

TRANSMITTAL LETTER

March 5, 2003

The Honorable Rick Perry, Governor
The Honorable David Dewhurst, Lieutenant Governor
The Honorable Thomas R. Craddick, Speaker of the House
Commissioner Felipe T. Alanis, Ph.D.

Fellow Texans:

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

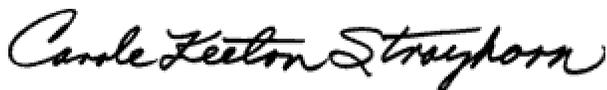
In August 2001, I released the results of my review of the district's operations. This review offered 44 recommendations that collectively could save WVISED taxpayers a net of \$235,251 by 2005-06. The review also noted a number of WVISED's exemplary programs and model services.

In December 2002, we returned to check on the district's progress implementing the recommendations. Over the last year, WVISED has implemented, or is in the process of implementing, 37 of the proposals, or 84 percent. The district has saved a net of \$31,522 to date and expects those savings to grow to \$54,929 over five years.

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

Thanks for all that you do for Texas.

Sincerely,



Carole Keeton Strayhorn
Texas Comptroller

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

Introduction

In March 2001, Texas Comptroller Carole Keeton Strayhorn began a review of the Water Valley Independent School District (WVISED) as part of a six-district project in Tom Green County that also included Wall, Veribest, Grape Creek, Christoval and San Angelo school districts. In August 2001, the completed Texas School Performance Review (TSPR) of WVISED detailed 44 recommendations that could, if fully implemented, result in net savings of \$235,251 over five years. During December 2002, TSPR staff returned to assess the district's progress in implementing the recommendations.

Since 1991, TSPR has recommended more than 7,000 ways to save taxpayers more than \$700 million over a five-year period in more than 80 public school districts throughout Texas. TSPR also conducts follow-up reviews of districts that have had at least one year to implement its recommendations. These 56 subsequent reviews show that more than 90 percent of TSPR's combined proposals have been acted upon, saving taxpayers nearly \$125 million, with the full savings estimated to grow in the future.

Improving the Texas School Performance Review

Comptroller Carole Keeton Strayhorn, who took office in January 1999, consulted school district officials, parents and teachers from across Texas and carefully examined past reviews and progress reports in an effort to make the Texas School Performance Review (TSPR) more valuable, even vital, to the state's more than 1,000 school districts. With the perspective of having served as a teacher, and later a school board president, the Comptroller has vowed to steer TSPR toward being more accountable to local school districts and the communities they represent.

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

Recognizing that only about 51 cents of every education dollar is spent on instruction, Comptroller Strayhorn's goal is to drive more of every education dollar directly into the classroom. In addition, no longer are

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

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

- ensure students and teachers receive the support and resources necessary to succeed;
- identify innovative options to address core management challenges;
- ensure administrative activities are performed efficiently, without duplication and in a manner that spurs education;
- develop strategies to ensure the districts' processes and programs are continuously assessed and improved;
- understand the links among the districts' functional areas and determine ways to provide a seamless system of services;
- challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and
- put goods and services to the "Yellow Pages test"-government should do no job if there is a business in the Yellow Pages that can do that job better and at a lower cost.

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

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

TSPR in the Water Valley ISD

At the request of former state Representative Rob Junell, reviews of the six Tom Green County school districts began on March 1, 2001. The Comptroller contracted with Gibson Consulting Group Inc., an Austin-

based consulting firm to assist with the WVISD review. The team interviewed district employees, school board members, students and parents and held a public forum at Water Valley Elementary School cafeteria on March 27, 2001. The review team conducted focus groups with teachers and members of the district's two Site-Based Decision-Making Committees. The Comptroller's office also received letters and phone calls from community members.

The team received 116 responses to a written survey from five district administrators and support staff, 55 parents, 17 teachers and 39 students.

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

During its more than seven-month review, TSPR developed recommendations to improve WVISD operations and save taxpayers more than \$254,376 by 2005-06. Cumulative net savings from all recommendations (savings minus recommended investments or expenditures) could equal \$235,251 by 2005-06.

WVISD selected peer districts for comparisons based on similarities in student enrollment, student performance and community and student demographics. The districts included Bronte, Eden, Veribest and North Zulch ISDs. TSPR also compared WVISD to district averages in TEA's Regional Education Service Center XV (Region 15) , to which WVISD belongs, and the state as a whole.

Water Valley ISD in Profile

Located in Tom Green County, WVISD lies 22 miles northwest of San Angelo. The district's facilities, which include an elementary school, high school and an administrative office, are located in the same area but in separate buildings.

In 2001-02, the ethnic breakdown of the WVISD student population consisted of 79.4 percent Anglo, 18.4 percent Hispanic, .9 percent African American and 1.2 percent Asian/Pacific Islander and Native American. Economically disadvantaged students made up 41.1 percent of the district's student population.

TEA gave WVISD's high school and elementary campuses, as well as the district, a *Recognized* rating in 2002.

In 2001-02, 94.1 percent of all students passed the reading portion of the Texas Assessment of Academic Skills (TAAS) test; 92.5 percent passed the math portion of the test; 86 percent passed the writing portion of the test; and 83.8 percent of students passed all tests taken.

The district employed a staff of 51 employees in 2001-02, including 30 teachers, or 58.9 percent of staffing. The district budgeted expenditures of \$2.6 million for 2001-02. For the same period, WVISD percent from local taxes; 4.3 percent from other local and intermediate sources; 65.4 percent from the state; and 2.1 percent from the federal government.

In 2001-02, WVISD budgeted 49.4 cents of every tax dollar on classroom instruction compared to the state average of 51 cents.

While work continues in the district, WVISD staff and TSPR team members concur that the district has made steady progress. The district has implemented 21 recommendations; has 16 in various stages of progress; reviewed six but not implemented them; and rejected one outright. (See **Appendix A** for details on the recommendations' status.)

Water Valley ISD Report Card

Chapter	Total	Complete	In Progress	Not Implemented	Rejected	Percent Complete/ In Progress	Grades
District Organization and Management	9	3	2	3	1	33%/22%	Needs Work
Educational Service Delivery	12	8	3	1	0	67%/25%	Satisfactory
Financial Management	6	3	3	0	0	50%/50%	Satisfactory
Operations	17	7	8	2	0	41%/47%	Satisfactory
Overall Grade	44	21	16	6	1	48%/36%	Satisfactory

Excellent = More than 80% complete
Satisfactory = 80% to 100% complete or in progress
Needs Work = Less than 80% complete or in progress

Exemplary Programs and Practices

WVUSD has experienced notable successes, and TSPR identified numerous "best practices" in the district. Through commendations in each chapter, the original report highlighted model programs, operations and services provided by WVUSD administrators, teachers and staff members. The Comptroller's office encourages other school districts throughout Texas to examine these exemplary programs and services to determine if they could be adapted to meet local needs. TSPR's commendations are listed below followed by updated information in italics.

- ***The superintendent effectively uses technology and graphics to present information at board meetings.*** The superintendent uses a laptop computer and a TV screen to present each agenda item at WVUSD board meetings. Each item is presented in a format that can be easily understood by the board and community members.

The WVUSD superintendent continues to use a laptop computer and a TV screen to present each agenda item at district board meetings. Board members and the community said using technology and graphs at board meetings effectively communicates important information and ensures that all participants follow and comprehend presented issues.

- ***WVUSD provides a host of opportunities for involving parents and the community in the schools.*** The district has combined its Academic Booster Club and Athletic Booster Club to form the Water Valley Booster Club, so the two entities would not compete with one another. The Water Valley Volunteer Program and Grandmother Volunteer Program use community volunteers to aid in the library and assist with district and campus clerical duties. WVUSD also maintains an active alumni association that has created and maintains the district's Web site.

Community and parental involvement in WVUSD remains one of the district's greatest strengths. The community supports the district by contributing time and expertise. For example, all of the booster clubs, the Fellowship of Christian Athletes and several other clubs and organizations and community groups repainted the football stands in July 2002. In addition, after district schools sent

letters of support to New York following the 9-11 tragedy, the community also supported a community-wide event that a paramedic involved in the 9-11 tragedy attended.

- ***The district's online policy manual is accessible by teachers, administrators and the general public.*** WVISD has placed its policy manual on the district's Web site at <http://www.watervalley.netxv.net/>. A key-word search capability allows staff, students and the community to quickly identify all policies applicable to a particular issue.

The online policy manual continues to serve as a good resource for the district and the community. Administrators said they can direct public inquiries to the Web site where many questions can be addressed quickly and efficiently. The online manual also serves as a good tool for board members, particularly newer board members, when they are deciding on an appropriate course of action.

- ***WVISD has implemented several instructional initiatives that have improved overall student performance.*** WVISD has aggressively worked to ensure high performance on the TAAS. The district has, for instance, computerized its grading system so that student records are easily accessible. The district also has used the Accelerated Reader program to make reading a top priority with students.

The district continues its efforts to improve student performance in all grades. Currently, the district is educating the parents of 2003 third graders about the social promotion laws, which will prevent children who cannot pass the state's Grade 3 assessment testing in 2003 from being promoted to Grade 4. As noted in the response to Recommendation #10, the district plans to offer remediation through tutorials after school to ensure that anyone who does not pass the new, more rigorous, Texas Assessment of Knowledge and Skills (TAKS) will be afforded every opportunity to move on to the next grade level with their class.

- ***The district seeks grants to improve its technological resources.*** WVISD has obtained state Telecommunications Infrastructure Fund and Technology in Education grants and other grants in the amount of \$151,709. As a result, much of the district's computer technology is less than three years old.

WVUSD continues to seek grants; however, with the hold placed on Telecommunication Infrastructure Grants (TIF), some of these grant opportunities are no longer available.

- ***A breakfast burrito program at the high school has increased Food Services revenue and breakfast participation.*** Each morning the superintendent delivers grab-and-go breakfasts, consisting of burritos, to high school students. This popular program allows students to develop a relationship with district administration while bolstering Food Services revenue.

As a result of the new Food Services director actively engaging students in menu selections and food preparation changes, the district has continued to increase revenue, while reducing supplements from the general operating funds.

TSPR Key Recommendations

TSPR analyzed the district's response to each of the recommendations and highlighted those that appear to have had a significant impact on the district's operations. The key recommendations are organized by chapter and by the area of operation as contained in the original report.

Educational Service Delivery

Recommendation 14: Improve communication and coordination to ensure that special education teachers have appropriate support from the Small Schools Cooperative and school staff.

A number of changes at the Small Schools Cooperative, in which the district participates, have improved services and resulted in cost savings. After the prior Small Schools Cooperative director's contract expired, a new director was hired in February 2002. Under the new director, communication between the cooperative and schools has improved, and teachers report a higher level of support from the cooperative. In addition, the overall cost for the new director reduced the district's cooperative participation costs by \$20,000 annually. According to administrators, the district will achieve additional savings because the cooperative's overhead also has been reduced.

Financial Management

Recommendation 26: Enter the acquisition date of each fixed asset into the RSCCC fixed asset module.

Recommendation 27: Perform an annual physical inventory and install a bar-coding system to track fixed assets.

These two recommendations were in progress at the time of the review. In August 2001, the district contracted with RCI to perform an annual inventory. This year acquisition dates have been added to the files. Now that the assets have been identified, the district is debating whether to continue the contract or conduct the annual inventories and reconciliations in-house. Implementing these two recommendations helped the district comply with GASB 34, as well as provide assurances to district taxpayers that all assets are tracked.

Operations

Recommendation 41: Revise written menus to identify meals made from scratch.

Recommendation 42: Disable the vending machines located outside the cafeteria during serving hours.

Recommendation 44: Encourage increased meal participation in district cafeterias.

The new Food Services director is working to reduce or eliminate the deficit WVISD has experienced annually. She actively engages students in menu preparation and monitors costs at all levels. Administrators told TSPR that as a result of more appealing and nutritious food, students are buying more lunches. A monthly tracking sheet presented to the board shows that participation rose from 3,787 meals served in September 2000 to 4,784 in September 2002. In October 2002, the district served 5,690 meals compared to 4,139 in October 2000. As a result of the changes between October 2002 and October 2003, the district increased revenues by \$2,800 and decreased expenditures by \$12,028. TSPR congratulates the district for its accomplishments in this series of recommendations.

What Still Needs to be Done?

WVISD has made steady progress in implementing TSPR recommendations. The district has implemented 21 recommendations; has 16 in various stages of progress; reviewed six but not implemented them; and rejected one outright. This section addresses the key areas requiring additional attention.

Strategic Planning

TSPR recommended that WVISD develop a long-range strategic plan incorporating alternate growth scenarios (Recommendation #1). The district has begun by examining the Texas Association of School Boards' strategic planning models and is working on technology and facility elements of the planning process. However, actual planning has been delayed because of anticipated board turnover in the upcoming May 2003 elections. In the past five years, WVISD has experienced constant board member and superintendent turnover, which has resulted in several changes of direction. Using a good strategic planning model that involves all stakeholders in the process could bring continuity to the district's operations and provide old and new board members, administrators and staff a shared vision for the future, which they could work together to accomplish.

Budgeting

The district has not fully implemented recommendations #6 and #23, which concern the budget development process. Recommendation #6 suggested increasing communication with the site-based decision-making committees (SBDM) in developing school budgets and staff decisions by defining levels of authority within the SBDM process. Recommendation #23 suggested creating a budget committee to identify the district's financial goals and constraints for the next five years and prepare a budget calendar. As a result of the elimination of one of its principals, the district now has only one SBDM committee operating for the entire district. This committee receives copies of all related board policies and does participate as an advisory group to the principal, superintendent and the board. WVISD's administrators said it is not necessary to create a budget committee consisting of all of the key district stakeholders as well as designated board members. These TSPR recommendations, as well in the strategic planning recommendation discussed above, sought to improve the lines of communication enabling WVISD to develop a long-range shared vision for the future fully supported by the adopted budgets.

Recommended High School Program

In anticipation of legislative mandates, TSPR recommended WVISD adopt the state's recommended high school graduation program as its standard (Recommendation #13). The principal and the superintendent said the district will comply with the state law concerning the Recommended High School Program; however, the district has not been aggressively implementing this program. The principal and superintendent said that their programs were equal to or greater than the recommended program.

The district determined that there would be little benefit from adopting the plan just for the sake of adopting the plan. In addition, officials said that the more rigorous state program would discourage some students and full implementation would increase the dropout rate for at-risk students. The district may not have considered that students seeking to qualify for Texas Grant scholarships, which pay full tuition to any state-supported college or university, must graduate under the recommended state program. By reconsidering its position on this program, WVISD could provide students with the basics that research shows make them more successful in college and ensure that district students, who might not otherwise afford college, qualify for Texas Grant scholarships.

Transportation

Recommendation #40 suggesting that the WVISD coordinate with other Tom Green County districts to expand training for school bus drivers has not been implemented. The district continues to rely on Region 15 for the initial 20 hours of state-mandated training for new drivers and the required periodic eight-hour refresher courses. TSPR did not intend for this recommendation to replace training through Region 15, but to supplement it. For example, the district may determine that all drivers could benefit from extra training in discipline management, or there may be one or two drivers who need specific training to improve their performance.

This individualized training might not be available through Region 15, but might be obtained from an experienced individual from another district. By contracting with San Angelo ISD for specialized safety training, Grape Creek ISD used this methodology successfully. As the district identifies intermittent training needs, TSPR encourages WVISD to work with area school districts to supplement the state-required training offered through Region 15.

Technology

While Region 15 provides backup space to the district for its data files, WVISD does not have a formal disaster recovery plan to guide district personnel during a disaster. Individuals need to know who to call, where to go, where to obtain compatible hardware if necessary and how to recover the data from Region 15. Ensuring district computers are operational following a disaster should be the number one goal of the plan. The district might consider using Glen Rose ISD's plan, which is available online at <http://www.grisd.net/tech/support/GRISDDisasterRecoveryPlan.htm>, as a guide.

WVUSD's Ideas for Improving the Texas School Performance Review

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

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

Water Valley administrators made the following observations listed below.

The superintendent said TSPR should use in-house people instead of contractors to conduct these reviews. The review team members should be knowledgeable about education and state requirements. For example, he said that the individual who spoke with the athletic director was unfamiliar with smaller 1A or 2A district regulations or standards. He did not feel that any of the consultants had ever worked in or with a smaller district. In another example, he stated that the individual examining transportation expenditures asked why the extracurricular travel costs increased. He said she should have realized that travel had been increasing because the distance to WVUSD's competitors had increased. The superintendent also was concerned that the consultants used a template written before their district visit. For example, the report referenced an old Texas Education

Agency District Effectiveness and Compliance (DEC) report that was not updated to reflect district actions since TEA's visit.

TSPR agrees that consultants should be better matched to the districts that they are reviewing. TSPR no longer contracts with one firm for all of the districts in a county. Instead, TSPR now uses a pooled contract in which a number of individuals and firms are competitively pre-qualified to conduct a portion of a review. As a result, when a smaller district or districts are selected for a review, TSPR assigns consultants to the project with the expertise to match the district under review.

TSPR disagrees with the statement that the consultant should know certain facts before the onset of the review. Every district, whether large or small, urban or rural, rich or poor, is unique. The only way to ascertain a district's operations or costs is to ask questions. The audit protocols used by TSPR contain a series of exercises and questions that are asked in every review. The answers vary widely, as do the challenges that each district faces.

The superintendent also said that when a district asks for help, TSPR should provide it. For example, the superintendent, who had asked for help in ending the energy management contract with Honeywell, said TSPR's recommendation did not provide enough assistance. While TSPR could not become involved in contract negotiations with a vendor, the report indicated that the company was not fulfilling its contractual obligations and that a buyout of the contract should be negotiated. It is unclear how much further TSPR could have legally assisted the district on this issue, but the superintendent's comment is duly noted.

The district said it was unable to replicate the price of used buses suggested in the TSPR recommendation. The superintendent could not find a company willing to sell him a bus for the price quoted in the report and said the fiscal impact was not conservative or even reasonable. TSPR agrees that the price shown was low. However, the price was obtained from a reputable vendor and based upon the district's inability to budget for a new bus. This TSPR recommendation was made as an interim measure until the district could afford a new or moderately used bus. In the future, TSPR will be more conservative in such matters. In addition, TSPR will give the district contact information for school districts or vendors that deal in surplus buses.

The superintendent also felt that TSPR should take the politics out of the review process. For example, he said he was disturbed that the report said it contained 44 recommendations to save the district \$235,000 when only three recommendations actually contained costs savings. TSPR is sensitive to the fact that school districts receive media attention following the release of its reports. Reports are intended to be fair and objective while seeking to save the district and taxpayers money and improve district operations and services.

Administrators said that the district was given only 90 minutes to read the draft findings report and make comments. They said that the consultants arrived late in the day and demanded an immediate response. TSPR will ensure that every district, whether large or small, is given ample time to read and to comment on the draft report. TSPR has begun to use tracking sheets to record administrators' comments and respond in a timely manner. In addition, the time for district response to the draft findings has been

extended in cases where the district said it needed more time to gather additional data.

On a positive note, the superintendent said that the most helpful part of the review involved the survey documents provided in the appendices. In particular, he said that he used the negative opinions provided about the Food Services operation to make substantive department changes.

Appendix A

Status of Recommendations and Savings

Rec. #	Recommendation	Implementation Status	TSPR's Projected Five-Year Savings (Costs)	Actual Savings (Costs) to Date	WVUSD's Five-Year Savings (Costs) Estimates	Comments
Chapter 1 District Organization and Management						
1	Develop a long-range strategic plan incorporating alternate growth scenarios. p. 23	In Progress	\$0	\$0	(\$5,500)	The superintendent attended the Texas Association of School Board (TASB) workshop on strategic planning. If the district decides to use TASB, it will cost approximately \$5,000 plus expenses. Because a number of the board members may change as the result of the May 2003 elections, this issue may not be fully addressed until after the elections.
2	Provide additional training to board members in the areas of school finance and district planning. p. 26	In Progress	(\$2,500)	\$0	\$0	The board members attended training at both TASB and Region 15. Six of the seven board members

						attended the School FIRST training held at Region 15. No additional money was added to the budget for this training.
3	Prepare more detailed board minutes. p. 28	Complete	\$0	\$0	\$0	The district now adds more information to the minutes, particularly for those no-action items not previously explained. The district also keeps information sent to board members in the book with the minutes for additional clarification.
4	Use timed agendas to better manage board meeting length and time spent in executive sessions. p. 29	Not Implemented	\$0	\$0	\$0	The administration said a board member who increased time spent on agenda items has now left office. The current president controls the agenda and, as a result, meetings last only two hours.
5	Incorporate specific performance measures into the	Rejected	\$0	\$0	\$0	At its December 2002 meeting, the board examined the

	superintendent's performance evaluation instrument. p. 32					superintendent evaluation instrument and decided it was adequate for the district's needs.
6	Increase communication with SBDM committees in developing school budgets and staff decisions by defining levels of authority within the SBDM process. p. 34	Not Implemented	(\$1,250)	\$0	\$0	While there were two site-based committees, because of the elimination of one of the principals, only one committee now operates for the entire district. This committee receives copies of all related board policies and participates as an advisory group to the principal, superintendent and the board.
7	Establish performance criteria for non-teaching staff members and school administrators and use a performance evaluation guide to provide employees with feedback on their annual performance. p. 38	Complete	\$0	\$0	\$0	Every employee, including the superintendent, has a job description, and evaluations are based upon the job descriptions. In addition, the superintendent said all staff are evaluated annually.
8	Develop a WVISD Education	Not Implemented	\$0	\$0	\$0	Water Valley Exes Association.

	Foundation and track all contributions received by the district. p. 41					which was operational at the time of the review, serves as the district's Education Foundation.
9	Upgrade the district newsletter and use the high school journalism teacher to produce it. p. 42	Complete	\$0	\$0	\$0	The district does not have a journalism class or teacher, however, the superintendent said he now receives input for the newsletter via e-mails from community members, campus personnel and booster clubs. He used to produce the newsletter about once a month and now prepares one every two to three months.
Totals-Chapter 1			(\$3,750)	\$0	(\$5,500)	
Chapter 2 Educational Service Delivery						
10	Develop an instructional plan that specifically addresses the needs of students who have been retained. p. 54	In Progress	\$0	\$0	\$0	Administrators said that student retention is an ongoing part of the Campus/District Improvement Plan. The district is educating the parents of 2003 third graders about the social promotion laws

						that become effective with this testing cycle. The district plans to offer remediation through tutorials after school to ensure that anyone who does not pass the TAKS will be afforded every opportunity to move to the next grade level with their class.
11	Explore multi-age classes for grades 2 and 3 and for grades 4 and 5. p. 56	Complete	\$162,548	\$0	\$0	The district reviewed the options as recommended but the board did not support implementation.
12	Ensure the accuracy of PEIMS data by providing the PEIMS data coordinator and PEIMS data entry operator with appropriate training and time. p. 58	Complete	\$0	\$0	\$0	Region 15 provides ongoing training to the PEIMS coordinator and to campus-based PEIMS data entry operators. WVISD staff regularly participates in all workshops. Region 15 representatives said the WVISD office staff have been working diligently to correct the PEIMS data reporting

						problems that occurred in 2000. The most recent submissions to Region 15 were greatly improved. The district credits campus-based staffing changes and a well-trained office staff for the improvements.
13	Adopt the state's recommended high school graduation program as the district standard for Water Valley High school students and ensure that appropriate data is reported through PEIMS to the Texas Education Agency. p. 59	Not Implemented	\$0	\$0	\$0	According to the principal and the superintendent, the district will comply with state law concerning the Recommended High School Program; however, the district has not been aggressively implementing this program. The administration said there is little benefit to the recommendation and are concerned that implementation will increase the dropout rate for at-risk students.
14	Improve communication and coordination to ensure that	Complete	\$0	\$20,000	\$100,000	After the contract of the prior Small Schools Cooperative

	special education teachers have appropriate support from the Small Schools Cooperative and school staff. p. 63					director expired, a new director was hired in February 2002. The new director has improved communications. In addition, the overall cost for the new director reduced the district's costs for participation in the cooperative by \$20,000 annually. Additional savings will be realized through a reduction in cooperative overhead costs not shown here.
15	Provide special education support services to the vocational and the regular education teacher. p. 64	Complete	\$0	\$0	\$0	The new Small Schools Cooperative director has improved support services, accomplishing this recommendation at no additional cost to the district.
16	Establish campus intervention teams at each school to develop and monitor pre-referral practices. p. 66	Complete	\$0	\$0	\$0	When a teacher refers a child, the principal meets with the parents and teacher to discuss the referral. At that time, all options are considered and all strategies

						used thus far are explored. Children are referred for testing only after this thorough analysis.
17	Fully implement the <i>Texas State Plan for the Education of Gifted/Talented Students</i> . p. 68	In Progress	\$0	\$0	\$0	The 1998 Texas Education Agency's District Effectiveness and Compliance (DEC) report recommendations have been addressed. In August 2001, the district revised its <i>Gifted/Talented Program Plan</i> . Administrators told the review team that gifted components are now being added to the curriculum guides.
18	Offer a more balanced school to career program that mirrors current job market needs. p. 71	Complete	\$0	\$0	\$0	The labor market studies are now used to help direct the Career and Technology programs. For example, in addition to some of the traditional agricultural offerings, landscape design is now being offered.
19	Document specific compensatorv	In Progress	\$0	\$0	\$0	The district added some of the compensatorv

	education objectives, strategies and funding sources in campus improvement plans. p. 73					education components to the campus improvement plan (CIP) and had its plans audited for the first time this year. The primary audit finding was that WVISD had not included the compensatory education budget in its CIP. As a result, a number of the tests could not be performed. District administrators said they are working to improve the plan for the coming year based on those findings.
20	Provide additional training for the special education teacher that is currently in charge of the Alternative Education Center. 75	Complete	\$0	\$0	\$0	Beginning in 2001-02, the district contracted with the Fairview AEP Cooperative to provide services to special education students in the program.
21	Provide Crisis Management Manual and training to the elementary school principal and	Complete	\$0	\$0	\$0	During 2001-02, the principal provided the manual to staff. In October 2002, the district took

	staff. p. 76					all staff to team training at Region 15.
	Totals-Chapter 2		\$162,548	\$20,000	\$100,000	

Chapter 3 Financial Management

22	Establish a fund balance management policy and develop administrative procedures to follow the status. p. 88	In Progress	\$0	\$0	\$0	Six of the seven board members and the superintendent attended the School FIRST training and found that the district had a fund balance in excess of 150 percent. The district has determined that it will place any amount of more than the 150 percent into a designated fund to ensure that the district remains within the School FIRST guidelines. A specific fund balance policy, however, has not yet been established.
23	Create a Budget Planning Committee to identify the district's financial goals and constraints for the next five years and prepare a budget calendar.	In Progress	\$0	\$0	\$0	The board and the site-based committees are responsible for reviewing the budget. The district has not adopted a calendar but is currently

	p. 91					reviewing a sample calendar for possible adoption in the future.
24	Prepare Request for Proposals for audit services that includes a provision for an option to extend the term. p. 92	In Progress	\$0	\$0	\$0	Because WVISD is in the second year of a contract option, the district plans to advertise for audit services when that option expires in 2003.
25	Form a committee composed of district employees and board members to effectively manage the transition to the state provided health insurance program. p. 96	Complete	\$0	\$0	\$0	The state insurance plan is in place. The district participates in TRS ActiveCare, and administrators said the plan is working well.
26	Enter the acquisition date of each fixed asset into the RSCCC fixed asset module p. 99	Complete	\$0	\$0	\$0	RCI Technologies, Inc. has a contract to annually inventory fixed assets. Administrators said the acquisition dates were entered into the system during the last inventory.
27	Perform an annual physical inventory and install a bar-coding system to track fixed assets.	Complete	(\$2,350)	(\$2,141)	(\$6,741)	In August 2001, the district contracted with RCI to conduct an annual

	p. 100					inventory. The first year inventory cost \$2,141, and the annual inventory cost thereafter is \$1,150. The district is debating whether it should do the inventory in-house or continue to use RCI.
	Totals- Chapter 3		(\$2,350)	(\$2,141)	(\$6,741)	
Chapter 4 Operations						
28	Develop a fiscal impact analysis of new versus renovated facility operating costs and explore funding available through the federal QZAB program. p. 108	Complete	\$0	\$0	\$0	The superintendent submitted an application for a School Repair and Renovations grant in September 2001. Unfortunately, the district was not granted the loan.
29	Update facility plans based on revised enrollment projection scenarios. p. 110	In Progress	(\$2,000)	\$0	\$0	In preparing the School Repair and Renovations grant application, the superintendent updated the district needs assessment and projected enrollment to remain flat over the next five years. This is not a facility master plan.

30	Develop and maintain a facilities inventory. p. 111	In Progress	\$0	\$0	\$0	In March 2002, as part of the TASB Risk Management coverage, TASB measured every district building, providing the type of roof, age of building, construction type and replacement costs for a facilities inventory.
31	Negotiate up-front buy-out of the Honeywell energy management contract. p. 113	Complete	\$0	\$3,207	\$16,035	The district dissolved the Honeywell contract for the system that controls lighting and air conditioning equipment. Because the district did not achieve the reductions in energy use predicted in the performance contract, Honeywell pays the district \$13,012 annually, which the district applies to the debt payment for the heating, ventilation and air conditioning (HVAC) and lighting retrofit.
32	Consider	In Progress	\$0	\$0	\$0	The district

	participating in the SECO loan program to reduce energy costs. p. 115					considered participation in the loan program, but the engineer who was working on the retrofits said he would have to double his rate to complete the forms for the loan. As a result, the district declined to participate.
33	Develop a disaster recovery plan for technology. p. 118	In Progress	\$0	\$0	\$0	The district had a good backup system through Region 15. In October 2002, Region 15 and the district reached an agreement to improve and automate the backup system. The district has not developed an internal formal disaster recovery plan for personnel, but administrators said it was something they would consider in the future.
34	Use Region 15 Web hosting services to locate the district's Web access outside its Local Area Network. p. 119	Complete	\$0	\$0	\$0	During 2001-02, the district transferred the Web-hosting services to Region 15.

35	Adopt a policy that requires Technology coordinator approval for all software purchases and licenses for all software on district computers. p. 120	Not Implemented	\$0	\$0	\$0	The technology coordinator and superintendent review the software acquisitions and approve all purchases. Teachers, however, may still purchase other software for their workstation as long as it is not server based. The teachers understand that the technology coordinator will not support unauthorized software.
36	Maintain a separate detailed inventory of computer equipment and software licenses. p. 121	Not Implemented	\$0	\$0	\$0	The coordinator has an inventory of all equipment and software purchased with grant money. All computers are bar coded and included in the district inventory. The coordinator has all server-based licenses. Teachers are responsible for maintaining the software licenses for "other" software at their workstation. The district conducts spot checks of

						individual computers when performing repairs and maintenance on the computers.
37	Require the Technology coordinator to attend 12 hours of formal technical training each year. p. 122	Complete	(\$1,425)	(\$3,495)	(\$15,000)	The coordinator is attending online training through Region 11 in Fort Worth.
38	Maintain QuickBooks data on the network. p. 123	Complete	\$0	(\$1,200)	(\$1,200)	In the summer of 2002, the business office added the cafeteria inventory to the server.
39	Sell surplus buses and adopt a bus procurement plan to replace buses every 15 years or 200,000 miles. p. 126	In Progress	(\$8,000)	\$523	(\$89,477)	The district sold two buses in the spring of 2002. The district estimates that it will purchase three buses at approximately \$30,000 each over the next five years.
40	Coordinate with other districts in Tom Green County to provide expanded driver training. p. 128	In Progress	(\$600)	(\$200)	(\$2,500)	As noted in the original report, Region 15 has traditionally supplied the state-mandated 20-hour initial driver training and the eight-hour refresher training.
41	Revise written	Complete	\$0	\$0	\$0	In 2001-02. the

	menus to identify meals made from scratch. p. 134					Food Services director inserted the word "Homemade" next to all menu items made from scratch. Menus are available on the district's Web site.
42	Disable the vending machines located outside the cafeteria during serving hours. p. 135	Complete	\$0	\$0	\$0	Vending machines have been disabled during the lunch hour with a timer. This resulted in a loss of activity fund revenues and a gain of Food Services revenues.
43	Enter into a countywide food-purchasing cooperative. p. 137	In Progress	\$56,250	\$0	\$0	The superintendent has made several attempts to obtain regional education service center help with this recommendation. Several meetings have been conducted. A meeting took place at Region 15 on December 9, 2002 but only about one third of the 44 districts in the region attended. Representatives from Region 15 said they believe

						there is a chance this might work if San Angelo ISD participates.
44	Encourage increased meal participation in district cafeterias. p. 138					The new director actively engages students in the menu preparations. As a result, from October 2002 to October 2003, revenues increased \$2,800 and expenditures decreased by \$12,028. Last year, the district's Food Services operation experienced a deficit of approximately \$20,000. Administrators said at the current rate of improvements, the Food Services operation could be at a break-even point for the first time in recent history.
	Totals-Chapter 4	In Progress	\$34,578	\$14,828	\$59,312	
	Grand Total		\$235,251	\$31,522	\$54,929	