievement of a child.” Section 4.001(b) states, “Parents will be full partners with educators in the education of their children.” The TEC further stresses its importance in section 26.001(a), which states, “Parents are partners with educators, administrators, and school district boards of trustees in their children’s education. Parents shall be encouraged to actively participate in creating and implementing educational programs for their children.”

NISD complies with the requirements of §1118 of the No Child Left Behind Act. Each school receiving Title I funding has a parent compact, provided in both Spanish and English. The parent compact specifies behavior expectations, outlines rewards and

consequences tied to the expectations, and identifies the responsibilities of the student, parent, teacher, and principal to ensure student success.

NISD stresses the importance of parent involvement in its district improvement plan (DIP) and individual CIPs. Each CIP includes goals and objectives to build positive school and home relationships and to increase parent involvement in school activities. Strategies vary by school. For example, Raguet Elementary School has 10 strategies in its CIP to increase parent and community participation. Strategies range from parent training to providing information in newsletters to sponsoring activities to increase parent involvement such as Moms and Dads for Lunch. **Exhibit A-11** shows examples of activities used by NISD and various NISD campuses to increase community and parent involvement.

In addition to parent involvement, community and business partnerships are critical to provide additional resources to supplement programs at the schools. Since the district decentralizes its community involvement function, principals are largely responsible for development of these partnerships. **Exhibit A-12** provides a list of the community and business partners for NISD.

**CHAPTER 3
FINANCIAL AND ASSET
MANAGEMENT**

ORGANIZATION

Financial management is most effective when a district properly aligns its business services functions, establishes strong systems of internal control, and properly allocates staff resources. The business manager who reports to the assistant superintendent of Administrative Services is responsible for financial management in NISD and is supported by four positions responsible for financial functions.

The major financial duties of the business manager include:

- serving as the chief financial advisor to the superintendent and board;

**EXHIBIT A-10
COMMUNITY INVOLVEMENT EXPENDITURES
NISD VS. PEER DISTRICTS
2002-03**

DISTRICT	EXPENDITURES	ENROLLMENT	PER STUDENT EXPENDITURE*
Seguin	\$276,824	7,556	\$37
San Marcos	\$237,200	7,021	\$34
Nacogdoches	\$98,885	6,288	\$16
Lufkin	\$45,490	8,216	\$6
State	\$181,790,240	4,239,911	\$43

NOTE: * Rounded to the nearest dollar.

SOURCE: Texas Education Agency, AEIS, 2003-04 for expenditures and 2002-03 for enrollment.

EXHIBIT A-11
NISD CAMPUS AND DISTRICT COMMUNITY INVOLVEMENT ACTIVITIES
2004-05

EXAMPLE ACTIVITIES	PARTICIPATING SCHOOLS
Family Fun Nights	Nettie Marshall, Raguet, Carpenter, T.J. Rusk, Fredonia, Brooks Quinn Jones Elementaries, NISD/SFA Charter
PTA Activities	Nettie Marshall, Raguet, Carpenter, T.J. Rusk, Brooks Quinn Jones Elementaries, NISD/SFA Charter, Mike Moses Middle
Noche de Familia parent training	District-level event
Thanksgiving dinner	Nettie Marshall Elementary
Book Fair	Nettie Marshall, Raguet, Carpenter, T.J. Rusk, Fredonia, Brooks Quinn Jones Elementaries, NISD/SFA Charter, Mike Moses and McMichael Middle
Back to School/Meet the Teacher Night	Nettie Marshall, Raguet, Carpenter, T.J. Rusk, Brooks Quinn Jones, Fredonia Elementaries, NISD/SFA Charter, McMichael and Mike Moses Middle Schools
Red Ribbon Week (safe and drug-free schools activities)	District-level event
Grandparents Day	Nettie Marshall, Carpenter, Brooks Quinn Jones Elementaries
Mom and Dads for Lunch	Raguet, Carpenter Elementaries, Mike Moses Middle
Community Outreach Meetings (housing projects, churches)	Carpenter Elementary
Marathon Challenge	District-level event
Book Buddy Reading Program	Fredonia Elementary
Multicultural Weeks (speakers and cultural activities)	Fredonia Elementary
Summerfest	T.J. Rusk Elementary
Substance Abuse Prevention Activities (Secrets of the Streets, Power of Prevention)	District-level events
"Tackling the TAKS" presentation	District-level event
RAH-RAH Program (read at home)	Raguet Elementary
Veteran's Celebration/Walk of Fame	Fredonia Elementary
Concerts, Assemblies	Nettie Marshall, Raguet, Carpenter, T.J. Rusk, Brooks Quinn Jones, Fredonia Elementaries, NISD/SFA Charter, McMichael and Mike Moses Middle, Nacogdoches High School
Resist Aggression Defensively and See Us Learn Programs	NISD/SFA Charter
Athletic Events and Pep Rallies	McMichael and Mike Moses Middle Schools, Nacogdoches High School
Public Drug Forum	Nacogdoches High School
Topical assemblies: college night, fish camp, fabulous freshmen, meet the Dragons, Dances	Nacogdoches High School

SOURCE: NISD, principals and staff, 2005.

- ensuring compliance of the district's accounting system with laws, rules, and regulations;
- preparing the annual operating budget and all amendments to the budget;
- preparing and publishing the annual financial report; and
- overseeing the operations and budget of the Business Office.

Exhibit A-13 presents the organization of the Business Office.

In addition to answering incoming calls, taking and routing messages, preparing correspondence, and copying documents for the department, the secretary has a number of bookkeeping responsibilities. The secretary acts a backup for accounts payable and payroll, provides training to campus secretaries, and is responsible for distributing credit cards.

The controller maintains subsidiary accounts by verifying, allocating, and posting transactions;

maintains the general ledger by transferring subsidiary account summaries; works with bank officials to make inquiries and resolve discrepancies in account records; prepares financial statements, income statements, cash in bank reports, and cost reports to reflect the financial condition of the district; provides central management of the district's activity funds; acts as an investment officer of the district; assists with the annual external audit; files Teacher Retirement System reports; reviews payroll reports; submits the district's data file of checks for positive pay; coordinates school district elections; and posts warehouse charges to the general ledger.

The accounts payable clerk processes prompt and accurate payments for all non-payroll expenditures of the district. The district uses a three-way match for the payment of some invoices. The invoice is matched to the purchase order and receiving copy submitted by the school or department making the purchase and enters into the accounts payable system for payment. The remaining invoices are paid using

EXHIBIT A-12
NISD BUSINESS AND COMMUNITY PARTNERSHIPS
2004-05

PARTNER	DESCRIPTION OF PARTNERSHIP
Stephen F. Austin State University (SFASU)	Student interns, mentors, volunteers
SFASU Fraternities/Sororities	Volunteers for reading and assistance in the library, computer labs, music, and physical education
SFASU Nursing Club	Items for low socio-economic students
Burke Center	Character and social skills education
S. Street Brookshire Brothers	Mentoring and donation of snacks for parent meetings
NIBCO	Books
University Drive	Refreshments for school events
Alcohol and Drug Abuse Council of Deep East Texas	Multi-media program for Red Ribbon Week Fight Against Methamphetamine Epidemic (FAME) project
Nacogdoches Safe and Drug Free	Education materials and promotional support to reduce alcohol, tobacco, and other drug use
Sonic Drive In	Rewards for Patriot Notes Program (recognizes good student behavior and citizenship)
Pizza Hut	Coupons for Book-It program
McDonald's	Ice cream for Patriot Notes program
Chicken Express	Refreshments for school events
Papa John's Pizza	Refreshments for school activities, donations to school partners for pizza sales
Revolution	Jeans for student Christmas presents
Lion's Club	Free eye glasses and tennis shoes for students in need
Tattoo Productions	T-shirts for school events
Downtown Merchants Association	Pep Rally for Nacogdoches High School
Exxon/Mobil	Grants for student/staff general supplies
Keep Nacogdoches Beautiful	Recycling education/support
Nacogdoches Police Department	Marathon Kids challenge program and participation in drug-related forums
Chick-Fil-A	Character education support
Medical Center	Safety program
Memorial Hospital	Nutrition newsletters
Dream Makers florist	Donations to school partners for sales
Sherwin Williams	Paint
First Baptist Church	Furniture
Story-Wright	Discount supplies
Johnson Furniture	Furniture
Hardy Merideth Photography	Photo sessions
Encore Music	Consulting support

SOURCE: NISD, principals and staff, 2005.

pay vouchers that include authorization to pay and are attached to the vendor invoice. The district issues accounts payable checks each Wednesday and files the supporting documentation alphabetically by vendor name. The accounts payable clerk also establishes and maintains the vendor files that include the name, address, contact person, and related IRS Form W-9 for vendors. In addition, the accounts payable clerk processes all travel reimbursements for the district.

The payroll clerk is responsible for coordinating and preparing payrolls; receiving; auditing and entering information from employee time reports; reconciling employee deductions registers and related billings; preparing and submitting quarterly and annual reports to federal and state agencies; and maintaining the district's position control system. NISD's two payroll cycles are monthly and bi-weekly. Bi-weekly employees are hourly employees performing the custodial, food service, and maintenance functions in

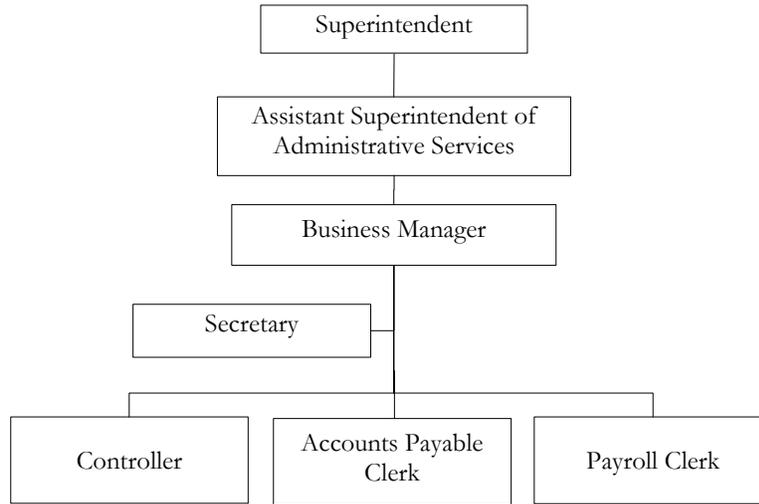
the district. The district makes direct deposit available to all employees paid on a monthly basis.

FINANCIAL PERFORMANCE

School district financial management involves the effective use of limited resources to support student achievement. School districts' financial operations must comply with federal, state, and local laws and regulations. The Texas Education Agency (TEA) requires districts' financial operations to comply with the guidelines of the Financial Accountability System Resource Guide (FASRG). The FASRG combines requirements for financial management from a variety of sources into one guide for Texas school districts.

The most current financial data available for all districts is 2004-05 budget, student enrollment, and staffing reports through the Public Education Information Management System (PEIMS) administered by TEA. PEIMS budget reports

**EXHIBIT A-13
BUSINESS OFFICE ORGANIZATION
DECEMBER 2004**



SOURCE: NISD, business manager, December 2004.

provide the beginning of the year budget data and include the General Fund, Food Service Fund, and Debt Service Fund. All other funds are specifically excluded because they are not legally required to have an officially adopted budget. For comparison of tax rates, property values per students, and actual revenues and expenditures, the most current information available for all districts is 2003–04 provided by the Academic Excellence Indicator System (AEIS). This information includes the audited financial data for all funds in each district.

One way to judge the effectiveness of a district’s financial management function is to compare the district with peer districts. Lufkin, San Marcos Consolidated, and Seguin were selected for this review as NISD’s peer districts. **Exhibit A-14** presents student enrollment, percentage of economically disadvantaged students, property value per student, and total tax rate for NISD, its peer districts, and the state.

Texas school districts receive revenue from three primary sources: local sources, state funding, and federal programs. Property taxes provide the primary local source of funds for most school districts. School districts develop and adopt a tax rate, while county appraisal districts appraise the value of property within the district. The combined rate is applied to the assessed property value to compute the district’s total tax levy. Property values are important determinants of school funding, at the state and local level. 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.

NISD receives funding from the state based on a formula approved by the Legislature. In general, the funding is based on the number of students in average daily attendance in the district. The funding formula also contains additional funding for programs designed to benefit students with special needs.

NISD also receives state funding from the Existing Debt Allotment (EDA) to pay a portion of the payments on its bonded indebtedness for facilities. The EDA is a state program to pay a portion of districts’ bonded indebtedness based on the local tax effort. NISD’s EDA funding was equivalent to 40.9 percent of the annual principal and interest payment for its bonded debt in 2003–04.

NISD receives federal funding from the U.S. Department of Education passed through TEA to assist in providing educational and vocational opportunities for NISD children. NISD also receives funding from the U.S. Department of Agriculture to assist in providing students with nutritious meals and from the U.S. Department of Health and Human Services for school health programs.

Exhibit A-15 presents a comparison of budgeted revenue for all funds by source for NISD, its peer districts, and the state on a per-student basis. NISD has the second lowest total revenue per student. All of the peer districts rely on local revenues for the majority of their budgeted revenues.

**EXHIBIT A-14
ECONOMIC INDICATORS**

DISTRICT	NUMBER OF STUDENTS ENROLLED 2004-05	PERCENTAGE ECONOMICALLY DISADVANTAGED 2004-05	PROPERTY VALUE PER STUDENT 2003-04	TOTAL TAX RATE 2003-04
Lufkin	8,509	60.5%	\$208,120	\$1.580
Seguin	7,567	58.8%	\$209,771	\$1.685
San Marcos	7,156	59.1%	\$337,538	\$1.600
Nacogdoches	6,365	66.5%	\$207,107	\$1.713
State	4,400,644	54.5%	\$249,207	\$1.552

SOURCE: Texas Education Agency, AEIS, 2003-04 and Public Education Information Management System (PEIMS), 2004-05.

**EXHIBIT A-15
REVENUE SOURCES
2004-05**

REVENUE SOURCE	LUFKIN	NACOGDOCHES	SAN MARCOS	SEGUIN	STATE
Local Tax	\$3,233	\$3,387	\$5,942	\$3,657	\$3,930
Other Local	\$206	\$192	\$209	\$210	\$251
State	\$2,615	\$2,486	\$1,127	\$3,013	\$2,800
Federal	\$297	\$290	\$285	\$266	\$273
Total	\$6,351	\$6,355	\$7,563	\$7,146	\$7,254

SOURCE: Texas Education Agency, PEIMS, 2004-05.

NISD’s total revenues have increased by 16.9 percent from 1999–2000 through 2002–04. The largest increase in a revenue source was in federal revenues during this period. **Exhibit A-16** compares revenues by source for 1999–2000 through 2003–04.

NISD levies property taxes composed of a maintenance and operations (M&O) component and an interest and sinking (I&S) component. The district uses the taxes collected from the M&O component to fund the general operations of the district, and it uses the taxes collected from the I&S component to pay the district’s bonded indebtedness. **Exhibit A-17** presents the tax rates for NISD, the peer districts, and the state.

NISD’s total tax rate has increased by 8.4 percent from 1999–2000 through 2003–04. The M&O component has increase by 0.9 percent during this period and is at the \$1.50 state-imposed cap. The M&O tax rate remains at \$1.50 for 2004-05 for the fifth year in a row. NISD’s debt service tax rate has increased 128.7 percent due to the 2001 bond issue. **Exhibit A-18** shows the changes in the NISD tax rate from 1999–2000 through 2003–04.

NISD contracts with the Nacogdoches Appraisal District to collect its taxes and pays the appraisal district 1.5 percent of the taxes collected for their services. NISD entered into the initial contract in 1984. The district contracts with Travis P. Clardy for the collection of delinquent taxes. The taxpayer pays the firm a 15 percent penalty of the taxes due as a fee for their services.

Exhibit A-19 shows the tax levy, current year levy collected, delinquent taxes collected, and penalty and interest collected for 1999–2000 through 2003–04.

NISD has total tax collections ranging from 99.6 to 100.3 percent of the levy.

The FASRG requires school districts to account for expenditures by the type or object of the expenditure. **Exhibit A-20** presents budgeted expenditure information as a percent of total for NISD, its peer districts, and state by object code description for 2004–05. NISD budgets the smallest percentage of its expenditures for payroll. This is due to the district contracting out its transportation services. San Marcos also contracts out a portion of its transportation services.

Chapter 1 of the FASRG also mandates the use of function codes by school districts to track expenditures for different school district operations. **Exhibit A-21** presents budgeted expenditures per enrolled student by function code for NISD and its peer districts. These budgeted expenditures include payroll, contracted services, supplies, other operating, debt service, and capital outlay object codes. NISD budgeted the second lowest expenditures per student of the peer districts. NISD budgeted the lowest per pupil amount in instruction and the highest in transportation and food service.

NISD budgets 50.6 percent of its total expenditures for instruction compared to the state average of 56.3 percent. The functional expenditures presented in **Exhibit A-22** include the payroll costs, professional and contracted services, supplies, and materials and other operating costs object codes. The other expenditures line item includes the debt services and capital outlay object codes and any other functional code not listed in the table to equal to total expenditures.

EXHIBIT A-16
REVENUE SOURCES
1999-2000 THROUGH 2003-04

REVENUE SOURCE	1999-2000	2000-01	2001-02	2002-03	2003-04	PERCENT INCREASE FROM 1999-2000
Local Tax	\$13,857,985	\$15,368,955	\$17,987,190	\$19,712,727	\$20,987,884	51.4%
Other Local	\$2,083,486	\$1,801,844	\$3,284,332	\$2,539,705	\$2,431,503	16.7%
State	\$22,429,245	\$22,328,311	\$20,404,179	\$20,846,742	\$19,734,297	(12.0%)
Federal	\$3,868,535	\$3,919,047	\$4,384,560	\$5,381,679	\$6,214,901	60.7%
Total	\$42,239,251	\$43,418,157	\$46,060,261	\$48,480,853	\$49,368,585	16.9%

SOURCES: Texas Education Agency, PEIMS, 1999-2000 through 2002-03, and NISD, annual audit, 2003-04.

EXHIBIT A-17
TAX RATES
2003-04

TAX TYPE	LUFKIN	NACOGDOCHES	SAN MARCOS	SEGUIN	STATE
Maintenance and Operations	\$1.500	\$1.500	\$1.500	\$1.500	\$1.447
Debt Service	\$0.080	\$0.213	\$0.100	\$0.185	\$0.105
Total Tax Rate	\$1.580	\$1.713	\$1.600	\$1.685	\$1.552

SOURCE: Texas Education Agency, AEIS, 2003-04.

EXHIBIT A-18
TAX RATE
1999-2000 THROUGH 2003-04

TAX TYPE	1999-2000	2000-01	2001-02	2002-03	2003-04	PERCENT INCREASE FROM 1999-2000
Maintenance and Operations	\$1.487	\$1.500	\$1.500	\$1.500	\$1.500	0.9%
Debt Service	\$0.093	\$0.090	\$0.251	\$0.236	\$0.213	128.7%
Total Tax Rate	\$1.580	\$1.590	\$1.751	\$1.736	\$1.713	8.4%

SOURCE: NISD, annual audits, 1999-00 through 2003-04.

EXHIBIT A-19
TAX COLLECTIONS
1999-2000 THROUGH 2003-04

DESCRIPTION	1999-2000	2000-01	2001-02	2002-03	2003-04	PERCENT INCREASE FROM 1999-2000
Tax Levy	\$13,839,721	\$15,386,744	\$18,083,294	\$19,853,084	\$21,116,451	52.6%
Current Taxes	\$13,047,569	\$14,693,344	\$17,290,372	\$19,003,594	\$20,094,060	54.0%
Delinquent Taxes	\$263,959	\$399,837	\$364,965	\$376,238	\$480,724	82.1%
Penalties and Interest	\$165,363	\$240,811	\$219,628	\$273,538	\$313,763	89.7%
Total Collections	\$13,476,891	\$15,333,992	\$17,874,965	\$19,653,370	\$20,888,547	55.0%
Percent of Total Collections to Levy	97.4%	99.7%	98.8%	99.0%	98.9%	

SOURCE: NISD, annual audits, 1999-00 through 2003-04.

EXHIBIT A-20
EXPENDITURE BY OBJECT
2003-04

OBJECT	LUFKIN	NACOGDOCHES	SAN MARCOS	SEGUIN	STATE
Payroll Costs	74.5%	65.4%	68.1%	73.9%	72.6%
Other Operating	17.7%	23.1%	17.0%	15.1%	16.4%
Debt Service	6.4%	10.7%	14.4%	10.5%	9.6%
Capital Outlay	1.4%	0.8%	0.5%	0.5%	1.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

SOURCE: Texas Education Agency, PEIMS, 2004-05.

**EXHIBIT A-21
PER STUDENT EXPENDITURE BY FUNCTION
2003-04**

OBJECT	LUFKIN	NACOGDOCHES	SAN MARCOS	SEGUIN	STATE
Instruction (11)	\$3,154	\$2,819	\$3,652	\$3,692	\$3,677
Instructional Resources and Media Services (12)	\$85	\$63	\$73	\$175	\$120
Curriculum and Staff Development (13)	\$46	\$44	\$127	\$23	\$71
Instructional Leadership (21)	\$140	\$84	\$128	\$128	\$85
School Leadership (23)	\$369	\$285	\$432	\$360	\$394
Guidance, Counseling and Evaluation Services (31)	\$181	\$146	\$167	\$234	\$214
Social Work Services (32)	\$5	\$20	\$25	\$30	\$14
Health Services (33)	\$51	\$28	\$67	\$56	\$66
Student Transportation (34)	\$195	\$401	\$393	\$198	\$195
Food Services (35)	\$373	\$439	\$340	\$388	\$373
Co-/Extracurricular Activities (36)	\$164	\$150	\$146	\$168	\$172
General Administration (41)	\$231	\$324	\$289	\$235	\$262
Plant Maintenance/Operations (51)	\$699	\$636	\$712	\$719	\$745
Security and Monitoring Services (52)	\$29	\$41	\$29	\$47	\$51
Data Processing Services (53)	\$102	\$90	\$156	\$63	\$87
Other Expenditures	\$492	\$752	\$1,180	\$809	\$832
Total	\$6,316	\$6,322	\$7,916	\$7,325	\$7,358

SOURCE: Texas Education Agency, PEIMS, 2004-05.

**EXHIBIT A-22
OPERATING EXPENDITURE FUNCTIONS
2004-05**

FUNCTION (CODE)	NISD		STATE	
	BUDGET	PERCENT OF BUDGET	BUDGET	PERCENT OF BUDGET
Instruction (11,95)	\$17,925,325	50.6%	\$16,118,450,371	56.3%
Instructional-Related Services (12)	\$402,307	1.1%	\$525,318,107	1.8%
Curriculum/Staff Development (13)	\$278,720	0.8%	\$310,860,548	1.1%
Instructional Leadership (21)	\$535,892	1.6%	\$371,395,976	1.3%
School Leadership (23)	\$1,814,473	5.7%	\$1,727,503,540	6.0%
Guidance Counseling Services (31)	\$929,006	2.9%	\$937,725,775	3.3%
Social Work Services (32)	\$128,912	0.4%	\$63,285,165	0.2%
Health Services (33)	\$179,659	0.6%	\$287,602,279	1.0%
Student Transportation (34)	\$2,548,000	7.2%	\$855,072,756	3.0%
Food Services (35)	\$2,789,549	7.9%	\$1,633,707,456	5.7%
Co-curricular/Extracurricular Activities (36)	\$952,202	2.7%	\$754,237,672	2.6%
Central Administration (41,92)	\$2,058,098	5.8%	\$1,149,010,142	4.1%
Plant Maintenance and Operations (51)	\$4,042,893	11.4%	\$3,266,349,808	11.4%
Security and Monitoring Services (52)	\$260,229	0.7%	\$222,924,019	0.8%
Data Processing Services (53)	\$574,333	1.6%	\$383,462,260	1.3%
Total	\$35,419,598	100.0%	\$28,606,905,874	100.0%

NOTE: * Totals may not add to 100 percent due to rounding.
SOURCE: Texas Education Agency, PEIMS, 2004-05.

The 2001 Legislature enacted Senate Bill 218, which requires the implementation of a financial accountability rating system. In compliance with this mandate, TEA established the School Financial Integrity Rating System of Texas (School FIRST). In 2003-04, the district published an annual report describing the financial performance of the district and discussed the report at a public hearing.

NISD received a substandard achievement rating on the 2003 School FIRST accountability program. NISD was rated favorably on 20 of the 21 criteria in the system. However, the district received a substandard rating due to its negative fund balance.

External audits provide a review of the district's compliance with established standards and practices. The external audit provides an annual financial and compliance report, an examination of the expenditure of federal funds, and a report to management on internal accounting controls.

The Texas Education Code (TEC) Section 44.008 requires school districts to undergo an annual external audit performed by a certified public accountant. The scope of the external audit is financial in nature and designed to provide reasonable assurance that the financial statements fairly present the financial condition of the district.

The current audit firm performed NISD’s annual financial and compliance audit for a five-year period ending in 2002 and was engaged through the request for proposal process for 2003 and 2004. The audits cover the period between September 1 of the previous calendar year and August 31 of the next year. All of the audit reports stated that the financial statements were a fair representation of the district’s financial condition and did not report any material weaknesses in internal controls.

INVESTMENTS

Effective cash management practices ensure that district funds are collected in a timely manner and that they are invested in secure instruments with maximum earning potential. Cash and investments must be safeguarded against the risk of loss by holding cash in accounts guaranteed by the Federal Deposit Insurance Corporation (FDIC). For amounts more than the FDIC coverage, the institution should provide a depository bond or pledge securities to the district in an amount equal to or greater than the amount more than FDIC coverage. Regions Bank pledges securities held in safekeeping by the Federal Reserve Bank for deposits in excess of FDIC coverage.

The maturity of the investments should match the fluctuating cash flow demands of the district. Effective cash management provides the district with additional revenue to fund essential programs and operations by providing market rates of return on the maximum amount of cash not needed to fund immediate needs.

Texas school districts must comply with the Texas Education Code (TEC), Chapter 45, and Subchapter G in the selection of a depository bank. NISD renewed its depository agreement with Regions Bank for the 2003–05 biennium in accordance with the TEC. The original depository contract was the result of the district’s bid for depository services in 2000–01.

The district has implemented positive pay to protect against fraud. Positive pay is a daily reconciliation of the district’s data file of checks issued to the bank’s data file of checks actually paid. The district’s data file of checks is an electronic list of checks issued including the amount of the check submitted to the bank. The bank rejects any checks that do not match the district’s data file of checks and notifies the district on a daily basis of the checks rejected.

The district complies with all provisions of the Public Funds Investment Act (PFIA). The PFIA, Chapter 2256 of the Texas Government Code, governs the investment of governmental funds. NISD meets these requirements with its investment

policy, an investment strategy approved by the board, an annual review of the policy and strategy by the board, investment officers designated by the board, investment policy presented to and acknowledged by companies, an annual compliance audit, investment officers attending required training, and investment reports submitted to the board quarterly and annually.

The district invests in public funds investment pools. **Exhibit A-23** presents NISD’s investments.

**EXHIBIT A-23
NISD INVESTMENTS
2004–05**

INVESTMENT	FUND	AMOUNT	INTEREST RATE
TexSTAR	General	\$1,013,695	1.95%
MBIA – CLASS	General	\$322	1.82%
MBIA – CLASS	Debt Service	\$634,749	1.82%
MBIA – CLASS	Bond Fund	\$4,343	1.82%
TexSTAR	Bond Fund	\$663	1.95%
TexSTAR	Bond Fund	\$4,492,071	1.95%
Total		\$6,145,843	

SOURCE: NISD, investment report, November 2004.

INSURANCE

An effective risk management program provides a safe environment for students and employees, minimizes workers’ compensation claims and costs, controls costs by ensuring that the district is adequately protected against significant losses with the lowest possible insurance premiums, and provides sound and cost-effective health insurance for district employees. To ensure the district is protected against significant losses, the district must have accurate insurable values for district property and be able to document all property owned by the district. Annual appraisals of property values and inventories of fixed assets provide for accurate insurable values and documentation of district property. Districts assess hazards and implement programs to reduce those hazards to minimize claims and reduce premiums for workers’ compensation.

The district insures itself against losses through the Property Casualty Alliance of Texas. **Exhibit A-24** presents the coverage for property, computers, crime, general liability, educators’ legal liability, and automobile liability.

The district also provides athletic/student accident insurance for students involved in University Interscholastic League (UIL) activities at a cost of \$59,900 annually. The district provides a contribution of \$225 per month toward health insurance coverage for all employees, except part time employees, through TRS-Active Care, and employees may add dependents to the coverage at their cost. The district provides a \$10,000 policy for each full-time employee. Cancer, dental, voluntary term life, and

disability insurances are available to employees at their expense.

FIXED ASSETS

An effective fixed asset management system accounts for district property accurately and safeguards it against theft and obsolescence. The TEA defines fixed assets as purchased or donated items that are tangible with a unit cost greater than \$5,000 and a useful life of more than one year. Planning and control of fixed asset transactions is crucial to the long-range financial plan of the district. With the implementation of Governmental Accounting Standards Board (GASB) Statement 34 that requires districts to depreciate fixed assets, the importance of the fixed asset management system is increased.

The district uses a vendor at an annual cost of \$13,500 to inventory its fixed assets. As part of its work, the vendor generates a complete set of reports detailing the items at each school and department. The company tags the fixed assets during the annual inventory. The inventory also includes items costing more than \$500, and the district uses this inventory

for control purposes. **Exhibit A-25** presents information on the district's fixed assets.

BONDS

Bonds are contractual representations that a debt is owed by one party, the issuer, to one or more other parties, the investors. Bonds may be secured by lien on personal or real property or may be unsecured. The contract between the issuer and the investors is the bond indenture. The bond indenture specifies the maturity date, interest payments, denominations of principal, call and/or conversion provisions, security, the trustee, repayment plans such as a bond sinking fund, and special provisions. An effective bond management program ensures the district complies with bond covenants, the restrictions for what the bond funds can be used for and how the bonds will be repaid, and that outstanding bonds pay the lowest interest rate possible.

NISD has issued several series of bonds to build facilities in the district and refund prior bond issues in order to realize interest savings or to reorganize the debt structure of the district. **Exhibit A-26** presents the bond series, original issue, interest rate, maturity, and amount outstanding for each bond.

**EXHIBIT A-24
NISD INSURANCE COVERAGE
2004-05**

COVERAGE	LIMIT	DEDUCTIBLE	COST
Buildings and Contents Windstorm and Hail	\$81,860,522	\$50,000	\$147,349
Breakdown of Mechanical Equipment	\$5,000,000	\$5,000	\$6,222
Employee Dishonesty	\$100,000	\$1,000	Included
Money and Securities	\$50,000	\$1,000	Included
Forgery or Alteration	\$50,000	\$1,000	Included
Computer Fraud	\$50,000	\$1,000	Included
General Liability	\$1,000,000	\$5,000	\$10,389
Automobile Liability	\$1,000,000	\$1,000	\$28,248
Automobile Physical Damage	\$560,495	\$1,000	\$1,850
Educators' Legal Liability	\$1,000,000	\$5,000	\$24,289
Total			\$218,347

SOURCE: NISD, coverage document declarations, December 2004.

**EXHIBIT A-25
NISD FIXED ASSETS
2003-04**

DESCRIPTION	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Land	\$1,703,880			\$1,703,880
Construction in Progress	\$18,045,433	\$18,623,778		\$36,669,211
Buildings	\$28,311,801	\$5,596	\$443,580	\$27,874,177
Machinery and Equipment	\$1,744,965	\$240,049	\$38,900	\$1,946,114
Total	\$49,806,079	\$18,869,423	\$482,480	\$68,193,382

SOURCE: NISD, audited financial statements, 2003-04.

**EXHIBIT A-26
NISD OUTSTANDING BOND ISSUES
FEBRUARY 2005**

BOND SERIES	ORIGINAL ISSUE AMOUNT	INTEREST RATE	FINAL MATURITY	AMOUNT OUTSTANDING
Unlimited Tax School Building and Refunding Bonds-Series 2001	\$35,049,996	3.5 to 5.375	2026	\$34,180,000
Unlimited Tax School Refunding Bonds-Series 2002	\$3,705,000	4.0 to 4.25	2027	\$2,560,000
Unlimited Tax School Building Bonds-Series 2003	\$15,355,000	5.125 to 7.125	2028	\$15,355,000
Unlimited Tax Refunding Bonds-Series 2005	\$3,825,000	2.5 to 4.0	2020	\$3,825,000
Total	\$57,934,996			\$55,920,000

SOURCE: NISD, audited financial statements, 2003-04; First Southwest Company, Bond Refunding Analysis, February 2005.

The district's bonds have an underlying rating of Baa1 with Moody's Investors Service and an A-rating from Standard & Poor's. All the bonds carry a higher rating in the market due to the guarantee of the bonds by the Texas Permanent School Fund.

The district uses First Southwest Company as its financial advisor and to calculate arbitrage. Arbitrage occurs when the district sells bonds and invests the funds from the bonds at a higher rate of interest and makes a profit. The federal government regulates the profit a district can make from this practice.

CHAPTER 4 PURCHASING AND CONTRACT MANAGEMENT

PURCHASING

Section 3 of the Texas Education Agency's (TEA) Financial Accountability System Resource Guide (FASRG) describes purchasing as a major management process with links to overall accountability initiatives. The FASRG describes these links as:

- "Strategic Link. The overall mission of purchasing is to use available fiscal resources to obtain the maximum product or service for the resources expended.
- Operational Link. Purchasing supports instructional delivery, administration, and other services. Performance and goal achievement throughout the school district depend on its effectiveness.
- Tactical Link. The purchasing process influences day-to-day financial functions including budget management, accounting, and accurate financial reporting."
- This underscores the importance of an effective purchasing program. The FASRG also enumerates several factors that present challenges to the purchasing function in public schools, including numerous compliance requirements.

Texas school districts must comply with the Texas Education Code (TEC), Chapter 44, Subchapter B, in the procurement of goods and services. NISD Board Policy CH (Legal) includes the legal requirements of the TEC in addition to other methods of purchasing allowed by the Texas Government Code. NISD Board Policy CH (Local) provides additional governance to the purchasing function and delegates to the superintendent or designee the authority to determine the purchasing method and to make budgeted purchases of less than \$25,000. The board reserves the authority to approve purchases of \$25,000 or more.

The NISD Purchasing Manual contains information on how to make purchases of goods and services. The manual includes references to the TEC, board policy, and other pertinent state laws. The manual provides the following guidance for purchases not subject to the state procurement laws:

"The following regulations apply to purchases of supplies, materials, and services that are not required by law to be bid:

- Quotations, taken by telephone and recorded from at least three vendors, if possible, shall be secured for purchases of less than \$10,000 in the aggregate, but in excess of \$1,500. The Business Manager shall approve awards in this category.
- For purchases of less than \$1,500, the organizational manager may approve the purchase.
- Emergency purchases or short-term leases not in excess of 120 days, and purchases or leases of single sources or specialty items, where substitution or replacement is impractical because of technical problems, shall be made only with the approval of the Business Manager.
- Contracts for the lease or rental of equipment, supplies, or services may be negotiated without securing advertised sealed bids provided that:
 - a. The title to the property does not or will not change hands at any time.
 - b. None of the lease or rental payments shall apply toward a later purchase, giving an advantage to the leasing company.
- Contracts for the lease or rental of equipment, supplies, and services where part or all of the payments may apply toward eventual purchase shall be treated as actual purchases and the standard competitive bid process shall be used regarding such contracts."

NISD does not have employees dedicated solely to purchasing functions. Individuals with other duties in the district perform these functions. The schools and departments share purchasing responsibilities. The district does not budget funds for these functions.

TEXTBOOKS

An effective textbook operation includes the acquisition of appropriate textbooks, delivery of the textbooks to the schools, and inventory of textbooks issued to the schools and held centrally by the district.

The textbook administration division of TEA oversees the selection and distribution of textbooks for all public schools in Texas. According to the textbook administration division, “Texas is one of 22 states with a process for approval or adoption of instructional materials. The Texas Constitution, Article VII, Section 3, requires that the State Board of Education (SBOE) set aside sufficient money to provide free textbooks for children attending the public schools in the state.”

Textbooks that are free from factual errors and contain material covering each element of essential knowledge and skills are available for selection by local school districts. These textbooks are considered conforming and are provided to the districts at no cost. The textbooks are the property of the state as long as they remain in adoption by the state. The districts are responsible to the state for lost textbooks. Once the textbooks go out of adoption, the district may return the textbooks to the state or dispose of them in a manner approved by the state.

School districts must comply with Chapter 31 of TEC in adoption, use, and disposition of textbooks. TEC Section 31.104(a) states, “The board of trustees of a school district or the governing body of an open-enrollment charter school may delegate to an employee the authority to requisition, distribute, and manage the inventory of textbooks in a manner

consistent with this chapter and rules adopted under this chapter.”

NISD has designated a textbook custodian to perform these duties. The textbook custodian is also responsible for coordinating the state-mandated testing. The district maintains a small central inventory of textbooks, distributing the majority of textbooks to the individual schools. The textbook custodian is responsible for the receipt, marking, and delivery of the textbooks to the schools. The textbook custodian is also responsible for the annual inventory of all textbooks in the district.

The review team surveyed students, parents, teachers, and staff members to obtain input on district operations. Respondents rated the district’s operations based on survey statements for all functional areas of the district. **Exhibit A-27** presents the survey results for the district’s textbook operations.

The majority of district administrators and principals believe the district is doing a good or excellent job of providing textbooks in good condition to the students in a timely manner. More than 27 percent of parents and 36 percent of students believe the district is doing a poor or below average job of providing students access to textbooks in a timely manner, and more than 42 percent of students believe the age and condition of the textbooks is poor or below average. The majority of teachers, professional staff, and support staff believe the district is doing an average or good job of providing textbooks that are in good condition to the students in a timely manner.

**EXHIBIT A-27
NISD TEXTBOOK SURVEY RESPONSES
JANUARY 2005**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
STUDENT ACCESS TO TEXTBOOKS IN A TIMELY MANNER						
Administrator	0.0%	0.0%	9.1%	54.5%	31.8%	4.5%
Parent	13.8%	13.8%	44.8%	17.2%	6.9%	3.4%
Principal	0.0%	13.3%	20.0%	40.0%	26.7%	0.0%
Professional Staff	2.7%	5.3%	38.7%	22.7%	9.3%	21.3%
Student	17.3%	19.1%	29.8%	20.9%	5.8%	7.1%
Support Staff	2.2%	6.5%	37.0%	26.1%	4.3%	23.9%
Teacher	5.2%	14.1%	40.3%	23.6%	2.6%	14.1%
Overall Responses	9.3%	13.8%	34.5%	23.9%	6.6%	11.9%
CONDITION AND AGE OF TEXTBOOKS						
Administrator	0.0%	4.5%	22.7%	54.5%	13.6%	4.5%
Parent	6.9%	6.9%	55.2%	17.2%	6.9%	6.9%
Principal	0.0%	0.0%	40.0%	46.7%	13.3%	0.0%
Professional Staff	0.0%	5.3%	33.3%	32.0%	4.0%	25.3%
Student	23.6%	19.1%	30.2%	15.6%	4.0%	7.6%
Support Staff	0.0%	8.7%	34.8%	32.6%	0.0%	23.9%
Teacher	3.7%	9.4%	45.5%	25.1%	2.6%	13.6%
Overall Responses	10.3%	11.9%	37.0%	24.2%	4.0%	12.6%

NOTE: Percentages may not add to 100 percent due to rounding.
SOURCE: NISD, School Review Surveys, January 2005.

CHAPTER 5 TRANSPORTATION

The primary goal of every school district transportation department is to transport students to and from school and approved extracurricular functions in a timely, safe, and efficient manner.

The Texas Education Code authorizes but does not require Texas school districts to provide transportation for students in the general population between home and school, from school to career and technology training locations 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 also provides transportation for students in the general population, or if students with disabilities require transportation to receive special education services.

Texas school districts are eligible for reimbursement from the state for transporting regular program, special program, and career and technology education (CATE) program students. The Texas Legislature sets funding rules, and the Texas Education Agency (TEA) administers the program. TEA requires each school district eligible to receive state reimbursement to provide two annual school transportation reports, the Route Services Report and the Operations Report. The Route Services Report documents reimbursable miles traveled and number of riders by program and subprogram. The Operations Report assigns all costs and miles to either regular or special programs.

State funding for regular program transportation is limited to transportation for students living two or more miles from the school they attend. The state does not reimburse districts for transporting students living within two miles of the school they attend unless they face hazardous walking conditions on the way to school, such as the need to cross a four-lane roadway without a traffic signal or crossing guard. The state will reimburse districts for transporting students on hazardous routes within two miles of school; however, the reimbursement for transporting students on hazardous routes may not exceed 10 percent of the total annual reimbursement for transporting only two-or-more-mile students. A school district must use local funds to pay for transportation costs the state reimbursement does not cover.

For the regular program, the state reimburses districts for qualifying transportation expenses based on linear density, which is the ratio of the average number of regular program students transported daily on standard routes to the number of route miles traveled daily for those standard routes.

Standard miles and riders do not include miles or riders for alternative, bilingual, desegregation, magnet, parenting, pre-kindergarten regular transportation, or hazardous area service. TEA uses this ratio to assign each school district to one of seven linear density groups. Each group is eligible to receive a maximum per mile allotment. TEA bases allotment rates on the previous year's linear density.

Exhibit A-28 shows the linear density groups and the related allotment per mile as established by the State Legislature in the General Appropriations Act for 2003–04 and 2004–05.

EXHIBIT A-28 LINEAR DENSITY RATES 2003–04 AND 2004–2005

LINEAR DENSITY GROUP	ALLOTMENT PER MILE
2.40 and above	\$1.43
1.65 to 2.40	\$1.25
1.15 to 1.65	\$1.11
0.90 to 1.15	\$0.97
0.65 to 0.90	\$0.88
0.40 to 0.65	\$0.79
Up to 0.40	\$0.68

SOURCE: General Appropriations Act for 2003–04 and 2004–05, Article III – Education, 78th Legislature, Regular Session.

The state formula measures eligible route miles beginning and ending at the last school served for home-to-school route service or first school served for school-to-home route service. Route miles eligible for reimbursement do not include extracurricular miles, deadhead miles, hazardous route miles in excess of the 10 percent limit, or other miles reported to TEA.

Linear density is not the basis for reimbursement for special program transportation. The per mile allotment rate for a special program is set by the Texas Legislature. All transportation for special program students, except certain extracurricular trips, is eligible for state reimbursement at \$1.08 each route mile.

The NISD total annual operations cost in 2003–04 was \$2.44 for regular program miles and \$3.99 for special program miles. The contractor said the costs of transportation are not truly comparable with other districts since the total costs include monitors on routes and payments for bus purchases. However, since these are included in the contractor's billings to the district, which reported them to TEA, this report uses the information submitted to TEA. Odometer miles are all miles driven, including miles for extracurricular trips, maintenance, and deadhead. (Deadhead miles occur between the locations where a driver parks the student transportation vehicle during the day or night and the school where the eligible route miles begin and end.) In 2003–04,

NISD operated 864,159 regular program miles, which include extracurricular routes and 138,022 special program miles. **Exhibit A-29** compares reimbursable route miles for NISD and the peer districts. NISD has the second highest cost per mile for regular routes and the highest cost per mile for special routes.

Exhibit A-30 compares total annual operations cost and the state allotment for regular program and special program transportation in 2003–04 for NISD and the peer districts, as reported by TEA. The percentage of costs provided by the state funds for both NISD’s regular and special program

transportation is the second lowest among peer districts.

Exhibit A-31 documents a four-year history NISD’s transportation program by category of service. Route miles occur while a bus is on a defined route transporting students. Districts report these miles on the TEA Operations Report. They reflect actual route miles operated (with deadhead). Extracurricular miles include student transportation for field trips and extracurricular activities such as athletics, band, and University Interscholastic League events. Other miles consist of all miles other than route miles, mileage to and from routes, and extracurricular miles.

**EXHIBIT A-29
NISD AND PEER DISTRICTS REGULAR AND SPECIAL MILES AND COSTS PER MILE
2003–04**

DISTRICT	REGULAR ROUTES		SPECIAL ROUTES	
	MILES	COST PER MILE	MILES	COST PER MILE
Nacogdoches	864,159	2.44	138,022	3.99
Lufkin	757,373	2.36	215,304	2.58
San Marcos	1,003,807	2.94	193,054	3.36
Seguin	818,592	1.58	224,636	1.24

SOURCE: Texas Education Agency, School Transportation Operations Report and School Transportation Route Services Report, 2003–04.

**EXHIBIT A-30
COMPARISON OF OPERATING COSTS AND STATE ALLOTMENT
2003–04**

DISTRICT	REGULAR PROGRAM			SPECIAL PROGRAM		
	OPERATIONS COST	STATE ALLOTMENT	PERCENT STATE	OPERATIONS COST	STATE ALLOTMENT	PERCENT STATE
Nacogdoches	\$2,108,502	\$592,914	28.1%	\$550,389	\$131,492	23.9%
Lufkin	\$1,780,976	\$657,662	36.9%	\$555,426	\$181,232	32.6%
San Marcos	\$2,954,394	\$595,164	20.1%	\$648,526	\$116,239	17.9%
Seguin	\$1,292,089	\$449,539	34.8%	\$278,810	\$208,436	74.8%

SOURCE: Texas Education Agency, School Transportation Operations Report and School Transportation Route Services Report, 2003–04.

**EXHIBIT A-31
NISD TRANSPORTATION MEASURES
2000–01 THROUGH 2003–04**

CATEGORY	2000–01	2001–02	2002–03	2003–04	PERCENT CHANGE 2000-01 THRU 2003-04
REGULAR PROGRAM					
Route Miles	771,977	754,885	799,763	764,197	(1.0)%
Extracurricular Miles for Regular Program	66,590	68,000	73,525	91,402	37.3%
Other Miles	12,500	21,000	10,150	8,560	(31.5)%
Average Daily Riders	4,586	2,781	3,321	2,653	(42.2)%
Total Cost	\$2,453,212	\$2,307,007	\$2,438,811	\$2,108,502	(14.1)%
Cost per Mile	\$2.88	\$2.73	\$2.76	\$2.44	(15.3)%
Cost per Average Daily Rider	\$534.94	\$829.56	\$734.36	\$794.76	48.6%
State Allotment	\$690,075	\$574,295	\$760,130	\$592,914	(14.1)%
SPECIAL PROGRAM					
Route Miles	235,900	173,740	171,680	129,262	(45.2)%
Extracurricular Miles for Special Program	1,000	22,000	21,360	6,120	512.0%
Other Miles	9,200	18,000	9,075	2,640	(71.3)%
Average Daily Riders	128	74	97	56	(56.3)%
Total Cost	\$417,035	\$410,122	\$640,035	\$550,389	32.0%
Cost per Average Daily Rider	\$3,258	\$5,542	\$6,598	\$9,828	201.7%
Cost per Mile	\$1.69	\$1.92	\$3.17	\$3.99	136.1%
State Allotment	\$250,586	\$154,412	\$180,956	\$131,492	(47.5)%

SOURCE: Texas Education Agency, School Transportation Operations Reports, 2000–01 through 2003–04.

While NISD’s regular program miles have increased only 1 percent between 2000–01 and 2003–04, average daily riders decreased 42.2 percent and state allotments decreased by 14.1 percent. The cost per average daily rider increased 48.6 percent for the regular program and 201.7 percent for the special program.

Exhibit A-32 presents a comparison by expenditure object of all transportation costs coded to Function 34 – Student Transportation by NISD and the peer districts for 2003–2004. NISD had the highest total transportation costs. NISD is the only district that contracts for its transportation services; therefore, the majority of NISD’s costs appear in the contracted services expenditure object.

While total transportation costs have increased by 4.2 percent from 1999–2000 through 2003–04, contracted transportation costs have increased by 30.4 percent. (**Exhibit A-33**)

**CHAPTER 6
FOOD SERVICE**

The primary mission of a school district’s food service program is to provide an appealing and nutritionally sound breakfast and lunch to students while operating on a cost-recovery basis. The program should provide meals to the students in a safe, clean, and accessible environment. Districts can use several factors to measure the efficiency and

evaluate the effectiveness of a school district’s food service operation. Success indicators include providing a high ratio of Meals-Per-Labor-Hour (MPLH), minimizing food costs and waste, maximizing student participation in breakfast and lunch programs, providing a variety of meal choices that meet or exceed nutritional standards, reducing the length of time students must wait in line for service, and operating a financially self-sufficient program.

Efficient food service program management and cost controls can allow a district to operate its food services program on a break-even basis, thereby preventing the need to drain limited dollars away from classroom instruction and the district’s General Fund. Successfully managed school food service programs provide customer satisfaction and contain costs while complying with applicable federal, state, and local board regulations and policies.

The Texas Association for School Nutrition, a professional organization for school food service employees, has identified ten *Standards of Excellence* for evaluating school food service programs. The Texas Association for School Nutrition states that an effective program should:

- identify and meet current and future needs through organization, planning, direction, and control;

**EXHIBIT A-32
TOTAL TRANSPORTATION COSTS
2003–2004**

EXPENDITURE OBJECT	NACOGDOCHES	SAN MARCOS	LUFKIN	SEGUIN
Payroll Costs	\$0	\$2,010,484	\$1,116,156	\$1,237,512
Contracted Services	\$2,900,545	\$87,704	\$41,522	\$33,651
Supplies and Materials	\$695	\$337,570	\$281,958	\$216,894
Other Operating	\$318	(\$95,765)	\$283,562	\$11,250
Debt Service	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0
Total	\$2,901,558	\$2,339,993	\$1,723,198	\$1,499,307

SOURCE: Texas Education Agency, PEIMS, 2003–04.

**EXHIBIT A-33
TOTAL TRANSPORTATION COSTS
1999–2000 THROUGH 2003–2004**

EXPENDITURE OBJECT	1999–2000	2000–01	2001–02	2002–03	2003–2004	PERCENT CHANGE 2001–01 THRU 2003–04
Payroll Costs	\$0	\$0	\$0	\$0	\$0	0.0%
Contracted Services	\$2,224,715	\$2,260,438	\$2,476,337	\$2,654,257	\$2,900,545	30.4%
Supplies and Materials	\$489	\$272	\$257	\$327	\$695	42.1%
Other Operating	\$0	\$0	\$0	\$1,973	\$318	0.0%
Debt Service	\$0	\$0	\$0	\$0	\$0	0.0%
Capital Outlay	\$560,682	\$14,818	\$0	\$0	\$0	-100.0%
Total	\$2,785,886	\$2,275,528	\$2,476,594	\$2,656,557	\$2,901,558	4.2%

SOURCE: Texas Education Agency, PEIMS, 1999–00 through 2003–04.

- 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;
- 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.

As shown in **Exhibit A-34**, the director of Student Nutrition heads the Student Nutrition Department and reports to the assistant superintendent of Administrative Services. The director of Student Nutrition supervises the central kitchen manager, nine cafeteria managers, and three administrative staff in the central office: a clerical position (which the department has titled as the supervisor of federal programs and computers), a secretary, and a part-time receptionist. The supervisor of federal programs and computers maintains data needed for federal reimbursements and assists department staff with all point-of-sale (POS) computer system related issues.

As shown in **Exhibit A-34**, NISD's Student Nutrition Department has 90 employees assigned to the central office, central kitchen, and its nine cafeterias by location. The total staff of 97 shown in the exhibit includes seven staff that split time between two cafeterias or the central kitchen, so these positions appear twice.

NISD's food services cost is highest among peer districts selected for this review and higher than the state average, as shown in **Exhibit A-35**. NISD's cost per student of \$447 is the highest among peer districts and is 24.2 percent higher than the state average of \$360 per student.

NISD's Student Nutrition Program receives funding from a number of sources. Federal reimbursement from the National School Lunch Program (NSLP) and School Breakfast Program (SBP) constitutes the majority of the revenues. In addition to federal reimbursement dollars, NISD receives donated commodities from the United States Department of Agriculture. The state of Texas provides less than

one percent of the total revenue received. Local sources, including the cost of adult meals, a la carte sales and special event catering, account for approximately 30.5 percent of the department's revenue. NISD's Student Nutrition Program's revenue for 2001–02 through 2003–04 is shown in **Exhibit A-36**.

Exhibit A-37 compares NISD's meal participation to its peer districts. Among its peers, NISD has the second highest average daily participation for lunch at 66 percent and the highest for breakfast at 36 percent. The percent of free and reduced-price lunches served by NISD at 82.1 percent is the second highest, and the percent of breakfasts served at 92.8 percent is the highest among the peer districts.

The district uses third-party software to help plan menus. The system breaks down the nutritional value of each ingredient used in every menu item. This helps to ensure that the menu items served to students meet the USDA dietary requirements under the NSLP and SBP. The software also tracks the cost of each ingredient and provides recommended portion sizes of each menu item.

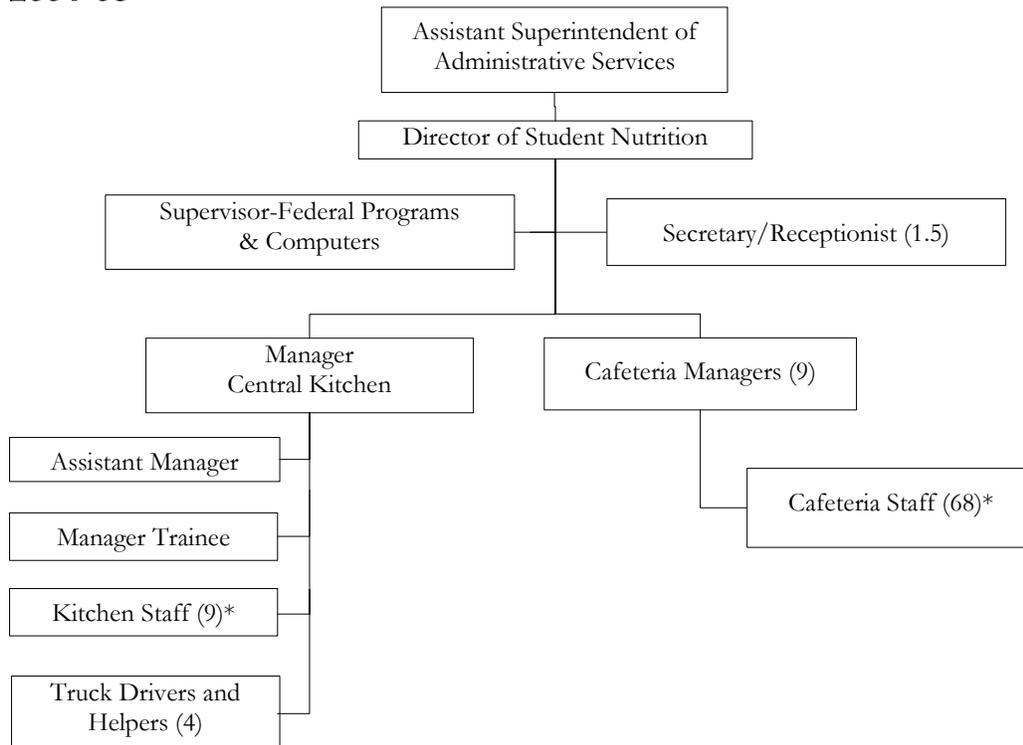
Students are eligible to receive a free meal if household income is less than 120 percent of the federal poverty level and a reduced-price meal if household income is less than 185 percent of the federal poverty level. **Exhibit A-38** presents information on the meals served by NISD for 2001–02 to 2003–04. Except for the percentage of free and reduced-priced breakfasts, all categories increased between 2001–02 and 2003–04.

CHAPTER 7 FACILITIES MANAGEMENT

In the Nacogdoches Independent School District (NISD), the director of Plant Services directs all facilities-related activities. The director reports to the assistant superintendent of Administrative Services and has three supervisors reporting to him. Two of the three supervisors have facilities management duties. The supervisor of Grounds and Custodial manages the cleaning of buildings and grounds maintenance, and the supervisor of Maintenance oversees all repairs and general upkeep of the district's facilities. Although not a part of the Plant Services Department, NISD's supervisor of receiving and shipping also reports to the director of Plant Services.

Exhibit A-39 shows the Plant Services Department's organization. The Plant Services Department has a total staff of 112 FTEs, including the director, three support personnel, 93 custodians and groundskeeping staff reporting to the supervisor of

**EXHIBIT A-34
STUDENT NUTRITION DEPARTMENT ORGANIZATION
2004-05**



*Indicates 7 staff shared between central kitchen and cafeterias

SOURCE: NISD, Director of Student Nutrition, January 2005.

**EXHIBIT A-35
FOOD SERVICE COST COMPARISONS
2002-03**

MEASURE	NACOGDOCHES	LUFKIN	SAN MARCOS	SEGUIN	STATE
Number of Students	6,288	8,216	7,021	7,556	4,239,911
Total Food Service Operating Costs	\$2,810,379	\$3,276,551	\$2,347,889	\$2,934,579	\$1,526,802,486
Food Service Cost per Student	\$447	\$399	\$334	\$388	\$360

SOURCE: Texas Education Agency, Academic Excellence Indicator System, 2002-03 and 2003-04.

**EXHIBIT A-36
NISD REVENUES
2001-02 THROUGH 2003-04**

CATEGORIES	2001-02	2002-03	2003-04	2003-04 PERCENT OF TOTAL	PERCENT CHANGE FROM 2001-02
Local	\$812,382	\$841,206	\$875,798	30.5%	7.8%
State	\$21,617	\$22,169	\$21,698	0.8%	0.4%
Federal	\$1,681,165	\$1,799,665	\$1,974,558	68.8%	17.5%
Total Revenues	\$2,515,164	\$2,663,040	\$2,872,054	100.0%*	14.2%

*NOTE: Amounts may not total to 100 percent because of rounding.
SOURCE: NISD's audited financial reports 2001-02 through 2003-04.

**EXHIBIT A-37
FOOD SERVICE PROGRAM COMPARISONS
NISD AND PEER DISTRICTS
2003-04**

LUNCHES	NACOGDOCHES	LUFKIN	SAN MARCOS	SEGUIN
Total Served	680,281	838,721	872,431	740,001
Average daily participation as percent of average daily attendance	66.0%	57.7%	69.8%	56.6%
Free and Reduced-price meals as percent of total	82.1%	82.8%	69.1%	79.2%
BREAKFASTS	NACOGDOCHES	LUFKIN	SAN MARCOS	SEGUIN
Total Served	376,067	418,478	284,678	334,642
Average daily participation as percent of average daily attendance	36.5%	28.8%	22.8%	25.6%
Free and Reduced-price meals as percent of total	92.8%	92.6%	81.2%	89.0%

SOURCE: Texas Education Agency, Food Service Programs District Profiles, 2003-04.

**EXHIBIT A-38
NISD MEAL STATISTICS
2001-02 THROUGH 2003-04**

CATEGORY	2001-02	2002-03	2003-04	PERCENT CHANGE FROM 2001-02
LUNCH				
Paid	119,359	109,750	121,518	1.8%
Reduced-Price	44,352	53,583	49,093	10.7%
Free	488,622	509,679	509,670	4.3%
Participation Percent	61.6%	61.9%	66.0%	7.1%
Percent Free and Reduced	81.7%	83.7%	82.1%	0.5%
BREAKFAST				
Paid	22,741	22,005	26,912	18.3%
Reduced-Price	19,496	24,739	24,081	23.5%
Free	292,674	315,316	325,074	11.1%
Participation Percent	32.0%	33.3%	36.5%	14.1%
Percent Free and Reduced	93.2%	93.9%	92.8%	(0.4%)

SOURCE: Texas Education Agency, Student Nutrition Program District Profile, 2001-02 through 2003-04.

Grounds and Custodial, and 13 technicians reporting to the supervisor of Maintenance.

A typical school district facilities management department provides a physical environment that enhances teaching and learning. Maintenance and operations are the major ongoing activities in facilities management. An effective maintenance and operations department's goals are to achieve the following:

- extend the life of facilities and maximize their potential use;
- increase facilities staff productivity;
- select the most cost-effective methods for operations;
- improve and maintain the aesthetics of facilities;
- implement programs to conserve energy; and
- ensure the safety and security of people and buildings.

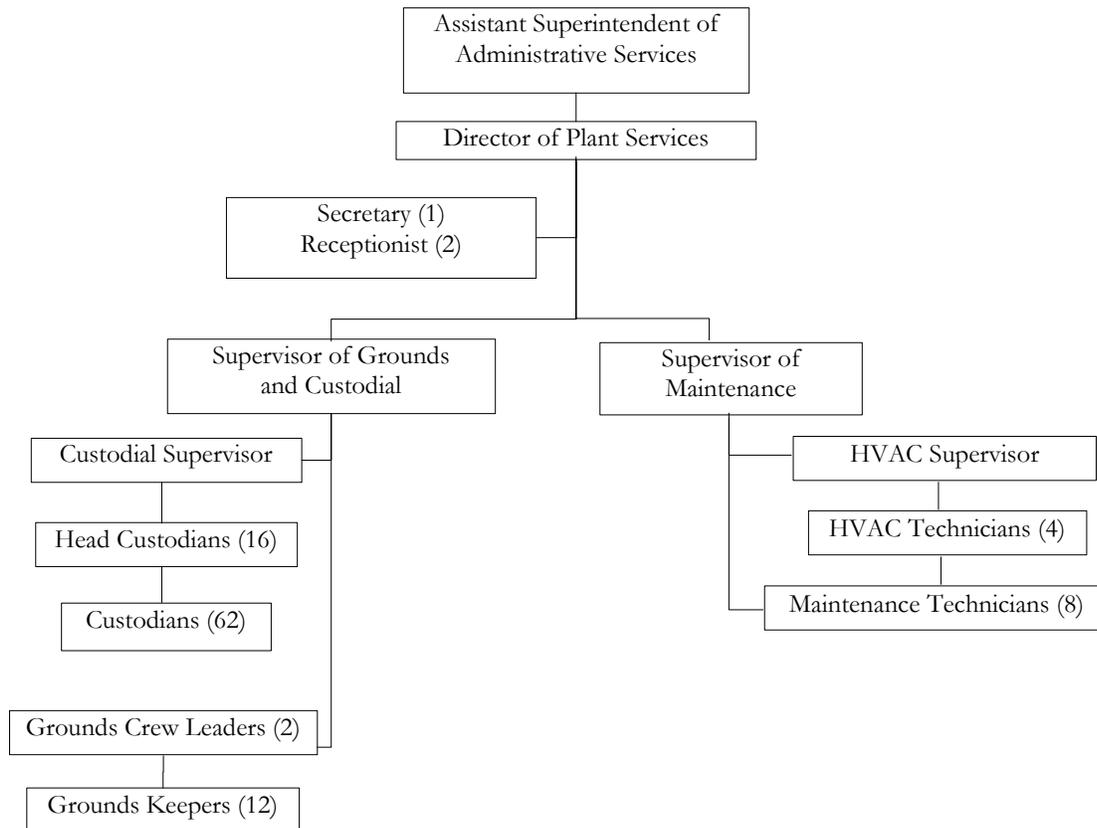
NISD's Plant Services Department provides maintenance to the district's ten schools, which include six elementary schools, two middle schools,

one high school, and a charter school; with a total of 925,318 gross square feet (GSF) of space. The district also has a number of support facilities that add another 61,400 GSF. NISD facilities described in **Exhibit A-40** total 986,718 square feet of space. The district's space houses 399 classrooms, 15 of which are portables. In addition to the 986,718 square feet of space owned by the district, NISD leases 14,400 square feet of space for use as its warehouse.

Facilities maintenance is a critical area for service. The review team surveyed school officials, teachers, parents, and students to determine their level of satisfaction. The survey asked respondents to rate the district's maintenance by responding to the statement, "Buildings are properly maintained in a timely manner." **Exhibit A-41** shows the survey results.

Three school districts serve as peer districts for making comparisons with NISD operations. They are Seguin, Lufkin, and San Marcos Consolidated ISDs. **Exhibit A-42** compares plant maintenance and operations data for NISD and the three peer districts. NISD's cost per student of \$669 is the lowest budgeted cost per student for plant maintenance and operations of all the peer districts, while NISD's maintenance cost as a percent of its

**EXHIBIT A-39
NISD PLANT SERVICES DEPARTMENT
2004-05**



SOURCE: NISD, Director of Plant Services, January 2005.

**EXHIBIT A-40
NISD FACILITIES
2004-05**

FACILITY	DATE CONSTRUCTED OR PURCHASED*	DATES OF REMODELING OR RENOVATIONS	SQUARE FOOTAGE
SCHOOLS			
Brooks Quinn Jones Elementary School	1958	1987, 1999	86,584
Carpenter Elementary School	1964	1999	51,908
Fredonia Elementary School	1954	1970, 1978, 1988	47,648
Nettie Marshall Elementary School	1936	1957, 1968, 1988	52,788
Raguet Elementary School	1954	1970, 1988	51,580
Thomas J. Rusk Elementary School	1939, 1964	1958, 1985, 1998	*166,186
Mike M. Moses Middle School	1990	1999	113,970
McMichael Middle School	2004	N/A	143,560
Nacogdoches High School	1978	1989, 1995	208,022
Charter School	1998		3,072
Subtotal Schools			925,318

EXHIBIT A-40 (CONTINUED)
NISD FACILITIES
2004-05

FACILITY	DATE CONSTRUCTED OR PURCHASED*	DATES OF REMODELING OR RENOVATIONS	SQUARE FOOTAGE
SUPPORT FACILITIES			
E.J. Campbell Administration Building	1953	2000	21,155
Alternative Education Building at Nacogdoches High School	1996		1,536
Bus Barn	1988	1998	4,704
County Co-op Complex	1955	1996	4,125
Plant Services Building	1993		8,376
Field House and Press Box	1971	1989	16,314
Infant Day Care	1991		2,400
Locker Room	2003		2,790
Subtotal Support Facilities			61,400
Total All Facilities			986,718

NOTE: *NISD uses 30,000 of the 166,186 square feet of space located at the Thomas J. Rusk Elementary to store surplus furniture.
 SOURCE: NISD Plant Services Department, January 2005.

EXHIBIT A-41
NISD FACILITY MAINTENANCE SURVEY RESULTS

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
Administrator	4.5%	4.5%	18.2%	50.0%	22.7%	0.0%
Parent	20.7%	17.2%	37.9%	17.2%	3.4%	3.4%
Principal	0.0%	0.0%	40.0%	53.3%	6.7%	0.0%
Professional Staff	2.7%	17.3%	26.7%	26.7%	10.7%	16.0%
Student	30.2%	25.8%	21.8%	12.0%	3.1%	7.1%
Support Staff	0.0%	19.6%	21.7%	37.0%	6.5%	15.2%
Teacher	9.4%	23.0%	30.9%	19.4%	3.1%	14.1%
Grand Total	15.8%	21.6%	26.4%	20.7%	5.1%	10.4%

SOURCE: NISD, School Review Surveys, January 2005.

EXHIBIT A-42
PLANT MAINTENANCE AND OPERATIONS COSTS
NISD AND PEER DISTRICTS FOR 2003-04

MEASURE	NACOGDOCHES	LUFKIN	SAN MARCOS	SEGUIN
Students	6,375	8,248	7,020	7,475
Budgeted Maintenance and Operations Cost	\$4,267,821	\$5,837,734	\$4,915,712	\$5,293,304
Maintenance and Operations Cost Per Student	\$669	\$708	\$700	\$708
Maintenance and Operations Cost as Percent of Total Budget	10.6%	11.3%	10.5%	9.8%

SOURCE: Texas Education Agency, PEIMS, 2003-04.

total budget, 10.6 percent, is the second highest of the peer districts.

Exhibit A-43 shows the expenditure history of the Plant Services Department. The majority of the expenditures presented as contracted services are utility costs for the district’s nine schools and other facilities. Expenditures for NISD’s Plant Services Department have decreased by 7.2 percent between 2000-01 and 2003-04. Expenditure categories that increased were salaries and benefits, which increased by 15 percent and other operating costs, which increased by 69.3 percent. It is not unusual for maintenance operating costs to decrease when a district is in a period of major construction and

renovations and also during the one-year warranty period that follows the completion of projects.

NISD experienced a very gradual increase in student population between 1994-95 and 2003-04. During this period, student enrollment actually decreased two years, in 1998-99 by 87 students and again in 2000-01 by 155 students. During the nine-year period between 1994-95 and 2003-04, the district’s enrollment increased by a total of 314 students, an average of 34.8 students a year. The percent growth for the nine-year period was a total of 5.2 percent, or 0.57 percent a year. Exhibit A-44 shows NISD’s student enrollment for the period 1994-95 to 2003-04.

EXHIBIT A-43
PLANT SERVICES DEPARTMENT EXPENDITURE HISTORY
2000-01 THRU 2003-04

FUNCTION	2000-01	2001-02	2002-03	2003-04	PERCENT CHANGE 2000-01 THROUGH 2003-04
Salaries and Benefits	\$1,921,461	\$1,998,339	\$2,132,066	\$2,209,593	15.0%
Contracted Services	\$1,727,468	\$1,241,335	\$1,159,497	\$1,292,518	(25.2%)
Supplies	\$464,395	\$342,477	\$332,749	\$378,836	(18.4%)
Other Operating Costs	\$83,740	\$85,254	\$97,288	\$141,764	69.3%
Capital Equipment	\$277,599	\$114,140	\$107,581	\$129,692	(53.3%)
Totals	\$4,474,663	\$3,781,545	\$3,829,181	\$4,152,403	(7.2%)

SOURCE: Texas Education Agency, PEIMS, 2003-04.

EXHIBIT A-44
NISD ENROLLMENT HISTORY
1994-95 THROUGH 2003-04

YEAR	ENROLLMENT	NUMBER INCREASE (DECREASE)	PERCENT INCREASE (DECREASE)
1994-1995	6,061	N/A	N/A
1995-1996	6,134	73	1.2%
1996-1997	6,281	147	2.3%
1997-1998	6,313	32	0.5%
1998-1999	6,226	(87)	(1.4%)
1999-2000	6,307	81	1.3%
2000-2001	6,152	(155)	(2.5%)
2001-2002	6,249	97	1.6%
2002-2003	6,288	39	0.6%
2003-2004	6,375	87	1.4%
Totals		314	5.2%

SOURCE: Texas Education Agency, PEIMS 1994-95 through 2003-04.

Data compiled in the demographic study for NISD in the fall of 2003 shows that NISD annual enrollment will grow at a slow rate over the next ten years. The review team developed three projection scenarios using an enhanced Cohort-Survival Method, a forecasting tool widely used by school districts for determining future student enrollments. The model includes three scenarios: historical, moderate, and high. The basis of the historical scenario is past trends. The moderate and high scenarios assume a greater increase because they take into account the effect of employment growth and other local factors.

Based on a demographic study in 2003, the historical scenario projects the district will have 6,715 students by 2013-14, an increase of 361 students. The moderate scenario projects the district to have 6,776 students by 2013-14, and the high scenario projects the district to have 6,903 students by 2013-14. Exhibit A-45 shows a summary of district enrollment projections.

NISD is nearing the completion of a \$46.6 million construction program begun in 2001 with a successful \$46,855,000 bond election to finance the projects. The superintendent primarily attributes the success of the bond election to extensive planning performed

by district staff long before the actual election, assembling a team of professionals to assist the district in its planning efforts, and involving the public in the process. Once it sold the bonds, the district continued to involve district staff, the team of professionals, and the public in the final design of the projects and in decision-making while construction was underway.

Exhibit A-46 lists the projects and the estimated costs of each based on cost estimates used for the bond referendum. Costs shown in the exhibit are total project costs that include projections for actual construction costs and for soft costs such as furniture, fixtures, equipment, architectural and engineering fees, special consultants, surveys, soils investigations, permits, and other related costs.

The district selected the construction-manager-at-risk method as its contracting method for the 2001 bond projects. The selected construction-manager-at-risk was a member of the team of professionals assembled before the bond election to assist in planning the bond program. The team of professionals included the construction-manager-at-risk, the demographer, architect, and financial planner.

**EXHIBIT A-45
ENROLLMENT PROJECTIONS**

YEAR	HISTORICAL SCENARIO		MODERATE SCENARIO		HIGH SCENARIO	
	ENROLLMENT	GROWTH	ENROLLMENT	GROWTH	ENROLLMENT	GROWTH
2004-05	6,361	7	6,418	64	6,446	92
2005-06	6,379	18	6,463	45	6,490	44
2006-07	6,380	1	6,492	29	6,511	21
2007-08	6,455	75	6,532	40	6,581	70
2008-09	6,508	53	6,560	28	6,638	57
2009-10	6,556	48	6,587	27	6,699	61
2010-11	6,586	30	6,606	19	6,733	34
2011-12	6,629	43	6,662	56	6,790	57
2012-13	6,653	24	6,696	34	6,826	36
2013-14	6,715	62	6,776	80	6,903	77
Totals		361		422		549

SOURCE: NISD Demographic Study prepared by DeskMap Systems, Inc., 2003.

**EXHIBIT A-46
BOND PROJECTS
BOND REFERENDUM COST ESTIMATES, MARCH 29, 2001**

PROJECT	CONSTRUCTION COST	SOFT COST	TOTAL PROJECT COST
Chamberlain Building Renovation on Thomas J. Rusk Campus	\$2,735,000	\$467,000	\$3,202,000
Mechanical, Electrical and Plumbing Upgrades on Elementary Campuses	\$1,925,000	\$225,000	\$2,150,000
Mike M. Moses Middle School Gymnasium with air conditioning, restrooms, storage, office, match architectural elements	\$855,000	\$112,000	\$967,000
New Junior High School for 750 students	\$15,000,000	\$3,015,000	\$18,015,000
New Elementary School for 650 students	\$7,400,000	\$1,268,000	\$8,668,000
Ninth Grade Center on Nacogdoches High School campus for 500 students	\$7,200,000	\$1,190,000	\$8,390,000
NHS Competition Gymnasium with dressing areas, concessions, restrooms, lobby—2500 fixed seating, weight/support areas	\$4,500,000	\$735,000	\$5,235,000
Totals	\$39,615,000	\$7,012,000	\$46,627,000

SOURCE: NISD Bond Referendum, project cost estimated prepared by district architectural firm, 2001.

In using the construction-manager-at-risk method, an architect designs the projects, and the construction manager at risk provides the district with a guaranteed maximum cost to construct the projects. During the actual construction of the projects, the architect makes adjustments to the conceptual design of the projects that can either expand the scope of the original project and increase the maximum guaranteed price or decrease the scope and decrease the maximum guaranteed price. The architect can also change the conceptual design to reduce the cost without decreasing the scope of the project.

Based on construction costs prepared by the construction-manager-at-risk for the district dated October 19, 2004, which are the latest available estimates, the review team projects that NISD projects will have \$1,352,839 of savings in all projects. **Exhibit A-47** shows a summary of the construction costs.

**CHAPTER 8
COMPUTERS AND TECHNOLOGY
TECHNOLOGY STAFFING AND
BUDGETS**

NISD’s Technology Services Department is responsible for supporting the district’s technology infrastructure. In NISD, the director of Technology Services oversees the department consisting of six full-time staff. For this review, a selection of three peer districts for comparative purposes: Lufkin, Seguin, and San Marcos Consolidated Independent School Districts. **Exhibit A-48** compares NISD’s per student technology expenditures to its peer districts. NISD has the third lowest per student expenditure of the peer group, behind Lufkin and San Marcos Consolidated.

NISD’s technology budget has significantly declined since 1999–2000. Expenditures per student decreased from \$93 in 1999–2000 to \$83 in 2002–03, a 12 percent decrease. **Exhibit A-49** lists technology expenditures from 1999–2000 through 2002–03.

EXHIBIT A-47
CONSTRUCTION COST PROJECTIONS
OCTOBER 19, 2004

PROJECT	GUARANTEED MAXIMUM PRICE	VALUE ADDED CHANGES	ADJUSTED GUARANTEED MAXIMUM PRICE	PROJECT TOTAL COSTS	PROJECTED SAVINGS
Chamberlain renovations	\$2,198,177	\$2,852	\$2,201,029	\$2,014,957	\$186,072
Mechanical, electrical and plumbing upgrades on elementary campuses	\$1,991,401	\$0	\$1,991,401	\$1,894,312	\$97,089
Mike Moses Intermediate School - gymnasium with air conditioning, restrooms, storage, office, match architectural elements	\$1,985,321	\$0	\$1,985,321	\$1,694,837	\$290,484
New junior high school for 750 students	\$15,535,524	\$329,004	\$15,864,528	\$15,437,014	\$427,514
New elementary school for 650 students	\$8,270,000	\$128,256	\$8,398,256	\$8,364,288	\$33,968
Ninth grade center on Nacogdoches High School campus for 500 students— including competition gymnasium	\$12,725,800	\$191,912	\$12,917,712	\$12,600,000	\$317,712
Total	\$42,706,223	\$652,024	\$43,358,247	\$42,00,5408	\$1,352,839

SOURCE: NISD assistant superintendent of Administrative Services, January 2005.

EXHIBIT A-48
TECHNOLOGY EXPENDITURES
NISD VS. PEER DISTRICTS
2002-03

DISTRICT	EXPENDITURES	ENROLLMENT	PER STUDENT EXPENDITURE
Lufkin	\$872,037	8,216	\$106
San Marcos	\$599,646	7,021	\$85
Nacogdoches	\$523,162	6,288	\$83
Seguin	\$493,515	7,556	\$65
State	\$335,521,606	4,239,911	\$79

SOURCE: Texas Education Agency, AEIS, 2002-03 and 2003-04.

EXHIBIT A-49
NISD TECHNOLOGY EXPENDITURES
1999-2000 THROUGH 2002-03

YEAR	EXPENDITURES	ENROLLMENT	PER STUDENT EXPENDITURE
2002-2003	\$523,162	6,288	\$83
2001-2002	\$556,316	6,249	\$89
2000-2001	\$525,215	6,152	\$85
1999-2000	\$587,138	6,307	\$93

SOURCE: Texas Education Agency, PEIMS Standard Reports, 1999-00 through 2001-02, and AEIS, 2002-03 and 2003-04.

To assist it in obtaining and improving its technology and telecommunications infrastructure, NISD has applied for E-Rate funding and grants. E-Rate provides most schools and libraries in the United States with discounts to obtain affordable telecommunications and Internet access. The Schools and Libraries Division of the Universal Service Administrative Company, a not-for-profit corporation appointed by the Federal Communications Commission, administers the program. **Exhibit A-50** shows NISD's E-Rate funding for the period from 2000-01 through 2003-04. The largest category of E-Rate expenditure has been telecommunication services.

In addition to E-Rate, NISD also has secured grant funding to support and improve its technology. From 1999 through 2002, NISD applied for

\$796,000 in Telecommunication Infrastructure Fund (TIF) grants to improve its infrastructure. NISD also applied for and received Technology Applications Readiness Grants for Empowering Texas students (TARGET) grants that are administered through Regional Education Service Center VII (Region 7). The TARGET grants focus on serving high need students as part of the Enhancing Education Through Technology component of the No Child Left Behind Act.

To evaluate its progress in implementing technology, NISD uses the Texas School Technology and Readiness (STaR) chart. The STaR chart, an online resource tool for self-assessment of a school district's efforts to effectively integrate technology across the curriculum, was developed by the TEA Educational Technology Advisory Committee (ETAC). The

**EXHIBIT A-50
NISD E-RATE AWARDS
2000-01 THROUGH 2003-04**

AWARD	2000-01	2001-02	2002-03	2003-04
Internet Access	\$8,532	\$2,518	\$7,574	\$36,621
Telecommunication Services	\$103,981	\$97,693	\$97,761	\$72,346
Total Award Amount	\$112,513	\$100,211	\$105,335	\$108,967

SOURCE: The Universal Service Administrative Company, 2000-01 through 2003-04 www.sl.universalservice.org/funding.

STaR Chart is designed for use in technology planning, budgeting for resources, and evaluating progress in local technology projects.

The STaR Chart and the accompanying Campus Analysis of School Technology and Readiness form profile the district’s status toward reaching the goals of the *Long-Range Plan for Technology, 1996-2010* (LRPT). The profile indicators place the district at one of four levels of progress in each key area of the LRPT: Early Technology, Developing Technology, Advanced Technology, or Target Technology. The key area totals or score provided in the heading allows for interpretation of the results. **Exhibit A-51** summarizes NISD’s STaR results for 2003-04. The district’s self-evaluation is that NISD is in the Developing Technology Stage of technology implementation.

The district’s long-range technology plan, the *Nacogdoches ISD Technology Plan 2004-05*, was submitted and approved in June 2004 and complies with the State Board of Education *Long-Range Plan for Technology 1996-2010*, which calls for districts to focus their technology plans in four areas: teaching and learning, educator preparation, administration and support services, and infrastructure. The technology plan also has correlates to E-Rate and No Child Left Behind requirements. Districts are required to have

an approved technology plan to participate in E-Rate. In addition, Title II, Part D, Enhancing Education through Technology, of the No Child Left Behind Act requires district applications for funding to contain an educational technology plan that is consistent with the statewide educational plan.

**CHAPTER 9
HUMAN RESOURCE MANAGEMENT**

COMPENSATION

Human resource management includes a significant investment in staff as measured by payroll costs. **Exhibit A-52** compares the percentage of NISD payroll costs to the state average. As seen in **Exhibit A-52**, payroll costs are the most significant expenditure for Texas school districts, highlighting the importance of effective personnel management. When compared to the statewide average, NISD’s payroll costs are a slightly lower percentage of its budget.

Each district also has a unique organizational culture that reflects the type and numbers of staff.

Exhibit A-53 compares NISD’s staffing ratios to the state and its peer districts selected for this review: Lufkin, Seguin, and San Marcos Consolidated Independent School Districts.

**EXHIBIT A-51
NISD TEXAS STAR CHART RESULTS
2003-04**

KEY AREA I: TEACHING AND LEARNING – DEVELOPING (9-14)						
TEACHER ROLE AND COLLABORATIVE LEARNING	PATTERNS OF TEACHER USE	FREQUENCY/ DESIGN OF INSTRUCTION	CURRICULUM AREAS	TECHNOLOGY APPLICATION TEKS ASSESSMENT	PATTERNS OF STUDENT USE	SCORE
2.0	2.0	2.0	2.0	3.0	2.0	14.0
KEY AREA II: EDUCATOR PREPARATION AND DEVELOPMENT – DEVELOPING (9-14)						
CONTENT OF TRAINING	CAPABILITIES OF EDUCATORS	LEADERSHIP CAPABILITIES OF ADMINISTRATORS	MODELS OF PROFESSIONAL DEVELOPMENT	UNDERSTANDING AND PATTERNS OF USE	TECHNOLOGY BUDGET	SCORE
2.0	2.0	3.0	3.0	2.0	1.0	13.0
KEY AREA III: ADMINISTRATION AND SUPPORT – DEVELOPING (8-12)						
VISION AND PLANNING	TECHNICAL SUPPORT	INSTRUCTION AND ADMINISTRATIVE STAFFING	BUDGET	FUNDING		SCORE
2.0	2.0	2.0	2.0	2.0		11.0
KEY AREA IV: INFRASTRUCTURE FOR TECHNOLOGY – ADVANCED (13-17)						
STUDENTS PER COMPUTER	INTERNET ACCESS CONNECTIVITY/ SPEED	DISTANCE LEARNING	LAN/WAN	OTHER TECHNOLOGIES		SCORE
2.0	4.0	2.0	3.0	2.0		13.0

SOURCE: NISD Texas STaR Chart 2003-04.

EXHIBIT A-52
NISD BUDGETED DISTRICT EXPENDITURES BY CATEGORY
2003-04

EXPENDITURE CATEGORY	NISD PERCENT OF TOTAL BUDGET	STATE PERCENT OF TOTAL BUDGET
Payroll Costs	67.0%	72.2%
Other Operating Costs	21.7%	17.5%
Debt Service	9.0%	8.4%
Capital Outlay	2.3%	1.9%
Total	100.0%	100.0%

SOURCE: Texas Education Agency, AEIS, 2003-04.

As shown by **Exhibit A-53**, two of the three peer districts provide more support staff per teacher and more campus administrators per teacher than NISD does.

The quality of service depends on the quality of staff. Attracting and retaining quality staff depends in part on the compensation and benefits provided. **Exhibit A-54** shows the average salary trends in NISD.

Compensation is a key component to attracting and retaining staff. **Exhibit A-55** compares staff attitudes toward district compensation.

Exhibit A-56 shows the district's ability to retain staff. While some turnover in staff is healthy, high turnover is an indication of discontent within the organization. Nacogdoches has the highest turnover rate for teachers when compared to districts of similar size in its area.

CHAPTER 10
SAFETY AND SECURITY

In its publication *Keeping Texas Children Safe*, the Texas School Performance Review (TSPR) notes that the most effective districts have a safety plan that includes prevention, intervention, and enforcement strategies. Effective programs include the steps shown in **Exhibit A-57**. School districts applying these measures in a comprehensive system achieve significant results.

The Texas Legislature legislates a number of safety and accountability standards for Texas schools. For example, legislation requires school districts to adopt a student code of conduct with the advice of a district-level committee. Students who engage in serious misconduct must be removed from regular

education settings and placed in disciplinary alternative education programs. School districts and law enforcement must share specific information about student arrests or criminal conduct with each other. Peace officers assigned to schools to provide law enforcement and daily role modeling for students have training standards.

In counties with a population of 125,000 or more, school districts, the juvenile board and juvenile justice systems must establish a Juvenile Justice Alternative Education Program (JJAEP). Under the jurisdiction of the Texas Juvenile Probation Commission, the JJAEP provides for the education of youths who are in the juvenile justice system for criminal misbehavior. Juvenile criminal laws consider 17 to be the age of adult behavioral consequences.

Federal legislators also assist the safe school effort by supporting a program for Safe and Drug Free Schools (SDFS). The SDFS program consists of a state grant program and a national program with funding for development of programs that prevent violence in and around schools. Districts use the state grant funds in a wide variety of education and prevention activities. The No Child Left Behind Act of 2001 authorizes the program under Title IV. Texas schools receiving Title IV funds decide the most effective way to apply the money.

The 1998 U.S. Department of Justice report *Security Concepts and Operational Issues* observes that security operations often require a balance among effectiveness, affordability, and acceptability. Determining who or what needs protection, the type of security threat, and facility constraints are essential components needed to design an effective security

EXHIBIT A-53
NISD PEER DISTRICT STAFF COMPARISON
2003-04

	NACOGDOCHES	LUFKIN	SEGUIN	SAN MARCOS	STATE
Ratio of Support Staff to Teachers	1:8	1:8	1:7	1:6	1:6
Ratio of Educational Aides to Teachers	1:12	1:4	1:4	1:7	1:5
Ratio of Campus Administrators to Teachers	1:22	1:17	1:23	1:20	1:19

NOTE: Ratios adjusted to the nearest whole number.
 SOURCE: Texas Education Agency, AEIS, 2003-04.

**EXHIBIT A-54
NISD AVERAGE SALARY COMPARISONS
TEACHERS, ADMINISTRATORS AND PROFESSIONAL SUPPORT STAFF
2000-01 THROUGH 2003-04**

POSITION	AVERAGE SALARY				PERCENT CHANGE +/- 2000-2004
	2000-01	2001-02	2002-03	2003-04	
Teacher with 1-5 years of experience	\$27,216	\$27,790	\$31,200	\$31,418	15.4%
Teacher with 6-10 years of experience	\$32,535	\$32,325	\$33,323	\$32,815	0.9%
Teacher with 11-20 years of experience	\$39,723	\$39,508	\$40,061	\$40,120	1.0%
Teacher with 20+ years experience	\$44,152	\$44,832	\$46,174	\$46,264	4.8%
Campus Administrator	\$54,756	\$53,123	\$53,688	\$56,056	2.4%
Central Administrator	\$64,785	\$63,830	\$71,837	\$72,046	11.2%
Professional Support	\$40,536	\$41,631	\$43,225	\$43,792	8.0%

SOURCE: Texas Education Agency, AEIS, 2000-01 through 2003-04.

**EXHIBIT A-55
NISD EMPLOYEE SURVEY RESPONSES
JANUARY 2005**

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE COMPETITIVENESS OF DISTRICT SALARIES WITH SIMILAR POSITIONS IN THE JOB MARKET.						
Administrator	0.0%	40.9%	27.3%	22.7%	9.1%	0.0%
Parent	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Principal	6.7%	6.7%	73.3%	13.3%	0.0%	0.0%
Professional Staff	20.0%	54.7%	20.0%	4.0%	0.0%	1.3%
Student	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Support Staff	41.3%	37.0%	17.4%	2.2%	0.0%	2.2%
Teacher	16.8%	48.7%	25.1%	6.3%	2.1%	1.0%
Total	11.1%	26.7%	14.6%	3.8%	1.0%	42.8%
THE DISTRICT'S EFFECTIVENESS IN IDENTIFYING AND REWARDING COMPETENCE AND EXCELLENT PERFORMANCE.						
Administrator	13.6%	18.2%	31.8%	22.7%	13.6%	0.0%
Parent	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Principal	0.0%	26.7%	40.0%	20.0%	13.3%	0.0%
Professional Staff	18.7%	38.7%	30.7%	8.0%	1.3%	2.7%
Student	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Support Staff	23.9%	39.1%	23.9%	8.7%	2.2%	2.2%
Teacher	24.1%	35.6%	28.3%	9.4%	0.5%	2.1%
Total	12.3%	20.4%	16.7%	6.0%	1.3%	43.3%

SOURCE: Nacogdoches Independent School District, School Review Surveys, January 2005.

**EXHIBIT A-56
COMPARISON OF TEACHER TURNOVER
COMPARABLY SIZED AREA DISTRICTS
2001-02 THROUGH 2003-04**

YEAR	NACOGDOCHES	LUFKIN	LONGVIEW	MARSHALL	REGION 7
2001-02	18.0%	14.4%	15.8%	12.4%	16.0%
2002-03	19.0%	12.9%	16.1%	16.6%	16.4%
2003-04	17.8%	13.2%	14.6%	15.9%	14.2%

SOURCE: Texas Education Agency, AEIS, 2001-02 through 2003-04.

**EXHIBIT A-57
KEEPING TEXAS CHILDREN SAFE IN SCHOOL
JANUARY 2000**

STRATEGY	STEPS TO BE TAKEN
Prevention	Know your goals and objectives: where your district is going and what you want to accomplish.
	Establish clear expectations for students, parents, teachers, and administrators.
	Address warning signs before they turn into trouble.
Intervention	Look for trouble before it finds you.
	Recognize trouble when you see it.
	Have individuals in the right place and at the right time to intervene.
	Have a plan of action appropriate for the occasion and practice it.
Enforcement	Leave no room for double standards.
	Ensure that discipline management extends inside and outside the classroom.
	Alternative programs are not just a matter of compliance with the law; they are many students' last chance at success.

SOURCE: TSPR, Keeping Texas Children Safe in Schools, January 2000.

operation. NISD employs many of the traditional security measures for its schools. Many campuses have building alarms or have video surveillance cameras. A number of schools are partially or fully fenced around the playground areas of the school. Bus unloading areas are clearly marked. **Exhibit A-58** shows the perception of students, staff, and parents of school safety.

PLANNING AND BUDGETS

The district has included goals for increasing discipline management and maintaining a safe district in its annual planning process. In its 2004–05 District Improvement Plan (DIP), the district addresses discipline management and safe schools in three of seven goals. **Exhibit A-59** details the discipline management/safe schools goals and strategies from the DIP.

EXHIBIT A-58 NISD SAFETY AND SECURITY SURVEY RESPONSES JANUARY 2005

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
YOUR PERCEPTION OF THE STUDENTS' LEVEL OF SAFETY AND SECURITY AT SCHOOL.						
Administrator	0.0%	0.0%	13.6%	68.2%	13.6%	4.5%
Parent	6.9%	31.0%	27.6%	27.6%	3.4%	3.4%
Principal	0.0%	0.0%	0.0%	60.0%	40.0%	0.0%
Professional Staff	2.7%	4.0%	28.0%	34.7%	9.3%	21.3%
Student	15.1%	21.3%	27.1%	20.4%	6.2%	9.8%
Support Staff	4.3%	4.3%	39.1%	34.8%	2.2%	15.2%
Teacher	3.7%	15.7%	33.5%	25.1%	7.9%	14.1%
Total	7.8%	15.3%	29.0%	27.9%	7.8%	12.3%
THE DISTRICT'S EFFECTIVENESS IN ENSURING GANGS ARE NOT A PROBLEM IN THIS DISTRICT.						
Administrator	0.0%	0.0%	18.2%	59.1%	18.2%	4.5%
Parent	6.9%	31.0%	27.6%	24.1%	6.9%	3.4%
Principal	0.0%	0.0%	0.0%	73.3%	26.7%	0.0%
Professional Staff	2.7%	8.0%	24.0%	33.3%	10.7%	21.3%
Student	18.2%	17.3%	27.1%	0.4%	6.7%	10.2%
Support Staff	10.9%	17.4%	32.6%	21.7%	2.2%	15.2%
Teacher	2.6%	18.3%	34.0%	24.1%	5.2%	15.7%
Total	9.1%	16.1%	28.4%	26.2%	7.3%	12.9%
THE DISTRICT'S EFFECTIVENESS IN ENSURING DRUGS ARE NOT A PROBLEM IN THIS DISTRICT.						
Administrator	0.0%	4.5%	54.5%	22.7%	13.6%	4.5%
Parent	20.7%	20.7%	24.1%	27.6%	3.4%	3.4%
Principal	0.0%	0.0%	20.0%	60.0%	20.0%	0.0%
Professional Staff	6.7%	8.0%	30.7%	22.7%	10.7%	21.3%
Student	30.2%	14.7%	15.6%	19.6%	10.2%	9.8%
Support Staff	10.9%	15.2%	32.6%	21.7%	4.3%	15.2%
Teacher	6.8%	16.2%	36.6%	20.4%	4.7%	15.2%
Total	16.1%	13.9%	27.4%	21.9%	8.1%	12.6%
THE DISTRICT'S EFFECTIVENESS IN ENSURING VANDALISM IS NOT A PROBLEM IN THIS DISTRICT.						
Administrator	0.0%	4.5%	18.2%	50.0%	18.2%	9.1%
Parent	10.3%	6.9%	41.4%	34.5%	3.4%	3.4%
Principal	0.0%	0.0%	20.0%	53.3%	26.7%	0.0%
Professional Staff	4.0%	8.0%	29.3%	29.3%	6.7%	22.7%
Student	24.4%	12.9%	31.6%	12.9%	6.7%	11.6%
Support Staff	8.7%	19.6%	23.9%	28.3%	4.3%	15.2%
Teacher	4.7%	17.3%	36.6%	23.0%	2.1%	16.2%
Total	12.3%	13.3%	32.0%	22.7%	5.8%	13.9%
THE CONDITION OF SCHOOL GROUNDS (EXISTENCE OF SAFETY HAZARDS).						
Administrator	0.0%	0.0%	9.1%	59.1%	27.3%	4.5%
Parent	10.3%	6.9%	37.9%	37.9%	0.0%	6.9%
Principal	0.0%	0.0%	13.3%	66.7%	20.0%	0.0%
Professional Staff	1.3%	1.3%	32.0%	34.7%	10.7%	20.0%
Student	17.8%	15.6%	29.8%	21.8%	2.7%	12.4%
Support Staff	0.0%	2.2%	41.3%	30.4%	10.9%	15.2%
Teacher	1.0%	11.5%	42.4%	23.0%	7.3%	14.7%
Total	7.6%	10.1%	34.2%	27.7%	7.0%	13.4%

SOURCE: NISD, School Review Surveys, January 2005.

**EXHIBIT A-59
DISTRICT IMPROVEMENT PLAN (DIP)
SAFETY AND SECURITY GOALS AND STRATEGIES FOR NISD
2004-05**

DIP GOAL	STRATEGY
By the year 2005, 100% of NISD graduates will be involved in post-secondary collegiate or training programs within six months of graduation.	Implement violence prevention, conflict resolution, and specific needs (?) guidance programs consistently across the district.
By the year 2005, all NISD campuses will be exemplary or recognized based on AEIS standards.	Implement a substance abuse education and violence prevention program for students Pre-K-12. Continue and increase current attendance/truancy efforts.

SOURCE: NISD District Improvement Plan 2004-05.

NISD’s Police Department is responsible for enforcing the district policies and law. In NISD, the chief of police oversees the department consisting of three full-time officers and a dispatcher. For this review, the team selected three peer districts for comparative purposes: Lufkin, Seguin, and San Marcos Consolidated Independent School Districts (ISDs). **Exhibit A-60** compares NISD’s per student safety and security expenditures to its peer districts.

As shown in **Exhibit A-60**, NISD is below the state average in security expenditures. The expenditure amounts among Texas school districts can vary substantially, based on a number of factors. Not all Texas districts have their own police department like NISD does. Some districts, including the peer districts selected for this review, rely on local area law enforcement to respond to calls or provide a school resource officer, which results in lower per student expenditures.

DISCIPLINE MANAGEMENT

The U.S. Department of Education’s 1998 publication *Early Warning, Timely Response* defines a well-functioning school as one that fosters “learning, safety, and socially appropriate behaviors. These

schools have a strong academic focus and support students in achieving high standards, foster positive relationships between school staff and students, and promote meaningful parental and community involvement. Most prevention programs in effective schools address multiple factors and recognize that safety and order are related to children’s social, emotional, and academic development.”

Texas schools are required to provide standards for conduct and discipline through the adoption of a student code of conduct. NISD provides a student code of conduct to students and parents annually. The code of conduct is built on progressive consequences. Repeated or serious misbehavior receives a more serious consequence than first time or minor offenses.

While teachers and principals participate in the disciplinary process, the assistant principal frequently administers discipline. District police also enforce criminal law within the district. **Exhibit A-61** shows the perception of students, staff, and parents as it applies to the NISD disciplinary process based on results from surveys administered by the School Review team.

**EXHIBIT A-60
SAFETY AND SECURITY EXPENDITURES
NISD VS. PEER DISTRICTS
2002-03**

DISTRICT	EXPENDITURES	ENROLLMENT	PER STUDENT EXPENDITURE
Nacogdoches	\$252,445	6,288	\$40
Seguin	\$284,630	7,556	\$38
Lufkin	\$273,603	8,216	\$33
San Marcos	\$30,201	7,021	\$4
State	\$192,541,651	4,239,911	\$45

NOTE: Amounts have been rounded to the nearest dollar.

SOURCE: Texas Education Agency (TEA), AEIS, 2003-04 for actual expenditures and 2002-03 for enrollment.

EXHIBIT A-61
NISD SAFETY AND SECURITY SURVEY RESPONSES
JANUARY 2005

RESPONDENT	POOR	BELOW AVERAGE	AVERAGE	GOOD	EXCELLENT	NO RESPONSE
THE EQUITY, CONSISTENCY, AND FAIRNESS OF DISCIPLINE STUDENTS RECEIVE FOR MISCONDUCT.						
Administrator	0.0%	9.1%	22.7%	45.5%	13.6%	9.1%
Parent	27.6%	34.5%	20.7%	13.8%	0.0%	3.4%
Principal	0.0%	6.7%	6.7%	53.3%	33.3%	0.0%
Professional Staff	5.3%	13.3%	30.7%	24.0%	5.3%	21.3%
Student	25.8%	16.0%	25.3%	16.9%	4.9%	11.1%
Support Staff	8.7%	15.2%	39.1%	19.6%	2.2%	15.2%
Teacher	14.1%	20.4%	29.3%	15.7%	5.2%	15.2%
Total	16.7%	17.4%	27.5%	19.4%	5.6%	13.3%
THE WORKING RELATIONSHIP THAT SECURITY PERSONNEL HAS WITH PRINCIPALS, TEACHERS, STAFF, AND STUDENTS.						
Administrator	0.0%	0.0%	0.0%	50.0%	40.9%	9.1%
Parent	3.4%	17.2%	24.1%	44.8%	6.9%	3.4%
Principal	0.0%	0.0%	6.7%	13.3%	80.0%	0.0%
Professional Staff	1.3%	5.3%	12.0%	28.0%	32.0%	21.3%
Student	9.8%	13.3%	31.6%	16.9%	14.7%	13.8%
Support Staff	4.3%	4.3%	45.7%	26.1%	4.3%	15.2%
Teacher	2.1%	2.1%	25.1%	35.1%	18.8%	16.8%
Total	5.0%	7.5%	26.0%	27.2%	19.6%	14.8%

SOURCE: NISD, School Review Surveys, January 2005.

COMMUNITY OPEN HOUSE AND FOCUS GROUP COMMENTS

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT

As part of the review process, the review team held a community open house and various focus groups to obtain input. During the community open house parents, teachers, and community members participated by writing personal comments about the major review areas; and in some cases, talking in person to review team members. Teachers, principals, community leaders, and parents also participated in small focus groups to discuss the areas under review.

The comments below illustrate community perceptions of NISD and do not reflect the findings and/or opinions of the Legislative Budget Board or the review team. Some comments were received multiple times, however they are only recorded once in the list below. The following comments are organized by area of review.

EDUCATIONAL SERVICE DELIVERY

- Disappointed with the Imagination Fair and the Field Trip. This is the only thing the district seems to do for gifted/talented students.
- They don't do enough for these kids.
- The efforts put into gifted/talented kids ultimately depend on teacher effort, not on district initiative.
- Quality varies from campus to campus. Opportunities for gifted/talented students are not well publicized. For instance, gifted/talented kids are supposed to meet twice a year, but parents at Fredonia were not informed.
- Special education placements are too limited.
- Special ed students don't belong in regular classrooms – takes too much time away from regular students, too much work for the teachers.
- High school offers Advanced Placement (AP) courses and college credit. They also offer career planning.
- Special education students are well cared for. Teachers involve the regular student body with the special education program.
- NISD charter school is collaboration between NISD and Stephen F. Austin University (SFA). There is a weighted waiting list. Also, low student teacher ratios. Works well for many students.
- Adding curriculum specialists into classrooms over the last three years was a real plus.
- Specialists are focused on teaching skills instead of new programs.
- Specialists think outside the box.
- Some campuses have an assistant principal that also serves the dual role of curriculum specialist—tough to do a good job.
- Not all schools have the same level of staffing—adding an assistant principal to all elementary schools would help.
- Math and Language Arts teachers are asked to teach Texas History. Teachers are not trained and feel they aren't doing a good job—frustrated.
- Taking a lot of time away from teaching to conduct testing.
- Three-week benchmarking schedule at some elementary schools; others follow a 6-week schedule.
- Three-week benchmarking is too often—takes too much time away from teaching.
- Educational software is good. It helps to bring problems to light.
- Overall public education in NISD is just as good as the private school my daughter went to. NISD is great. My second grader functions at the fifth grade level.
- District is doing a lot to serve the needs of students with learning disabilities.
- Gifted children are put in classes with special populations (e.g. emotionally disturbed students) so teacher time is spent on the disruptive child.
- Gifted (GT) child is short changed.
- Lufkin has a magnet school for GT kids. Why can't Nacogdoches have something similar?
- Paperwork has increased. Teachers must send documents to principal and to central administration.
- They spend a lot of money on programs they abandon within a year or two. For example, they spent \$60,000 on a software program that is now abandoned.

- They calendared the AP tests on a non-instructional day. College testing rules require that it be on an instructional day. They held the test in violation of the rules. When someone tried to complain, they were given a letter of reprimand for rudeness.
- Academic standards are slipping. There is no focus on AP classes. They teach to the test with no celebrations or focus on the national merit students. State funds for AP were used to buy calculators for students (non-AP included) to use on TAKS. The theory was AP students might use them too.
- Since the “left behind” my GT child has been left behind. It seems we teach the tests and to the bottom of the class.
- As a teacher in the NISD, I believe that the regular education teachers need more support and resources to help educate our special education students. Mainstreaming sometimes is the equivalent of throwing the autistic child or retarded child into the regular ed class and saying “good luck” to both the teacher and child. We need help.
- When the school changed from the block schedule to the 7-period day, I was suddenly informed that I would be unable to remain on the distinguished graduation program because I wouldn't have enough time in the year. I was able to receive a credit after much bureaucracy and sacrificing my vacation, I feel that the counselors and district could have better handled the situation.
- I feel that this district through the leadership of the superintendent have really eliminated several good programs that could have made our district be above the mediocre that we are now. I am a parent of a past dual language student and I was astounded how the district just got rid of this program and how they did this. I know special education has been mistreated. The band program has been mistreated. Anything good seems to be dismantled by bureaucracy.
- I'm a parent of an NISD elementary student. Although we have had wonderful teachers, we have had an extremely disappointing experience with administration after a program we were active with (dual language) was summarily and abruptly cancelled. We had invested much time and effort into the program, and felt completely shut out of the decision making progress. Additionally, we were never given plausible rationale for the action.
- There seems to be an agenda on the part of a group of parents and four school board members over the demise of the dual-language program.
- I really hated to see the 2 CAD classes (high school) changed so that the tech credit at Angelina College could no longer be available. Some of the replacement classes were good but did you really to throw the others out to get them?
- There is a lack of vocational educational opportunities for our non-college bound students. A college education does not insure instant success or make you a better person. Rather being a contributing member to both our society and community does.
- Students are denied excuses absences for more than 2 college days and for educational travel opportunities where students earn college credits for research.
- The honor roll for the high school was in the newspaper the other night. Since when is an 80 average “honor roll”?
- Teacher workdays and classes in August were distractingly hot for my child and teacher this fall at the high school. If the A/C won't be on, please provide fans and water.
- All traditions at NHS have become non-existent/Bonfire – none; Best Christmas Pageant Ever – censored; fall follies and shatter dreams – none.
- Teachers need support not bullying.
- Why are teachers who taught one grade for years switched to another for no apparent reason? If someone stays with one grade for so long, they probably know what they are doing.
- Children are not challenged. Too much teaching to the middle; too much teaching to the test.
- I have a problem with several of the coaches who “teach”. The feedback I get from my own kids, my clients, and other ISD personnel strongly suggests that there is a great deal of “slackery” and favoritism toward athletes. I have personally witnessed this producing discouragement among students.
- Teachers are not valued. If they are brave enough to speak out, they will be retaliated against.
- Poor teacher morale.
- Support other sports besides football.

- Staff members are punished for being concerned.
- The community has many wonderful resources that are not being utilized. NISD and SFA need to work more collaboratively.
- I'm an NHS student who has life skills students in my classes. They spend their day eating paper since they have no aide in these regular ed. Classes. What a way to get an education.
- Teachers leave this district and call/write or send message not to judge teaching by the way this district is.
- Mrs. Neal at TJR Elementary is fantastic. Watch that school!
- I am concerned with the lack of Spanish speaking administrators in this district.
- The district complains of the inability to acquire bilingual teachers; however, SRA graduates bilingual teachers who go to surrounding districts. The perception of the university is that the district prefers to hire teachers from elsewhere and that the district is not a good place to work.
- The standardized state tests district-wide have been very good.
- Minority students start falling behind after 5th grade. May be family issues or the way teachers relate to them but we need to determine what it is.
- Dyslexia is not dealt with effectively. It is primarily denied as existing or construed as not having a negative effect on academic programs.
- There are not equated calculations for certain classes in reference to EPA. Dual credit English classes through SFA are not weighed.

DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

- The superintendent seems autocratic and this has caused low teacher morale.
- The division between the superintendent and the board disenfranchises everybody. They are always fighting among themselves.
- They can't do their job. They are not being productive.
- Too many administrators.

- Superintendent has made a lot of good improvement and efforts with the community, particularly the minority community.
- The community supports the board majority.
- We have a poor leader. Not concerned with the students. Not concerned with the faculty. No team effort. Refuses to work with Board. Only concerned with himself.
- Superintendent throws temper tantrums at board meetings. What kind of leadership training has he had?
- There is poor morale.
- The community supports the board; teachers and office staff need support.
- You can't criticize this administration without there being a severe consequence.
- Everyone that has tried to complain has now been re-assigned.
- Email may be monitored.
- There has been an overall major decline in the last several years.
- [The superintendent] is negative with the board and does not know how to work with them. He is paid \$250,000 a year?
- Three board members support superintendent, three don't and one is in the middle.
- One can only talk for three minutes at the board meeting. There is fear and intimidation. You simply cannot speak your mind.
- The superintendent has mocked parents in public—in front of them.
- They [superintendent and board] have lost focus on what really matters. It is all politics, and no attention on teachers and the kids.
- Because of the bad politics, the school district forces parents to seek alternatives to public schools, like private schools or other neighboring districts.
- The newspaper simply exacerbates the problem between the board and superintendent.
- The only saving grace is that the campuses try to continue with their job, despite the politics. They try to keep schooling and politics separate and out of the classroom.
- Parents are tired of hearing about it [board and superintendent relationship]. Let them just continue to struggle on their own.

- There is too much testosterone.
- We don't really know what we can do about it [politics between board and superintendent].
- District decided to do away with the dual language program because it did not have enough teachers to continue the program. There was a small vocal group of community members that thought the dual language program should have continued. Three board members kept bringing up the issues. The issues then became very vocal. With the new board member elections, now the board has a majority and they want to re-instate the dual language program?
- The vocal minority have made it miserable for the rest of us.
- Communication with the board is difficult.
- The community here is very closed minded. There seems to be no sense or urgency to change the long overdue failure in the NISD system. This is what the superintendent is trying to do, but the community is slow to change.
- One man can't do it all.
- His voice [superintendent] is a minority in the media.
- If I were superintendent for a day, I would bring/add the dual language component back. Reduce pressure to perform on test.
- We are concerned that the board will retaliate against those that criticize their actions.
- Administrators are very supportive.
- Don't want to attend board meetings.
- School board members are disrespectful to professional staff and most parents.
- The district administration has a forced relationship with the teachers. The superintendent is out of touch with the morale of the staff, particularly the older teachers. [Superintendent] is very arrogant. He won't even speak to [citizen] when they pass on the street, even though it's a common courtesy to a member of the community.
- It is a "sad situation."
- Since 2000 there has been a large exodus of staff. Teachers are afraid when central administrators are on campus. They are out of touch with the teachers. The superintendent does not want to hear from the teachers. Certain administrators are very rude, to include cursing in the offices.
- There is no trust between staff and administration. When changes are made they are disciplinary. There is a perception that changes are also made to keep the staff off balance. Teachers are not consulted as part of site-based decision-making (SBDM) on the campus level. They have no voice and administration does not appear to want to know what is happening. Questions or concerns are seen as disloyalty.
- Superintendent said not to take concerns to the board. It is crossing a "thin green line" to bring unaddressed concerns to board. Theme of silence was reinforced in faculty meetings.
- District had high hopes when superintendent was hired. He was supposed to build a community. Test scores were already on the rise when he arrived.
- There is no site based management. All decisions must come from the superintendent/assistant superintendent.
- Principals are probably quite worried about their positions. They replaced principals who were reassigned in 2000.
- The superintendent's solid support from district principals is quite amazing. I, too, would probably do the same if I were in their shoes. Teachers and students are left behind.
- Principals are probably quite worried about their positions. They replaced principals who were reassigned in 2000.
- Superintendent refuses to work with the city of Nac Recreation Center to allow community use of facilities.
- Employees are not appreciated or respected.
- I feel that the Board needs to have more trust with the administration in charge of finance. They have district audits every year and the budget is previewed frequently.
- I believe that Nacogdoches Elementary Schools need an assistant principal. An administrator should always be present to handle discipline.
- The school district is functioning well (I would give it a B+) The District's leadership is not (F).
- Administrators are more concerned about power and control. The strong arm of the law applies in most situations.
- Employees are run by fear tactics. They are almost viewed as the "enemy". Teachers are strongly encouraged to stand up and say a few words in favor of the superintendent at board

meetings which they do out of fear. Principals stand in support of things they don't believe in – out of fear. Parents are afraid to rock the boat out of fear.

- The community has made themselves heard through recent board elections. The current board was not elected by a single or elite group of parents.
- The taxpayers in this district want to see major improvements in the school district. Now that the current school board is demanding accountability, their administration dislikes it very much and refuses to work as a team.
- I have not found the NISD administration to be interested in parental involvement, even when parents want to be involved.
- Where are the teachers tonight? They are all scared to come.
- Board members and Superintendent should visit all campuses regularly.
- Board needs to set policy and leave the day to day management of the district to the administrator. The board has become too controlling and is no longer effective.

COMMUNITY INVOLVEMENT

- There is very little effort on the part of the district to reach out to the community. Needs to be a much broader effort.
- There is a good administrative group, but they have poor relations with the community.
- There is low PTA involvement and very poor, after-school programs that are not taking advantage of all of the services that could be provided by several churches and community organizations.
- Fredonia struggles to get parents to participate and the district does not help the PTA.
- Schools contact the parents, but the district does not.
- TJ Rusk and Brook-Quinn have an excellent core of parent involvement programs.
- More communication and more assistance are desired. The school communicates with parents, but the district does not.
- PTA officers only communicate with other PTAs in the district as a personal initiative. It

would be nice if the district sponsored more district level PTA functions. Some PTAs would like to see and learn from what other schools and PTA organizations are doing in the district.

- District does not have a single point of contact. The district is not approachable, especially with the new redistricting difficulties. Campus staff is helpful.
- The redistricting was an uphill battle. Students were moving frequently from one school to another because the district was not organized. Too many unanswered questions about bus routes, transfers, etc.
- NISD did have several open house meetings for redistricting, but parental advice is rarely considered.
- NISD doesn't issue a newsletter. We [parents] receive very little information from the district.
- Some articles may appear in the local newspapers. We would like more newsletters and more updated campus calendars.
- Parent volunteer process is satisfactory. School does not conduct background checks and there is not a district-level coordinated effort to track volunteer activities or input.
- One school is working to start conducting background checks. One parent is working on a districtwide volunteer tracking system.
- There is a large volunteer base at the university that is not being tapped into.
- Overall, system is informal and grass roots type. District does not know how much volunteers contribute in terms of money, services or hours.
- We [parents] would like more district level initiatives and involvement in establishing a volunteer tracking system. There are many retired teachers in the area that could offer part-time volunteer services, but the district is not taking advantage of this opportunity.
- NISD does bilingual notices well and individual campus efforts involve parents.
- There is no "layman" or PIO to help public understand issues.
- Superintendent has unfavorable relationship with community.
- Why can't Special Ed students have the opportunity for job training in the community?

HUMAN RESOURCES MANAGEMENT

- District tries real hard to get teachers to meet student needs.
- Teacher salaries are low, particularly for bilingual teachers.
- Salaries aren't competitive—losing teachers to Houston, Dallas and bordering districts.
- District doesn't have enough money to recruit and retain new teachers.
- Beginning teachers make only \$10,000 less than teachers who have been in the district for 25 years.
- Benefits are very high.
- Health insurance premiums are sky high.
- There are no problems with substitute teachers. Parents are informed and are familiar with the permanent subs. The district does a good job screening subs.
- NISD continues to replace teachers with permanent subs who unfortunately do not have the necessary experience or qualifications to educate our students.
- Subs are used instead of teachers.
- Morale problems started with the reassignment of the high school principal. The originating incident was over what was seen as interference by the superintendent into a disciplinary action that played favorites.
- They [teachers] don't know what their salary will be until a month into the school year. Under previous administrations the contracts at least had "no less than" salary clauses so they had some idea of what they would be making.
- Teachers are afraid for their jobs. They believe central administration retaliates. One teacher who spoke out was transferred to the county DAEP and was told not to come back on campus to eat lunch.
- New rule is district doesn't hire retirees, although the administrators crafting the policy were both hired out of retirement.
- Teacher morale is low but they are not willing to do anything about it.
- When the superintendent came he fired or moved people. We were all afraid for our jobs.
- Why did we lose so many good teachers to area smaller schools?

- It is sad that many of our good teachers have left the district for better work environments and lower pay.
- No personnel policies.
- The superintendent is overpaid. The teachers need a raise. The benefits package and increases the superintendent gets every year is criminal.
- One year, in the recent past, NISD had a 34% teacher turnover when the state average was 17%. When a board member questioned the large percentage, the reply was "it was a vast savings for the district". Money is more important than experience. But why are so many leaving?
- No exit interviews.
- Unwritten policy against retire/rehire
- Need criminal background checks for all employees.
- Check the number of special ed personnel that have left in the last couple of years. Why is this and why doesn't administration care?

FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

- Custodial staff is wonderful.
- Ample number of custodians.
- Plumbing and commodes regularly overflow at Brooks Quinn.
- High school building is old, has mice, leaks, and mold problems.
- The high school is currently using all available space—the opening of the ninth grade center will help.
- Middle school replaced smelly carpet with tile and is happy to have the new science lab.
- Bathrooms are not kept clean.
- Toilets don't work—old campus.
- Open campus is exposed to the elements—difficult for small students who have to wait to be escorted to bathrooms.
- Problem with mice and ants.
- School is 60 years old, has ants, and dampness issues that have not been addressed due to lack of money.
- Campuses are kept clean—no major problems.

- Repair work orders are usually completed timely—much better than in the past. The charter buses were moved.
- Light bulbs have not been replaced for two months.
- High school science lab—leaks are not repaired timely, gas jets need cleaning, traps need cleaning, pipes and split table-tops need repair.
- The focus on the new schools has delayed repairs at older schools.
- Custodians are responsive. Campus level problems are resolved quickly, but anything that requires the district to become involved could take weeks or more. Heating and cooling problems are quickly fixed. Computer wires get no attention. Process needs to be reviewed.
- Would someone explain why we have to have two junior high schools? It is devastating the athletic program. It is expensive, because we have to have two of every thing. When Lufkin moved from one to two, it created an unhealthy competition. When the kids merged in ninth grade they didn't know each other, gang issues became more prevalent. I voted for the bond issue, but I didn't think it was going to have these types of costs.
- The high school is full of mice. A dead mouse stayed in the classroom for hours while class was held.
- Mice chewed up equipment at the high school. Roaches are a problem. Teachers are blamed for eating in their class, but teachers do not have a place to eat. The lounge was converted to student seating.
- The student parking lot is very distant from the main facility and is a sea of mud. This provides an unsafe condition for the students in addition to a legal liability to the school.
- Access to bathrooms is controlled by locking the hallway bathrooms and providing only one teacher with a key. Unless your student is in that teacher's class, then the only recourse is to use the bathrooms located in the Commons and students don't have time to make a run to the commons between classes.
- The facilities at NISD are superb.
- The older NISH campuses still has asbestos.
- The one bathroom we're allowed to use at the high school is disgusting. Usually there is no toilet paper and never any soap.

- Problem with mold and mildew in carpeting.
- I have been very impressed with the facilities at McMichael High School.
- Tow building across from the high school have been unused for this school year. The Infant Care Center and alternative Education Center. Buildings were closed without input from community or students into possible alternative uses. Equipment is deteriorating.

ASSET AND RISK MANAGEMENT

- Department heads are responsible for inventory and keep their own inventory records.
- Funds were not available to replace a damaged laptop—don't know if insurance coverage was in place.
- There are rumors and allegations of misuse of district property by former employees. Central administration does not seem to want to know or investigate.

FINANCIAL MANAGEMENT

- Very poor financial management system. We have no idea what they do with the money.
- Taxes are very high—where does all the money go?
- Individual campuses are good at transparency, but the district is not.
- We had a 20 percent budget cut and we do not know what was cut and how. Taxes increase, but services do not.
- Sufficient funds at the Math department.
- Principal is very good about finding and providing funding when requests are made.
- Additional grants provided \$500 for each teacher.
- Teachers need raises—bonuses should be considered.
- Budgets have not increased in five years while costs have increased.
- Budgets were received late this year and then all departments had to reduce an additional 10 to 20 percent after school started due to less than expected funding from the State.
- Standards for travel reimbursement rules may be different for teachers and administrators.
- When principals are given a budget to work with, make them accountable for their individual school budgets. This would be the job of the superintendent.

- I am concerned with the school district's (administration) lack of participation with the resources of SFASU. Members of the SFA faculty have approached the district to assist in writing of grants and have been told "we are not interested".
- Some of the recent underlying issues between board and administration seem to be related to fiscal management. Not sure whether public is getting all the facts about the issues involved. Newspaper seems to distort the facts making it more difficult to understand.
- Lots of money is spent on leadership training for administrators. As a taxpayer and parent I feel we are not getting much of a return on our money.
- Where did all the money go for special education services? We just wonder why kids don't get what they need.
- I question why a board member finds over \$million of mistakes in our audit (that was available for a week) why the auditors, the business manager and the assistant superintendent for operations failed to find them in 3 and ½ months.
- The outside financial audit team has one of its members, the son of NISD Assistant Superintendent of Finance. Is this audit really unbiased or does the audit represent what the superintendent would like it to be?
- Teachers told in March that they had to hand write their IEPs because there was no money for ink, Meanwhile the budget for busses is outrageous. The budget for many things is outrageous.
- More money needs to be spent on advanced students.
- Extremely high car allowance given to superintendent yet travel to workshops by teachers is not given approval. Superintendent is never seen on campuses.
- Ten thousand dollars camera to take pictures of football games.

FOOD SERVICE

- The state-imposed food program is not working. Kids are throwing tons of food away.
- They simply do not eat it. What are we doing? The food was significantly better two years ago.
- There is not enough time to eat in some elementary schools.

- The food service program is not satisfactory, except the carrot cake.
- Additional service lines were opened and the kids love it because they spend less time waiting in line.
- The new director is very organized and added more choices.
- More fresh fruit and vegetables are being served.
- Food Services staff is very accommodating in handling bag lunches for field trips.
- The high school has a nice food variety.
- Need for tea for teachers at the last lunch serving.
- Sometimes runs out of food for teachers and students at the last lunch serving—getting better, but it still happens.
- Need more staff to handle serving lines. Some elementary schools have only one serving line.
- Long lines at the high school—students have to wait too long.
- Students on free or reduced lunch are denied access to all of the food choice at NTTs.
- Cafeteria food is not nutritional. Pizza for breakfast 3 times a week.
- Students with special needs have been denied food at lunch if they have not turned in lunch forms. The form is the Parents' responsibility and the students are unable to advocate for themselves.
- Food lines at the high school are not accessible to students with special needs.

TRANSPORTATION

- Charter bus service is viewed as positive.
- Redistricting caused a lot of problems at the beginning of the year. Things seem to be getting better.
- Many do not use the school transportation system because it is not convenient or because the students have to spend too much time on the bus. Parts of the district are rural and this causes delays in kids getting home after school.
- Fewer buses are needed due to rezoning.
- Buses usually run on time.
- Parents have reported that their children have 6:00 a.m. pick-up times.

- Buses have been seen running at 5:45 a.m.
- Need more adults on the kindergarten buses—only one adult now.
- Some students are dropped off after dark in the winter.
- Elementary school revised its loading schedule to get pre-kindergarten on first and seated in the front of the bus.
- Occasionally buses arrive too early or too late.
- [Assistant superintendent for Administration] is not trustworthy in business relationships. [Citizen] sold land to the school with two options to purchase on other tracts. The district paid \$5,000 for the option. The both options were exactly alike. NISD exercised the first option. The option agreements stated that if NISD did not notice their intent not to exercise the option it would become a contract for sale. When time passed for the second option and there was no writing repudiating it, he contacted [assistant superintendent for Administration]. [Assistant superintendent for Administration] got upset. [Citizen] soon got a letter from an Austin law firm saying that the board didn't approve the second option so the contract was void. [Superintendent], [assistant superintendent for Administration] and [business manager] were all at the closing. They were the district's representatives and none of them indicated they were not authorized to enter into the agreement. This is how they do business.
- The transportation vendor operates a charter service that is run out of the district bus barn. School bus repairs and preventive maintenance have been put on the back burner while charter bus repairs are done in the shop. Repairs and all aspects of transportation were less than 50% while charters were handled first. The charter buses were moved. We want to make sure the vendor does not have charters back in the yard.
- Low income communities are being picked up at unbelievable hours as early as 6:00 a.m. Also due to the roads some of them have to walk some distances to their pick-up spot. These students are mostly minority and low-income. This is a shame.
- Students with significant disabilities have to ride the bus for extended periods of time.
- The bus company does the best they can with a difficult situation.

- Routes are long and start early (5:45 a.m.) Discipline on buses is bad.
- Why are children on the buses for more than the contracted one hour each way daily?
- Why are our buses so unreliable and often break down. So much so that our coaches prefer to “charter” to make sure their teams arrive safely and on time?

SAFETY AND SECURITY

- Alternative education is not big enough to satisfy the demand. They keep kids on campus because there is no room in the alternative school. Students only get sent if it is a serious offense.
- More police presence is needed, especially in the elementary schools—they are never there.
- There is a truancy problem and the school district does not do anything about it. Parents have reported truants that are in their neighborhoods, and the response is not always as good as it should be. It does not seem to be effective. Need to be more vigilant with the dropout/truancy problem.
- We need more city/county police coordination with the school district. We went into lockdown because a parent notified the school of a police problem outside the school. The local police should have immediately notified the school to go into lockdown, not a parent that was walking into the building.
- Good communication with the gas plant that blew up recently. School was immediately notified and children were evacuated without incident.
- Open campuses are an issue, especially with the little ones.
- Principals conduct drills to protect students.
- One incident was handled especially well by city police, NISD administration and NISD police—students felt safe after observing the good job.
- Administration addresses problems immediately.
- We would like to have a police officer on each campus.
- The classes taught by police officer are great.
- Too many entrances to schools.
- One thing that would help is if the principals would back the teachers in discipline. Principals investigate each allegation by asking the kids in

the class what happened -- if what the teacher said was true. Kids are allowed to curse the teachers without repercussion.

- Lack of discipline in schools, especially high schools.
- Teachers don't feel safe.
- After the arson, the district locks bathrooms up. Teachers must unlock for passing periods and if someone needs to go during class must get a key from the teacher. Arson turned out to be a group of students. This is a typical district response. Teachers bear the consequences of the student misconduct, rather than having an atmosphere where misconduct is not ignored by administrators.
- Morale went down when high school principal was retired. Teachers felt safe, school had discipline, and students were respectful. He was replaced with another who would not take action.
- Teachers come to school in the morning and students let them in the building. Don't know how the students are getting in, but assume they are in the building at time of lock up.
- I was informed that there are no fire/smoke alarms in the portable buildings on one elementary campus. Teachers must be alerted by other teachers when there is a drill.
- If I stopped talking to everybody I know who's taken an illegal drug, I'd only be talking to myself.
- My child put it best: "If you don't want me to be around drugs, don't send me to school." And she didn't resist the temptation.
- Locking the bathrooms to prevent fires only punishes the innocent. There are many other opportunities with more flammable materials (outdoors, trash cans, etc.).
- It doesn't seem to be in the best interest of society as a whole to expel kids for a year for drug violations. I don't want them or their drugs near my children but can't they be put in an alternative environment to get an education? Expelling them for an entire year guarantees at least a 2-year extension to graduation, if they don't get into more trouble while they are sitting at home with nothing to do. Isn't there an alternative site with security and strict discipline to continue their education? Seems like we will just guarantee them a spot on the welfare rolls and/or jail.

- So glad we have campus police and that kids with drugs on campus are being expelled. The discipline and drug problem are one of my primary concerns.
- Major issues with parents being the last to know in reference to violence, drugs, gang activity and fires.
- The safety of our children and staff should be the #1 priority. Administration must do everything they can to support our teachers in disciplining students as needed. Parents and students must know that there is zero tolerance for any type of discipline problems.
- Concerns about drugs – not enough attention, problem is rampant at all levels.
- Students can't enter the building between 7:30 and 7:45, yet I see no teachers standing outside in the cold, and you can't supervise very well where the students aren't.
- We have gang problems that I believe the NISD police great job in trying to handle. I believe that our administration does not see this as a problem. We have scared kids, and kids are intimidated as well as teachers are intimidated.
- Campus discipline is out of control. All accountability has been placed on the teacher. Campus administration is overwhelmed with discipline. We need our upper level administrators to be leaders. We need to get rid of our "smiley face" education and get tough. I know a problem is easier to just ignore, but it does not help the student. The students run the school, and they know it. The "good" students get left out and ignored.
- Discipline in this district is unrealistic. You cannot use "touchy-feely" discipline with middle and high school students. Students are not held accountable for their misdeeds. Rather, students are asked what they did wrong, what they can do next time and sent back to class. They "lead" these students to the "correct" answers, and basically teach them how to get away with things later. They are too concerned with the "smiley-face" approach, so our junior psychopaths don't get their feelings hurt. As a result, they literally threaten the lives of other students as well as teachers with impunity.
- I believe the police officers on the campus are doing a fantastic job.
- Our children are not protected by security or any system that ensures that my child is picked

up by myself. Any child can go home with any adult at the end of the day.

- High school has the perception of drug problem and has heard of some gang situations.
- When a student is reported by another student for problems, what does the school do to make sure the complaint is valid and not vindictive?
- Security cameras need to be updated. The old system is old and the tapes are not viewable.
- Raquet Elementary needs flashing school zone signs.
- Students do not take a trip to the office seriously. They can be sent constantly without real punishment.
- Administration tries to downplay discipline; will not put referrals through; do little or nothing to students.
- Discipline by principals has been inconsistent and unfair. Teachers are frustrated
- Campus administrators are not empowered by the administration to discipline students. The lack of discipline in the classrooms has a distinct affect on study achievement. Teachers are leaving
- Help is desperately needed in classroom discipline. Serious bullying!
- I have had to rearrange my graduate school and work schedule to pick them up after school because I cannot rely on anyone to keep them safe.
- Cleanliness at high school is deplorable and not safe at all.
- Need updated security equipment on all campuses.
- Security and order a problem at football and basketball games.

COMPUTERS AND TECHNOLOGY

- Internet service is often down.
- Wish high school had a bigger technology budget.

- We need typing skills—plain old typing skills, because they are gaining knowledge of computers, but they don’t know how to type.
- Not all teachers have the same equipment.
- Not enough computers.
- Language Arts did not get promised equipment.
- Older buildings are not wired sufficiently for computers.
- Lucky to have one good computer in the classroom.
- Computers are not equitably distributed.
- Computers crash frequently.
- Server crashes often—once was down for four days.
- Insufficient technical staff—technical staff is often teachers which limits their response/support time.
- Unable to get various software to work or to load onto computers.
- Junk computers.
- Gone from a district with nothing to a least some technology in a short period of time.
- Have good laser printers.
- Science lab has good equipment.
- The grade system was supposed to get rid of paper copies but system dumped grades. Teachers were held responsible and had no paper to back up the incident. They now keep duplicate copies as back up.
- There may be misspent funds as the result of a mismanaged TIF grant. There were disallowed expenses. Towers were not on competitive bid, weren’t used because once installed there was an interference problem.
- Look from 1998–2000 for possible misuse in technology area.
- The technology department under the direction of the director of Technology has made significant improvements in the past two years.
- What happened to grant money for technology?

A. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The time allowed for public input at meetings by the school board.	0.0%	22.7%	36.4%	18.2%	22.7%	0.0%
9. The effectiveness of the school board in its role as a policy maker for the district.	45.5%	22.7%	22.7%	4.5%	4.5%	0.0%
10. The superintendent's effectiveness as an instructional leader and business manager.	4.5%	0.0%	9.1%	13.6%	72.7%	0.0%
11. The level of cooperation between the superintendent and the board in working together.	50.0%	36.4%	4.5%	4.5%	4.5%	0.0%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
12. The district's effectiveness in meeting the needs of the college-bound student.	0.0%	4.5%	13.6%	36.4%	40.9%	4.5%
13. The district's effectiveness in meeting the needs of the work-bound student.	0.0%	13.6%	22.7%	45.5%	13.6%	4.5%
14. The effectiveness of the district's educational programs in meeting the needs of the students.	0.0%	4.5%	27.3%	54.5%	9.1%	4.5%
15. The effectiveness of the district's special programs in meeting the needs of students.	0.0%	4.5%	22.7%	45.5%	18.2%	9.1%
16. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	0.0%	0.0%	36.4%	36.4%	18.2%	9.1%
17. The overall quality of district teachers.	0.0%	0.0%	50.0%	40.9%	9.1%	0.0%
18. Students access, when needed, to a school nurse.	0.0%	0.0%	0.0%	59.1%	31.8%	9.1%
19. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes	0.0%	4.5%	18.2%	59.1%	13.6%	4.5%
20. The ability of the school library to meet student needs for books and other resources.	4.5%	9.1%	9.1%	59.1%	13.6%	4.5%
21. District educational programs that need improvement to meet the students' needs:						
Reading	22.7%	English or Language Arts	22.7%	Physical Education	4.5%	
Writing	27.3%	Computer Instruction	13.6%	Business Education	18.2%	
Mathematics	18.2%	Social Studies (history or geography)	22.7%	Vocational Education (Career & Technology Education)	22.7%	
Science	22.7%	Fine Arts	9.1%	Foreign Language	9.1%	
22. District special programs that need improvement to meet the students' needs:						
Library Service	18.2%	Programs for students at-risk of dropping out of school			68.2%	
Honors/Gifted and Talented Education	18.2%	Summer School Programs			81.8%	
Special Education	81.8%	Alternative Education Programs			13.6%	
Head Start and Even Start Programs	4.5%	English as a Second Language Programs			0.0%	
Dyslexia	4.5%	Dropout Prevention Programs			22.7%	
Student Mentoring	77.3%	Career Counseling Program			18.2%	
Advanced Placement	9.1%	College Counseling Program			9.1%	
Literacy	13.6%	Counseling Parents of Students			36.4%	

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness and regularity of the district’s communication with parents	0.0%	0.0%	27.3%	50.0%	18.2%	4.5%
24. The availability of district facilities for community use.	0.0%	4.5%	27.3%	54.5%	13.6%	0.0%
25. The availability of volunteers to help with students and school programs.	0.0%	36.4%	13.6%	31.8%	9.1%	9.1%
26. The effectiveness of the district’s parent involvement programs.	24.1%	27.6%	41.4%	3.4%	0.0%	3.4%

D. FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	0.0%	4.5%	13.6%	36.4%	45.5%	0.0%
28. The cleanliness of schools.	4.5%	0.0%	27.3%	40.9%	27.3%	0.0%
29. Buildings are properly maintained in a timely manner.	4.5%	4.5%	18.2%	50.0%	22.7%	0.0%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The effectiveness of Site-based budgeting in involving principals and teachers in the budget process.	18.2%	0.0%	40.9%	36.4%	4.5%	0.0%
31. The ability of the public to provide sufficient input during the budget process.	31.8%	4.5%	22.7%	31.8%	9.1%	0.0%
32. The district’s financial reports are available and easy to understand and read.	0.0%	9.1%	31.8%	36.4%	18.2%	4.5%
33. The ability of the superintendent and administrators to effectively manage the district’s budget.	4.5%	13.6%	9.1%	45.5%	27.3%	0.0%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
34. The quality of the goods and services purchased by the district.	0.0%	0.0%	13.6%	59.1%	27.3%	0.0%
35. Student access to textbooks in a timely manner.	0.0%	0.0%	9.1%	54.5%	31.8%	4.5%
36. The condition and age of textbooks.	0.0%	4.5%	22.7%	54.5%	13.6%	4.5%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
37. The temperature, appearance, and taste of the cafeteria's food.	4.5%	0.0%	36.4%	50.0%	9.1%	0.0%
38. The amount of time students have to eat.	0.0%	4.5%	40.9%	40.9%	13.6%	0.0%
39. Discipline and order in the cafeteria.	4.5%	9.1%	40.9%	31.8%	13.6%	0.0%
40. The helpfulness and friendliness of cafeteria staff.	0.0%	4.5%	13.6%	50.0%	31.8%	0.0%
41. The cleanliness and sanitary condition of district cafeteria facilities.	0.0%	0.0%	13.6%	54.5%	27.3%	4.5%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
42. The level of discipline maintained by the bus driver on the bus.	4.5%	22.7%	27.3%	27.3%	4.5%	13.6%
43. The level of safety at bus pick-up stops and drop-off zones at schools.	0.0%	9.1%	36.4%	36.4%	4.5%	13.6%
44. The on-time arrival and departure of buses.	0.0%	4.5%	40.9%	31.8%	9.1%	13.6%
45. Buses regularly arrive in time for students to eat breakfast.	0.0%	0.0%	40.9%	27.3%	9.1%	22.7%
46. The overall cleanliness and maintenance of buses.	0.0%	0.0%	40.9%	31.8%	9.1%	18.2%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. Your perception of the student's level of safety and security at school.	0.0%	0.0%	13.6%	68.2%	13.6%	4.5%
48. The district's effectiveness in ensuring gangs are not a problem in this district.	0.0%	0.0%	18.2%	59.1%	18.2%	4.5%
49. The district's effectiveness in ensuring drugs are not a problem in this district.	0.0%	4.5%	54.5%	22.7%	13.6%	4.5%
50. The district's effectiveness in ensuring vandalism is not a problem in this district.	0.0%	4.5%	18.2%	50.0%	18.2%	9.1%
51. The working relationship that security personnel has with principals, teachers, staff and students.	0.0%	0.0%	0.0%	50.0%	40.9%	9.1%
52. The equity, consistency, and fairness of discipline students receive for misconduct.	0.0%	9.1%	22.7%	45.5%	13.6%	9.1%
53. The condition of school grounds (existence of safety hazards).	0.0%	0.0%	9.1%	59.1%	27.3%	4.5%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
54. The ability and knowledge of teachers to teach computer science and other technology-related courses.	0.0%	13.6%	31.8%	27.3%	9.1%	18.2%
55. The age and condition of computers and their usefulness in applying new technology.	0.0%	18.2%	31.8%	27.3%	18.2%	4.5%
56. Student access to sufficient computers for students to learn and apply technology.	0.0%	22.7%	31.8%	18.2%	18.2%	9.1%
57. Easy student access to the Internet.	4.5%	18.2%	27.3%	13.6%	18.2%	18.2%

A. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The time allowed for public input at meetings by the school board.	0.0%	6.7%	26.7%	60.0%	6.7%	0.0%
9. The effectiveness of the school board in its role as a policy maker for the district.	20.0%	46.7%	26.7%	6.7%	0.0%	0.0%
10. The superintendent's effectiveness as an instructional leader and business manager.	0.0%	0.0%	13.3%	33.3%	53.3%	0.0%
11. The level of cooperation between the superintendent and the board in working together.	40.0%	53.3%	6.7%	0.0%	0.0%	0.0%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
12. The district's effectiveness in meeting the needs of the college-bound student.	0.0%	6.7%	6.7%	46.7%	40.0%	0.0%
13. The district's effectiveness in meeting the needs of the work-bound student.	0.0%	13.3%	13.3%	46.7%	20.0%	6.7%
14. The effectiveness of the district's educational programs in meeting the needs of the students.	0.0%	0.0%	13.3%	53.3%	26.7%	6.7%
15. The effectiveness of the district's special programs in meeting the needs of students.	0.0%	0.0%	26.7%	40.0%	33.3%	0.0%
16. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	0.0%	0.0%	53.3%	26.7%	20.0%	0.0%
17. The overall quality of district teachers.	0.0%	0.0%	6.7%	60.0%	33.3%	0.0%
18. Students access, when needed, to a school nurse.	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%
19. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes	6.7%	13.3%	20.0%	40.0%	20.0%	0.0%
20. The ability of the school library to meet student needs for books and other resources.	0.0%	0.0%	20.0%	53.3%	26.7%	0.0%
21. District educational programs that need improvement to meet the students' needs:						
Reading	26.7%	English or Language Arts		13.3%	Physical Education	
Writing	33.3%	Computer Instruction		40.0%	Business Education	
Mathematics	20.0%	Social Studies (history or geography)		13.3%	Vocational Education (Career & Technology Education)	
Science	40.0%	Fine Arts		20.0%	Foreign Language	
22. District special programs that need improvement to meet the students' needs:						
Library Service	13.3%	Programs for students at-risk of dropping out of school				46.7%
Honors/Gifted and Talented Education	13.3%	Summer School Programs				46.7%
Special Education	80.0%	Alternative Education Programs				60.0%
Head Start and Even Start Programs	20.0%	English as a Second Language Programs				36.4%
Dyslexia	26.7%	Dropout Prevention Programs				26.7%
Student Mentoring	60.0%	Career Counseling Program				20.0%
Advanced Placement	6.7%	College Counseling Program				13.3%
Literacy	13.3%	Counseling Parents of Students				40.0%

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness and regularity of the district’s communication with parents.	0.0%	0.0%	40.0%	53.3%	6.7%	0.0%
24. The availability of district facilities for community use.	0.0%	0.0%	53.3%	26.7%	20.0%	0.0%
25. The availability of volunteers to help with students and school programs.	6.7%	26.7%	46.7%	6.7%	13.3%	0.0%
26. The effectiveness of the district’s parent involvement programs.	0.0%	26.7%	40.0%	26.7%	6.7%	0.0%

D. FACILITIES CONSTRUCTION, USE AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	0.0%	6.7%	13.3%	53.3%	26.7%	0.0%
28. The cleanliness of schools.	0.0%	13.3%	46.7%	40.0%	0.0%	0.0%
29. Buildings are properly maintained in a timely manner.	0.0%	0.0%	40.0%	53.3%	6.7%	0.0%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The effectiveness of Site-based budgeting in involving principals and teachers in the budget process.	20.0%	0.0%	26.7%	53.3%	0.0%	0.0%
31. The ability of the public to provide sufficient input during the budget process.	20.0%	20.0%	13.3%	40.0%	6.7%	0.0%
32. The district’s financial reports are available and easy to understand and read.	0.0%	13.3%	46.7%	33.3%	6.7%	0.0%
33. The ability of the superintendent and administrators to effectively manage the district’s budget.	0.0%	0.0%	20.0%	46.7%	33.3%	0.0%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
34. The quality of the goods and services purchased by the district.	0.0%	0.0%	26.7%	60.0%	13.3%	0.0%
35. Student access to textbooks in a timely manner.	0.0%	13.3%	20.0%	40.0%	26.7%	0.0%
36. The condition and age of textbooks.	0.0%	0.0%	40.0%	46.7%	13.3%	0.0%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
37. The temperature, appearance, and taste of the cafeteria's food.	0.0%	6.7%	40.0%	40.0%	13.3%	0.0%
38. The amount of time students have to eat.	0.0%	0.0%	26.7%	53.3%	20.0%	0.0%
39. Discipline and order in the cafeteria.	0.0%	0.0%	20.0%	66.7%	13.3%	0.0%
40. The helpfulness and friendliness of cafeteria staff.	0.0%	0.0%	26.7%	40.0%	33.3%	0.0%
41. The cleanliness and sanitary condition of district cafeteria facilities.	0.0%	0.0%	13.3%	40.0%	40.0%	6.7%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
42. The level of discipline maintained by the bus driver on the bus.	6.7%	26.7%	46.7%	6.7%	6.7%	6.7%
43. The level of safety at bus pick-up stops and drop-off zones at schools.	0.0%	6.7%	53.3%	33.3%	6.7%	0.0%
44. The on-time arrival and departure of buses.	0.0%	6.7%	20.0%	60.0%	13.3%	0.0%
45. Buses regularly arrive in time for students to eat breakfast.	0.0%	6.7%	0.0%	66.7%	26.7%	0.0%
46. The overall cleanliness and maintenance of buses.	0.0%	0.0%	33.3%	60.0%	6.7%	0.0%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. Your perception of the student's level of safety and security at school.	0.0%	0.0%	0.0%	60.0%	40.0%	0.0%
48. The district's effectiveness in ensuring gangs are not a problem in this district.	0.0%	0.0%	0.0%	73.3%	26.7%	0.0%
49. The district's effectiveness in ensuring drugs are not a problem in this district.	0.0%	0.0%	20.0%	60.0%	20.0%	0.0%
50. The district's effectiveness in ensuring vandalism is not a problem in this district.	0.0%	0.0%	20.0%	53.3%	26.7%	0.0%
51. The working relationship that security personnel has with principals, teachers, staff and students.	0.0%	0.0%	6.7%	13.3%	80.0%	0.0%
52. The equity, consistency, and fairness of discipline students receive for misconduct.	0.0%	6.7%	6.7%	53.3%	33.3%	0.0%
53. The condition of school grounds (existence of safety hazards).	0.0%	0.0%	13.3%	66.7%	20.0%	0.0%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
54. The ability and knowledge of teachers to teach computer science and other technology-related courses.	0.0%	6.7%	40.0%	33.3%	20.0%	0.0%
55. The age and condition of computers and their usefulness in applying new technology.	6.7%	20.0%	20.0%	46.7%	6.7%	0.0%
56. Student access to sufficient computers for students to learn and apply technology.	6.7%	13.3%	33.3%	33.3%	13.3%	0.0%
57. Easy student access to the Internet.	0.0%	6.7%	40.0%	26.7%	26.7%	0.0%

**PROFESSIONAL SUPPORT STAFF
SURVEY RESULTS**

**NACOGDOCHES INDEPENDENT SCHOOL DISTRICT
MANAGEMENT AND PERFORMANCE REVIEW**

N = 75

PART A: DEMOGRAPHIC DATA

Note: Percentages may not equal 100 due to rounding or multiple responses.

STATEMENT	CATEGORY		
	NO RESPONSE	MALE	FEMALE
1. Gender (Optional)	0.0%	45.5%	54.5%

STATEMENT	CATEGORY					
	NO RESPONSE	ANGLO	AFRICAN-AMERICAN	HISPANIC	ASIAN	OTHER
2. Ethnicity (Optional)	0.0%	60.0%	20.0%	12.0%	1.3%	6.7%

STATEMENT	CATEGORY			
	NO RESPONSE	0-5 YEARS	6-10 YEARS	11 OR MORE YEARS
3. How long have you lived/worked in Nacogdoches ISD?	0.0%	37.3%	21.3%	41.3%

STATEMENT	CATEGORY	
	GRADE LEVEL	
4. What grade level(s) do you support?	Pre-Elementary (Pre-Kindergarten, Kindergarten)	26.7%
	Elementary (Grades 1-5)	46.7%
	Middle School (Grades 6-8)	32.0%
	High School (Grades 9-12)	21.3%
	Charter School	4.0%
	Not Applicable (Administrators)	5.3%

PART B: SURVEY QUESTIONS

EMPLOYEE SPECIFIC INFORMATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
1. The ability of staff to quickly and easily purchase needed goods and services.	5.3%	21.3%	42.7%	21.3%	6.7%	2.7%
2. The competitiveness of district salaries with similar positions in the job market.	20.0%	54.7%	20.0%	4.0%	0.0%	1.3%
3. The effectiveness of the district's program to orient new employees.	2.7%	9.3%	56.0%	20.0%	8.0%	4.0%
4. The district's effectiveness in identifying and rewarding competence and excellent performance.	18.7%	38.7%	30.7%	8.0%	1.3%	2.7%
5. The district's effectiveness in dealing appropriately with employees who perform below the standard of expectation (up to and including termination)	18.7%	21.3%	37.3%	12.0%	2.7%	8.0%
6. The ability of the district's health insurance package to meet my needs.	10.7%	25.3%	37.3%	17.3%	5.3%	4.0%
7. The fairness and timeliness of the district's grievance process.	5.3%	17.3%	46.7%	17.3%	1.3%	12.0%

A. DISTRICT LEADERSHIP, ORGANIZATION AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The time allowed for public input at meetings by the school board.	2.7%	14.7%	50.7%	14.7%	5.3%	12.0%
9. The effectiveness of the school board in its role as a policy maker for the district.	10.7%	24.0%	42.7%	9.3%	1.3%	12.0%
10. The superintendent's effectiveness as an instructional leader and business manager.	10.7%	26.7%	25.3%	18.7%	12.0%	6.7%
11. The level of cooperation between the superintendent and the board in working together.	40.0%	32.0%	18.7%	1.3%	0.0%	8.0%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
12. The district's effectiveness in meeting the needs of the college-bound student.	0.0%	14.7%	37.3%	24.0%	8.0%	16.0%
13. The district's effectiveness in meeting the needs of the work-bound student.	6.7%	13.3%	37.3%	18.7%	5.3%	18.7%
14. The effectiveness of the district's educational programs in meeting the needs of the students.	6.7%	10.7%	41.3%	16.0%	8.0%	17.3%
15. The effectiveness of the district's special programs in meeting the needs of students.	5.3%	14.7%	41.3%	17.3%	4.0%	17.3%
16. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	2.7%	6.7%	37.3%	30.7%	8.0%	14.7%
17. The overall quality of district teachers.	1.3%	4.0%	32.0%	40.0%	9.3%	13.3%
18. Students access, when needed, to a school nurse.	0.0%	1.3%	21.3%	32.0%	21.0%	13.3%
19. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes	1.3%	17.3%	26.7%	32.0%	6.7%	16.0%
20. The ability of the school library to meet student needs for books and other resources.	1.3%	8.0%	22.7%	34.7%	14.7%	18.7%
21. District educational programs that need improvement to meet the students' needs:						
Reading	38.7%	English or Language Arts		22.7%	Physical Education	
Writing	32.0%	Computer Instruction		20.0%	Business Education	
Mathematics	36.0%	Social Studies (history or geography)		13.3%	Vocational Education (Career & Technology Education)	
Science	21.3%	Fine Arts		18.7%	Foreign Language	
22. District special programs that need improvement to meet the students' needs:						
Library Service	12.0%	Programs for students at-risk of dropping out of school				66.7%
Honors/Gifted and Talented Education	25.3%	Summer School Programs				73.3%
Special Education	68.0%	Alternative Education Programs				26.7%
Head Start and Even Start Programs	13.3%	English as a Second Language Programs				22.7%
Dyslexia	33.3%	Dropout Prevention Programs				36.0%
Student Mentoring	73.3%	Career Counseling Program				22.7%
Advanced Placement	6.7%	College Counseling Program				14.7%
Literacy	21.3%	Counseling Parents of Students				36.0%

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness and regularity of the district's communication with parents	1.3%	16.0%	40.0%	20.0%	4.0%	18.7%
24. The availability of district facilities for community use.	5.3%	12.0%	33.3%	26.7%	4.0%	18.7%
25. The availability of volunteers to help with students and school programs.	5.3%	34.7%	28.0%	9.3%	4.0%	18.7%
26. The effectiveness of the district's parent involvement programs.	2.7%	30.7%	33.3%	10.7%	4.0%	18.7%

D. FACILITIES CONSTRUCTION, USE AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	4.0%	24.0%	36.0%	10.7%	4.0%	21.3%
28. The cleanliness of schools.	8.0%	9.3%	28.0%	32.0%	8.0%	14.7%
29. Buildings are properly maintained in a timely manner.	2.7%	17.3%	26.7%	26.7%	10.7%	16.0%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The effectiveness of Site-based budgeting in involving principals and teachers in the budget process.	40.0%	10.7%	2.7%	20.0%	21.3%	5.3%
31. The ability of the public to provide sufficient input during the budget process.	38.7%	21.3%	2.7%	6.7%	24.0%	6.7%
32. The district's financial reports are available and easy to understand and read.	5.3%	18.7%	37.3%	14.7%	1.3%	22.7%
33. The ability of the superintendent and administrators to effectively manage the district's budget.	12.0%	20.0%	29.3%	13.3%	6.7%	18.7%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
34. The quality of the goods and services purchased by the district.	1.3%	5.3%	38.7%	33.3%	2.7%	18.7%
35. Student access to textbooks in a timely manner.	2.7%	5.3%	38.7%	22.7%	9.3%	21.3%
36. The condition and age of textbooks.	0.0%	5.3%	33.3%	32.0%	4.0%	25.3%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
37. The temperature, appearance, and taste of the cafeteria's food.	4.0%	9.3%	40.0%	22.7%	5.3%	18.7%
38. The amount of time students have to eat.	4.0%	12.0%	52.0%	9.3%	4.0%	18.7%
39. Discipline and order in the cafeteria.	1.3%	6.7%	48.0%	22.7%	2.7%	18.7%
40. The helpfulness and friendliness of cafeteria staff.	1.3%	4.0%	26.7%	34.7%	13.3%	20.0%
41. The cleanliness and sanitary condition of district cafeteria facilities.	2.7%	5.3%	21.3%	37.3%	12.0%	21.3%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
42. The level of discipline maintained by the bus driver on the bus.	9.3%	16.0%	30.7%	8.0%	2.7%	33.3%
43. The level of safety at bus pick-up stops and drop-off zones at schools.	2.7%	5.3%	42.7%	16.0%	4.0%	29.3%
44. The on-time arrival and departure of buses.	4.0%	9.3%	33.3%	22.7%	5.3%	25.3%
45. Buses regularly arrive in time for students to eat breakfast.	5.3%	1.3%	40.0%	21.3%	5.3%	26.7%
46. The overall cleanliness and maintenance of buses.	2.7%	6.7%	40.0%	14.7%	5.3%	30.7%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. Your perception of the student's level of safety and security at school.	2.7%	4.0%	28.0%	34.7%	9.3%	21.3%
48. The district's effectiveness in ensuring gangs are not a problem in this district.	2.7%	8.0%	24.0%	33.3%	10.7%	21.3%
49. The district's effectiveness in ensuring drugs are not a problem in this district.	6.7%	8.0%	30.7%	22.7%	10.7%	21.3%
50. The district's effectiveness in ensuring vandalism is not a problem in this district.	4.0%	8.0%	29.3%	29.3%	6.7%	22.7%
51. The working relationship that security personnel has with principals, teachers, staff and students.	1.3%	5.3%	12.0%	28.0%	32.0%	21.3%
52. The equity, consistency, and fairness of discipline students receive for misconduct.	5.3%	13.3%	30.7%	24.0%	5.3%	21.3%
53. The condition of school grounds (existence of safety hazards).	1.3%	1.3%	32.0%	34.7%	10.7%	20.0%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
54. The ability and knowledge of teachers to teach computer science and other technology-related courses.	1.3%	6.7%	25.3%	34.7%	8.0%	24.0%
55. The age and condition of computers and their usefulness in applying new technology.	2.7%	13.3%	18.7%	32.0%	9.3%	24.0%
56. Student access to sufficient computers for students to learn and apply technology.	2.7%	13.3%	22.7%	30.7%	8.0%	22.7%
57. Easy student access to the Internet.	1.3%	13.3%	22.7%	26.7%	10.7%	25.3%

AUXILIARY STAFF SURVEY RESULTS
NACOGDOCHES INDEPENDENT SCHOOL DISTRICT
MANAGEMENT AND PERFORMANCE REVIEW

N = 75

PART A: DEMOGRAPHIC DATA

Note: Percentages may not equal 100 due to rounding or multiple responses.

STATEMENT	CATEGORY		
	NO RESPONSE	MALE	FEMALE
1. Gender (Optional)	0.0%	9.3%	90.7%

STATEMENT	NO RESPONSE	CATEGORY				
		ANGLO	AFRICAN-AMERICAN	HISPANIC	ASIAN	OTHER
2. Ethnicity (Optional)	0.0%	60.0%	20.0%	12.0%	1.3%	6.7%

STATEMENT	NO RESPONSE	CATEGORY			
		0-5 YEARS	6-10 YEARS	11 OR MORE YEARS	
3. How long have you lived/worked in Nacogdoches ISD?	0.0%	37.3%	21.3%	41.3%	

STATEMENT	CATEGORY	
	GRADE LEVEL	
4. What grade level(s) do you support?	Pre-Elementary (Pre-Kindergarten, Kindergarten)	26.7%
	Elementary (Grades 1-5)	46.7%
	Middle School (Grades 6-8)	32.0%
	High School (Grades 9-12)	21.3%
	Charter School	4.0%
	Not Applicable (Administrators)	5.3%

PART B: SURVEY QUESTIONS

EMPLOYEE SPECIFIC INFORMATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
1. The ability of staff to quickly and easily purchase needed goods and services.	5.3%	21.3%	42.7%	21.3%	6.7%	2.7%
2. The competitiveness of district salaries with similar positions in the job market.	20.0%	54.7%	20.0%	4.0%	0.0%	1.3%
3. The effectiveness of the district's program to orient new employees.	2.7%	9.3%	56.0%	20.0%	8.0%	4.0%
4. The district's effectiveness in identifying and rewarding competence and excellent performance.	18.7%	38.7%	30.7%	8.0%	1.3%	2.7%
5. The district's effectiveness in dealing appropriately with employees who perform below the standard of expectation (up to and including termination).	18.7%	21.3%	37.3%	12.0%	2.7%	8.0%
6. The ability of the district's health insurance package to meet my needs.	10.7%	25.3%	37.3%	17.3%	5.3%	4.0%
7. The fairness and timeliness of the district's grievance process.	5.3%	17.3%	46.7%	17.3%	1.3%	12.0%

A. DISTRICT LEADERSHIP, ORGANIZATION AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The time allowed for public input at meetings by the school board.	2.7%	14.7%	50.7%	14.7%	5.3%	12.0%
9. The effectiveness of the school board in its role as a policy maker for the district.	10.7%	24.0%	42.7%	9.3%	1.3%	12.0%
10. The superintendent's effectiveness as an instructional leader and business manager.	10.7%	26.7%	25.3%	18.7%	12.0%	6.7%
11. The level of cooperation between the superintendent and the board in working together.	40.0%	32.0%	18.7%	1.3%	0.0%	8.0%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
12. The district's effectiveness in meeting the needs of the college-bound student.	0.0%	14.7%	37.3%	24.0%	8.0%	16.0%
13. The district's effectiveness in meeting the needs of the work-bound student.	6.7%	13.3%	37.3%	18.7%	5.3%	18.7%
14. The effectiveness of the district's educational programs in meeting the needs of the students.	6.7%	10.7%	41.3%	16.0%	8.0%	17.3%
15. The effectiveness of the district's special programs in meeting the needs of students.	5.3%	14.7%	41.3%	17.3%	4.0%	17.3%
16. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	2.7%	6.7%	37.3%	30.7%	8.0%	14.7%
17. The overall quality of district teachers.	1.3%	4.0%	32.0%	40.0%	9.3%	13.3%
18. Students access, when needed, to a school nurse.	0.0%	1.3%	21.3%	32.0%	21.0%	13.3%
19. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes.	1.3%	17.3%	26.7%	32.0%	6.7%	16.0%
20. The ability of the school library to meet student needs for books and other resources.	1.3%	8.0%	22.7%	34.7%	14.7%	18.7%
21. District educational programs that need improvement to meet the students' needs:						
Reading	38.7%	English or Language Arts	22.7%	Physical Education	12.0%	
Writing	32.0%	Computer Instruction	20.0%	Business Education	13.3%	
Mathematics	36.0%	Social Studies (history or geography)	13.3%	Vocational Education (Career & Technology Education)	28.0%	
Science	21.3%	Fine Arts	18.7%	Foreign Language	25.3%	
22. District special programs that need improvement to meet the students' needs:						
Library Service	12.0%	Programs for students at-risk of dropping out of school				66.7%
Honors/Gifted and Talented Education	25.3%	Summer School Programs				73.3%
Special Education	68.0%	Alternative Education Programs				26.7%
Head Start and Even Start Programs	13.3%	English as a Second Language Programs				22.7%
Dyslexia	33.3%	Dropout Prevention Programs				36.0%
Student Mentoring	73.3%	Career Counseling Program				22.7%
Advanced Placement	6.7%	College Counseling Program				14.7%
Literacy	21.3%	Counseling Parents of Students				36.0%

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness and regularity of the district's communication with parents.	1.3%	16.0%	40.0%	20.0%	4.0%	18.7%
24. The availability of district facilities for community use.	5.3%	12.0%	33.3%	26.7%	4.0%	18.7%
25. The availability of volunteers to help with students and school programs.	5.3%	34.7%	28.0%	9.3%	4.0%	18.7%
26. The effectiveness of the district's parent involvement programs.	2.7%	30.7%	33.3%	10.7%	4.0%	18.7%

D. FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	4.0%	24.0%	36.0%	10.7%	4.0%	21.3%
28. The cleanliness of schools.	8.0%	9.3%	28.0%	32.0%	8.0%	14.7%
29. Buildings are properly maintained in a timely manner.	2.7%	17.3%	26.7%	26.7%	10.7%	16.0%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The effectiveness of Site-based budgeting in involving principals and teachers in the budget process.	40.0%	10.7%	2.7%	20.0%	21.3%	5.3%
31. The ability of the public to provide sufficient input during the budget process.	38.7%	21.3%	2.7%	6.7%	24.0%	6.7%
32. The district's financial reports are available and easy to understand and read.	5.3%	18.7%	37.3%	14.7%	1.3%	22.7%
33. The ability of the superintendent and administrators to effectively manage the district's budget.	12.0%	20.0%	29.3%	13.3%	6.7%	18.7%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
34. The quality of the goods and services purchased by the district.	1.3%	5.3%	38.7%	33.3%	2.7%	18.7%
35. Student access to textbooks in a timely manner.	2.7%	5.3%	38.7%	22.7%	9.3%	21.3%
36. The condition and age of textbooks.	0.0%	5.3%	33.3%	32.0%	4.0%	25.3%

G. FOOD SERVICES

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
37. The temperature, appearance, and taste of the cafeteria's food.	4.0%	9.3%	40.0%	22.7%	5.3%	18.7%
38. The amount of time students have to eat.	4.0%	12.0%	52.0%	9.3%	4.0%	18.7%
39. Discipline and order in the cafeteria.	1.3%	6.7%	48.0%	22.7%	2.7%	18.7%
40. The helpfulness and friendliness of cafeteria staff.	1.3%	4.0%	26.7%	34.7%	13.3%	20.0%
41. The cleanliness and sanitary condition of district cafeteria facilities.	2.7%	5.3%	21.3%	37.3%	12.0%	21.3%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
42. The level of discipline maintained by the bus driver on the bus.	9.3%	16.0%	30.7%	8.0%	2.7%	33.3%
43. The level of safety at bus pick-up stops and drop-off zones at schools.	2.7%	5.3%	42.7%	16.0%	4.0%	29.3%
44. The on-time arrival and departure of buses.	4.0%	9.3%	33.3%	22.7%	5.3%	25.3%
45. Buses regularly arrive in time for students to eat breakfast.	5.3%	1.3%	40.0%	21.3%	5.3%	26.7%
46. The overall cleanliness and maintenance of buses.	2.7%	6.7%	40.0%	14.7%	5.3%	30.7%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. Your perception of the student’s level of safety and security at school.	2.7%	4.0%	28.0%	34.7%	9.3%	21.3%
48. The district’s effectiveness in ensuring gangs are not a problem in this district.	2.7%	8.0%	24.0%	33.3%	10.7%	21.3%
49. The district’s effectiveness in ensuring drugs are not a problem in this district.	6.7%	8.0%	30.7%	22.7%	10.7%	21.3%
50. The district’s effectiveness in ensuring vandalism is not a problem in this district.	4.0%	8.0%	29.3%	29.3%	6.7%	22.7%
51. The working relationship that security personnel has with principals, teachers, staff and students.	1.3%	5.3%	12.0%	28.0%	32.0%	21.3%
52. The equity, consistency, and fairness of discipline students receive for misconduct.	5.3%	13.3%	30.7%	24.0%	5.3%	21.3%
53. The condition of school grounds (existence of safety hazards).	1.3%	1.3%	32.0%	34.7%	10.7%	20.0%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
54. The ability and knowledge of teachers to teach computer science and other technology-related courses.	1.3%	6.7%	25.3%	34.7%	8.0%	24.0%
55. The age and condition of computers and their usefulness in applying new technology.	2.7%	13.3%	18.7%	32.0%	9.3%	24.0%
56. Student access to sufficient computers for students to learn and apply technology.	2.7%	13.3%	22.7%	30.7%	8.0%	22.7%
57. Easy student access to the Internet.	1.3%	13.3%	22.7%	26.7%	10.7%	25.3%

TEACHER SURVEY RESULTS

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

N = 191

PART A: DEMOGRAPHIC DATA

Note: Percentages may not equal 100 due to rounding or multiple responses.

STATEMENT	CATEGORY		
	NO RESPONSE	MALE	FEMALE
1. Gender (Optional)	1.0%	19.4%	79.6%

STATEMENT	CATEGORY					
	NO RESPONSE	ANGLO	AFRICAN-AMERICAN	HISPANIC	ASIAN	OTHER
2. Ethnicity (Optional)	0.5%	85.9%	7.3%	3.1%	1.0%	2.1%

STATEMENT	CATEGORY			
	NO RESPONSE	0-5 YEARS	6-10 YEARS	11 OR MORE YEARS
3. How long have you lived/worked in Nacogdoches ISD?	0.5%	38.2%	9.4%	51.8%

STATEMENT	CATEGORY	
	GRADE LEVEL	
4. What grade level(s) do you teach?	Pre-Elementary (Pre-Kindergarten, Kindergarten)	13.1%
	Elementary (Grades 1-5)	39.8%
	Middle School (Grades 6-8)	35.1%
	High School (Grades 9-12)	33.0%
	Charter School	0.5%
	Not Applicable (Administrators)	0.0%

PART B: SURVEY QUESTIONS

EMPLOYEE SPECIFIC INFORMATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
1. The ability of staff to quickly and easily purchase needed goods and services.	11.0%	28.3%	37.2%	19.4%	2.6%	1.6%
2. The competitiveness of district salaries with similar positions in the job market.	16.8%	48.7%	25.1%	6.3%	2.1%	1.0%
3. The effectiveness of the district's program to orient new employees.	9.9%	24.6%	45.5%	13.1%	4.2%	2.6%
4. The district's effectiveness in identifying and rewarding competence and excellent performance.	24.1%	35.6%	28.3%	9.4%	0.5%	2.1%
5. The district's effectiveness in dealing appropriately with employees who perform below the standard of expectation (up to and including termination)	21.5%	26.2%	40.3%	8.4%	0.0%	3.7%
6. The ability of the district's health insurance package to meet my needs.	15.7%	26.7%	37.7%	15.7%	1.6%	2.6%
7. The fairness and timeliness of the district's grievance process.	11.5%	18.3%	45.0%	11.5%	0.0%	13.6%

A. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The time allowed for public input at meetings by the school board.	6.3%	19.9%	51.8%	11.0%	2.1%	8.9%
9. The effectiveness of the school board in its role as a policy maker for the district.	9.9%	25.7%	39.3%	16.2%	1.6%	7.3%
10. The superintendent's effectiveness as an instructional leader and business manager.	28.8%	23.6%	18.3%	15.7%	8.4%	5.2%
11. The level of cooperation between the superintendent and the board in working together.	54.5%	27.2%	7.9%	4.2%	0.0%	6.3%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
12. The district's effectiveness in meeting the needs of the college-bound student.	3.7%	11.5%	42.4%	23.6%	7.3%	11.5%
13. The district's effectiveness in meeting the needs of the work-bound student.	13.1%	15.2%	38.7%	18.8%	2.1%	12.0%
14. The effectiveness of the district's educational programs in meeting the needs of the students.	1.6%	22.5%	41.4%	23.0%	0.5%	11.0%
15. The effectiveness of the district's special programs in meeting the needs of students.	2.6%	23.6%	41.9%	16.8%	2.6%	12.6%
16. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	5.2%	11.0%	39.8%	23.6%	7.3%	13.1%
17. The overall quality of district teachers.	0.0%	2.1%	17.3%	52.4%	17.3%	11.0%
18. Students access, when needed, to a school nurse.	0.0%	3.1%	18.3%	39.3%	28.8%	10.5%
19. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes	8.9%	23.6%	28.3%	24.6%	2.6%	12.0%
20. The ability of the school library to meet student needs for books and other resources.	5.8%	12.6%	34.0%	27.2%	10.5%	9.9%
21. District educational programs that need improvement to meet the students' needs:						
Reading	43.5%	English or Language Arts	31.4%	Physical Education	5.2%	
Writing	47.6%	Computer Instruction	21.5%	Business Education	11.0%	
Mathematics	34.6%	Social Studies (history or geography)	22.5%	Vocational Education (Career & Technology Education)	33.0%	
Science	27.2%	Fine Arts	14.1%	Foreign Language	19.9%	
22. District special programs that need improvement to meet the students' needs:						
Library Service	14.1%	Programs for students at-risk of dropping out of school			60.2%	
Honors/Gifted and Talented Education	28.8%	Summer School Programs			69.6%	
Special Education	68.1%	Alternative Education Programs			29.8%	
Head Start and Even Start Programs	8.4%	English as a Second Language Programs			36.6%	
Dyslexia	26.7%	Dropout Prevention Programs			25.1%	
Student Mentoring	70.2%	Career Counseling Program			29.3%	
Advanced Placement	16.8%	College Counseling Program			20.4%	
Literacy	25.1%	Counseling Parents of Students			35.6%	

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness and regularity of the district's communication with parents	4.7%	18.8%	42.9%	19.4%	3.1%	11.0%
24. The availability of district facilities for community use.	1.6%	13.1%	50.3%	17.8%	3.7%	13.6%
25. The availability of volunteers to help with students and school programs.	9.9%	38.2%	30.9%	7.9%	0.5%	12.6%
26. The effectiveness of the district's parent involvement programs.	9.4%	35.6%	33.0%	7.3%	3.7%	11.0%

D. FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	9.4%	25.1%	33.5%	11.5%	3.1%	17.3%
28. The cleanliness of schools.	12.0%	19.4%	33.0%	16.8%	5.2%	13.6%
29. Buildings are properly maintained in a timely manner.	9.4%	23.0%	30.9%	19.4%	3.1%	14.1%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The effectiveness of Site-based budgeting in involving principals and teachers in the budget process.	32.5%	22.0%	3.7%	16.2%	15.7%	9.9%
31. The ability of the public to provide sufficient input during the budget process.	37.7%	26.7%	1.0%	8.9%	16.2%	9.4%
32. The district's financial reports are available and easy to understand and read.	11.0%	18.8%	41.9%	9.4%	1.0%	17.8%
33. The ability of the superintendent and administrators to effectively manage the district's budget.	15.7%	24.1%	30.4%	11.0%	2.6%	16.2%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
34. The quality of the goods and services purchased by the district.	1.6%	9.4%	49.7%	23.0%	2.6%	13.6%
35. Student access to textbooks in a timely manner.	5.2%	14.1%	40.3%	23.6%	2.6%	14.1%
36. The condition and age of textbooks.	3.7%	9.4%	45.5%	25.1%	2.6%	13.6%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
37. The temperature, appearance, and taste of the cafeteria's food.	4.2%	12.0%	50.8%	15.7%	3.7%	13.6%
38. The amount of time students have to eat.	5.8%	15.7%	50.8%	13.1%	1.6%	13.1%
39. Discipline and order in the cafeteria.	6.8%	20.9%	45.0%	12.0%	1.0%	14.1%
40. The helpfulness and friendliness of cafeteria staff.	0.0%	5.8%	32.5%	34.6%	12.6%	14.7%
41. The cleanliness and sanitary condition of district cafeteria facilities.	0.5%	4.7%	36.6%	38.2%	6.3%	13.6%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
42. The level of discipline maintained by the bus driver on the bus.	6.8%	20.9%	41.9%	6.8%	0.0%	23.6%
43. The level of safety at bus pick-up stops and drop-off zones at schools.	2.1%	5.8%	51.8%	12.6%	3.7%	24.1%
44. The on-time arrival and departure of buses.	3.1%	12.0%	45.0%	16.2%	2.1%	21.5%
45. Buses regularly arrive in time for students to eat breakfast.	1.6%	9.9%	44.5%	19.9%	2.6%	21.5%
46. The overall cleanliness and maintenance of buses.	1.0%	4.7%	50.3%	19.4%	0.5%	24.1%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. Your perception of the student's level of safety and security at school.	3.7%	15.7%	33.5%	25.1%	7.9%	14.1%
48. The district's effectiveness in ensuring gangs are not a problem in this district.	2.6%	18.3%	34.0%	24.1%	5.2%	15.7%
49. The district's effectiveness in ensuring drugs are not a problem in this district.	6.8%	16.2%	36.6%	20.4%	4.7%	15.2%
50. The district's effectiveness in ensuring vandalism is not a problem in this district.	4.7%	17.3%	36.6%	23.0%	2.1%	16.2%
51. The working relationship that security personnel has with principals, teachers, staff and students.	2.1%	2.1%	25.1%	35.1%	18.8%	16.8%
52. The equity, consistency, and fairness of discipline students receive for misconduct.	14.1%	20.4%	29.3%	15.7%	5.2%	15.2%
53. The condition of school grounds (existence of safety hazards).	1.0%	11.5%	42.4%	23.0%	7.3%	14.7%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
54. The ability and knowledge of teachers to teach computer science and other technology-related courses.	2.1%	9.9%	38.2%	27.7%	3.7%	18.3%
55. The age and condition of computers and their usefulness in applying new technology.	7.3%	20.9%	29.8%	21.5%	4.2%	16.2%
56. Student access to sufficient computers for students to learn and apply technology.	8.4%	31.4%	24.1%	18.3%	2.1%	15.7%
57. Easy student access to the Internet.	3.7%	22.0%	31.9%	20.4%	5.2%	16.8%

PARENT SURVEY RESULTS

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

N = 29

PART A: DEMOGRAPHIC DATA

Note: Percentages may not equal 100 due to rounding or multiple responses.

STATEMENT	CATEGORY		
	NO RESPONSE	MALE	FEMALE
1. Gender (Optional)	0.0%	37.9%	62.1%

STATEMENT	NO RESPONSE	CATEGORY				
		ANGLO	AFRICAN-AMERICAN	HISPANIC	ASIAN	OTHER
2. Ethnicity (Optional)	0.0%	86.2%	3.4%	0.0%	0.0%	10.3%

STATEMENT	NO RESPONSE	CATEGORY		
		0-5 YEARS	6-10 YEARS	11 OR MORE YEARS
3. How long have you lived in Nacogdoches ISD?	0.0%	13.8%	31.0%	55.2%

STATEMENT	CATEGORY	
	GRADE LEVEL	
4. What grade level(s) does your child(ren) attend?	Pre-Elementary (Pre-Kindergarten, Kindergarten)	13.8%
	Elementary (Grades 1-5)	31.0%
	Middle School (Grades 6-8)	37.9%
	High School (Grades 9-12)	55.2%
	Charter School	10.3%
	Not Applicable (Administrators)	0.0%

PART B: SURVEY QUESTIONS

A. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

CATEGORY FOR RATING	RATING					NO RESPONSE
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	
1. The time allowed for public input at meetings by the school board.	20.7%	31.0%	37.9%	6.9%	3.4%	0.0%
2. The school board's effectiveness in its role as a policy maker for the district.	13.8%	17.2%	51.7%	17.2%	0.0%	0.0%
3. The superintendent's effectiveness as an instructional leader and business manager.	55.2%	13.8%	27.6%	0.0%	3.4%	0.0%
4. The level of cooperation between the superintendent and the board in working together.	69.0%	6.9%	20.7%	0.0%	0.0%	3.4%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					NO RESPONSE
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	
5. The district's effectiveness in meeting the needs of the college-bound student.	17.2%	27.6%	37.9%	10.3%	6.9%	0.0%
6. The district's effectiveness in meeting the needs of the work-bound student.	20.7%	17.2%	51.7%	6.9%	3.4%	0.0%
7. The effectiveness of the district's educational programs in meeting the needs of the students.	13.8%	37.9%	37.9%	6.9%	0.0%	3.4%

B. EDUCATIONAL SERVICE DELIVERY (CONTINUED)

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
8. The effectiveness of the district’s special programs in meeting the needs of students.	31.0%	27.6%	20.7%	10.3%	0.0%	10.3%
9. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	17.2%	6.9%	24.1%	24.1%	27.6%	0.0%
10. The overall quality of district teachers.	0.0%	10.3%	51.7%	34.5%	3.4%	0.0%
11. Students access, when needed, to a school nurse.	10.3%	13.8%	20.7%	37.9%	10.3%	6.9%
12. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes	20.7%	10.3%	41.4%	24.1%	3.4%	0.0%
13. The ability of the school library to meet student needs for books and other resources.	6.9%	27.6%	44.8%	13.8%	0.0%	6.9%
14. District educational programs that need improvement to meet the students’ needs:						
Reading	3.4%	English or Language Arts	48.3%	Physical Education	20.7%	
Writing	65.5%	Computer Instruction	48.3%	Business Education	27.6%	
Mathematics	58.6%	Social Studies (history or geography)	44.8%	Vocational Education (Career & Technology Education)	41.4%	
Science	48.3%	Fine Arts	31.0%	Foreign Language	55.2%	
15. District special programs that need improvement to meet the students’ needs:						
Library Service	34.5%	Programs for students at-risk of dropping out of school				69.0%
Honors/Gifted and Talented Education	58.6%	Summer School Programs				75.9%
Special Education	58.6%	Alternative Education Programs				24.1%
Head Start and Even Start Programs	20.7%	English as a Second Language Programs				37.9%
Dyslexia	27.6%	Dropout Prevention Programs				37.9%
Student Mentoring	55.2%	Career Counseling Program				51.7%
Advanced Placement	41.4%	College Counseling Program				75.9%
Literacy	31.0%	Counseling Parents of Students				44.8%

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
16. The effectiveness and regularity of the district’s communication with parents.	24.1%	27.6%	34.5%	10.3%	0.0%	3.4%
17. The availability of district facilities for community use.	24.1%	24.1%	31.0%	13.8%	0.0%	6.9%
18. The availability of volunteers to help with students and school programs.	27.6%	27.6%	41.4%	3.4%	0.0%	0.0%
19. The effectiveness of the district’s parent involvement programs.	24.1%	27.6%	41.4%	3.4%	0.0%	3.4%

D. FACILITIES CONSTRUCTION, USE AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
20. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	31.0%	20.7%	31.0%	13.8%	3.4%	0.0%
21. The cleanliness of schools.	24.1%	10.3%	41.4%	20.7%	3.4%	0.0%
22. Buildings are properly maintained in a timely manner.	20.7%	17.2%	37.9%	17.2%	3.4%	3.4%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness of site-based budgeting in involving principals and teachers in the budget process.	24.1%	24.1%	0.0%	13.8%	13.8%	24.1%
24. The ability of the public to provide sufficient input during the budget process.	20.7%	20.7%	0.0%	6.9%	6.9%	44.8%
25. The district's financial reports are available and easy to understand and read.	44.8%	10.3%	37.9%	6.9%	0.0%	0.0%
26. The ability of the superintendent and administrators to effectively manage the district's budget.	44.8%	17.2%	20.7%	10.3%	0.0%	6.9%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The quality of the goods and services purchased by the district.	6.9%	6.9%	48.3%	24.1%	3.4%	10.3%
28. Student access to textbooks in a timely manner.	13.8%	13.8%	44.8%	17.2%	6.9%	3.4%
29. The condition and age of textbooks.	6.9%	6.9%	55.2%	17.2%	6.9%	6.9%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The temperature, appearance, and taste of the cafeteria's food.	13.8%	10.3%	55.2%	10.3%	0.0%	10.3%
31. The amount of time students have to eat.	31.0%	24.1%	27.6%	6.9%	0.0%	10.3%
32. Discipline and order in the cafeteria.	17.2%	31.0%	37.9%	10.3%	0.0%	3.4%
33. The helpfulness and friendliness of cafeteria staff.	17.2%	6.9%	31.0%	24.1%	13.8%	6.9%
34. The cleanliness and sanitary condition of district cafeteria facilities.	10.3%	10.3%	34.5%	31.0%	3.4%	10.3%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
35. The level of discipline maintained by the bus driver on the bus.	6.9%	13.8%	37.9%	17.2%	0.0%	24.1%
36. The level of safety at bus pick-up stops and drop-off zones at schools.	3.4%	10.3%	34.5%	24.1%	3.4%	24.1%
37. The on-time arrival and departure of buses.	6.9%	6.9%	41.4%	13.8%	6.9%	24.1%
38. Buses regularly arrive in time for students to eat breakfast.	3.4%	10.3%	37.9%	17.2%	0.0%	31.0%
39. The overall cleanliness and maintenance of buses.	3.4%	3.4%	41.4%	17.2%	0.0%	34.5%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
40. Your perception of the student's level of safety and security at school.	6.9%	31.0%	27.6%	27.6%	3.4%	3.4%
41. The district's effectiveness in ensuring gangs are not a problem in this district.	6.9%	31.0%	27.6%	24.1%	6.9%	3.4%
42. The district's effectiveness in ensuring drugs are not a problem in this district.	20.7%	20.7%	24.1%	27.6%	3.4%	3.4%
43. The district's effectiveness in ensuring vandalism is not a problem in this district.	10.3%	6.9%	41.4%	34.5%	3.4%	3.4%
44. The working relationship that security personnel has with principals, teachers, staff and students.	3.4%	17.2%	24.1%	44.8%	6.9%	3.4%
45. The equity, consistency, and fairness of discipline students receive for misconduct.	27.6%	34.5%	20.7%	13.8%	0.0%	3.4%
46. The condition of school grounds (existence of safety hazards).	10.3%	6.9%	37.9%	37.9%	0.0%	6.9%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. The ability and knowledge of teachers to teach computer science and other technology-related courses.	10.3%	13.8%	41.4%	17.2%	3.4%	13.8%
48. The age and condition of computers and their usefulness in applying new technology.	10.3%	27.6%	20.7%	10.3%	10.3%	20.7%
49. Student access to sufficient computers for students to learn and apply technology.	13.8%	24.1%	20.7%	17.2%	3.4%	20.7%
50. Easy student access to the Internet.	10.3%	17.2%	31.0%	13.8%	10.3%	17.2%

STUDENT SURVEY RESULTS

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT MANAGEMENT AND PERFORMANCE REVIEW

N = 225

PART A: DEMOGRAPHIC DATA

Note: Percentages may not equal 100 due to rounding or multiple responses.

STATEMENT	CATEGORY		
	NO RESPONSE	MALE	FEMALE
1. Gender (Optional)	0.4%	47.1%	52.4%

STATEMENT	CATEGORY					
	NO RESPONSE	ANGLO	AFRICAN-AMERICAN	HISPANIC	ASIAN	OTHER
2. Ethnicity (Optional)	0.9%	66.7%	16.4%	10.2%	1.8%	4.0%

STATEMENT	CATEGORY			
	NO RESPONSE	0-5 YEARS	6-10 YEARS	11 OR MORE YEARS
3. How long have you lived in Nacogdoches ISD?	0.9%	16.4%	14.2%	68.4%

STATEMENT	CATEGORY	
	GRADE LEVEL	
4. What grade level do you attend?	Pre-Elementary (Pre-Kindergarten, Kindergarten)	0.0%
	Elementary (Grades 1-5)	0.0%
	Middle School (Grades 6-8)	0.0%
	High School (Grades 9-12)	100.0%
	Charter School	0.0%
	Not Applicable (Administrators)	0.0%

PART B: SURVEY QUESTIONS

A. DISTRICT LEADERSHIP, ORGANIZATION, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
1. The time allowed for public input at meetings by the school board.	20.0%	22.2%	42.2%	6.7%	1.3%	7.6%
2. The school board's effectiveness in its role as a policy maker for the district.	22.2%	26.7%	36.0%	8.0%	0.9%	6.2%
3. The superintendent's effectiveness as an instructional leader and business manager.	32.0%	20.4%	29.3%	8.0%	2.7%	7.6%
4. The level of cooperation between the superintendent and the board in working together.	28.9%	20.4%	28.9%	11.1%	1.3%	9.3%

B. EDUCATIONAL SERVICE DELIVERY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
5. The district's effectiveness in meeting the needs of the college-bound student.	15.6%	22.7%	30.2%	21.8%	3.6%	6.2%
6. The district's effectiveness in meeting the needs of the work-bound student.	9.3%	21.8%	36.0%	18.2%	5.3%	9.3%
7. The effectiveness of the district's educational programs in meeting the needs of the students.	14.7%	28.4%	31.1%	15.0%	3.6%	6.2%
8. The effectiveness of the district's special programs in meeting the needs of students.	14.2%	20.4%	36.9%	18.2%	1.3%	8.9%

B. EDUCATIONAL SERVICE DELIVERY (CONTINUED)

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
9. The effectiveness of the district in immediately notifying a parent if a child is absent from school.	7.1%	4.9%	17.3%	30.7%	35.6%	4.4%
10. The overall quality of district teachers.	5.8%	13.8%	32.4%	34.2%	8.4%	5.3%
11. Students access, when needed, to a school nurse.	12.9%	19.1%	24.4%	29.3%	9.3%	4.9%
12. The equal access that all schools have to educational materials such as computers, television monitors, science labs and art classes.	13.3%	17.8%	29.3%	22.2%	12.9%	4.4%
13. The ability of the school library to meet student needs for books and other resources.	6.7%	20.4%	27.1%	32.4%	8.4%	4.9%
14. District educational programs that need improvement to meet the students' needs:						
Reading	33.3%	English or Language Arts	28.9%	Physical Education		24.4%
Writing	42.2%	Computer Instruction	24.0%	Business Education		24.9%
Mathematics	28.0%	Social Studies (history or geography)	34.2%	Vocational Education (Career & Technology Education)		28.9%
Science	29.8%	Fine Arts	26.7%	Foreign Language		37.3%
15. District special programs that need improvement to meet the students' needs:						
Library Service	20.9%	Programs for students at-risk of dropping out of school				63.1%
Honors/Gifted and Talented Education	42.7%	Summer School Programs				60.9%
Special Education	79.6%	Alternative Education Programs				20.9%
Head Start and Even Start Programs	16.4%	English as a Second Language Programs				24.4%
Dyslexia	26.7%	Dropout Prevention Programs				43.6%
Student Mentoring	67.6%	Career Counseling Program				40.4%
Advanced Placement	36.0%	College Counseling Program				54.2%
Literacy	21.3%	Counseling Parents of Students				30.7%

C. COMMUNITY INVOLVEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
16. The effectiveness and regularity of the district's communication with parents.	15.6%	24.4%	33.8%	15.6%	4.4%	6.2%
17. The availability of district facilities for community use.	23.1%	28.4%	28.9%	11.6%	1.3%	6.7%
18. The availability of volunteers to help with students and school programs.	17.8%	25.3%	34.7%	14.2%	2.2%	5.8%
19. The effectiveness of the district's parent involvement programs.	15.6%	36.7%	33.3%	13.8%	2.2%	8.4%

D. FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
20. The ability for parents, citizens, students, faculty, staff, and the board to participate and provide input into facility planning.	27.1%	29.8%	23.6%	10.2%	0.9%	8.4%
21. The cleanliness of schools.	48.0%	19.6%	16.9%	8.4%	1.8%	5.3%
22. Buildings are properly maintained in a timely manner.	30.2%	25.8%	21.8%	12.0%	3.1%	7.1%

E. FINANCIAL/ASSET AND RISK MANAGEMENT

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
23. The effectiveness of site-based budgeting in involving principals and teachers in the budget process.	33.8%	24.0%	1.8%	7.1%	13.8%	19.6%
24. The ability of the public to provide sufficient input during the budget process.	26.7%	30.2%	0.4%	6.7%	11.6%	24.4%
25. The district's financial reports are available and easy to understand and read.	22.7%	27.6%	26.2%	6.2%	0.4%	16.9%
26. The ability of the superintendent and administrators to effectively manage the district's budget.	37.3%	17.8%	24.9%	5.8%	0.9%	13.3%

F. PURCHASING, WAREHOUSING, AND TEXTBOOKS

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
27. The quality of the goods and services purchased by the district.	14.2%	23.6%	38.2%	13.3%	3.1%	7.6%
28. Student access to textbooks in a timely manner.	17.3%	19.1%	29.8%	20.9%	5.8%	7.1%
29. The condition and age of textbooks.	23.6%	19.1%	30.2%	15.6%	4.0%	7.6%

G. FOOD SERVICE

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
30. The temperature, appearance, and taste of the cafeteria's food.	29.3%	18.2%	26.2%	13.3%	5.3%	7.6%
31. The amount of time students have to eat.	42.2%	24.9%	15.6%	9.3%	0.9%	7.1%
32. Discipline and order in the cafeteria.	22.7%	21.3%	26.2%	18.2%	4.0%	7.6%
33. The helpfulness and friendliness of cafeteria staff.	14.2%	12.4%	26.7%	23.6%	16.0%	7.1%
34. The cleanliness and sanitary condition of district cafeteria facilities.	32.0%	17.8%	26.7%	12.4%	4.0%	7.1%

H. TRANSPORTATION

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
35. The level of discipline maintained by the bus driver on the bus.	16.0%	20.4%	30.2%	10.7%	2.2%	20.4%
36. The level of safety at bus pick-up stops and drop-off zones at schools.	13.3%	14.7%	31.6%	16.4%	3.1%	20.9%
37. The on-time arrival and departure of buses.	16.4%	23.6%	29.3%	8.4%	4.0%	18.2%
38. Buses regularly arrive in time for students to eat breakfast.	16.0%	21.8%	30.2%	7.6%	4.9%	19.6%
39. The overall cleanliness and maintenance of buses.	24.4%	20.0%	29.8%	4.9%	1.3%	19.6%

I. SAFETY AND SECURITY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
40. Your perception of the student's level of safety and security at school.	15.1%	21.3%	27.1%	20.4%	6.2%	9.8%
41. The district's effectiveness in ensuring gangs are not a problem in this district.	18.2%	17.3%	27.1%	20.4%	6.7%	10.2%
42. The district's effectiveness in ensuring drugs are not a problem in this district.	30.2%	14.7%	15.6%	19.6%	10.2%	9.8%
43. The district's effectiveness in ensuring vandalism is not a problem in this district.	24.4%	12.9%	31.6%	12.9%	6.7%	11.6%
44. The working relationship that security personnel has with principals, teachers, staff and students.	9.8%	13.3%	31.6%	16.9%	14.7%	13.8%
45. The equity, consistency, and fairness of discipline students receive for misconduct.	25.8%	16.0%	25.3%	16.9%	4.9%	11.1%
46. The condition of school grounds (existence of safety hazards).	17.8%	15.6%	29.8%	21.8%	2.7%	12.4%

J. COMPUTERS AND TECHNOLOGY

CATEGORY FOR RATING	RATING					
	1 POOR	2 BELOW AVERAGE	3 AVERAGE	4 GOOD	5 EXCELLENT	NO RESPONSE
47. The ability and knowledge of teachers to teach computer science and other technology-related courses.	9.8%	13.8%	35.1%	21.8%	4.4%	15.1%
48. The age and condition of computers and their usefulness in applying new technology.	8.9%	13.3%	32.0%	24.0%	8.4%	13.3%
49. Student access to sufficient computers for students to learn and apply technology.	6.7%	11.6%	31.1%	31.1%	6.7%	12.9%
50. Easy student access to the Internet.	8.0%	11.6%	28.4%	28.9%	11.1%	12.0%