



# LEGISLATIVE BUDGET BOARD

## **Freer Independent School District**

### **Management and Performance Review**

**LEGISLATIVE BUDGET BOARD STAFF  
RESOURCES FOR LEARNING, LLC**

**APRIL 2014**

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# **Freer Independent School District**

## **Management and Performance Review**

**Legislative Budget Board Staff**  
**Resources For Learning, LLC**

**April 2014**

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## LEGISLATIVE BUDGET BOARD

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April 30, 2014

Dr. George Padilla  
Superintendent  
Freer Independent School District

Dear Dr. Padilla:

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

The report's recommendations are intended to help Freer ISD improve its overall performance as it provides services to students, staff, and community members.

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

The Legislative Budget Board engaged Resources For Learning to conduct and produce this review, with LBB staff working in a contract oversight role.

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 "Ursula Parks".

Ursula Parks  
Director  
Legislative Budget Board

/js

April 30, 2014  
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cc: Saul Hinojosa, Board President  
Steve McQuagge, Board Vice President  
Robert Lee, Board Member

Anita Pulido, Board Secretary  
Linda Garza-Moncada, Board Member  
Christina Lichtenberger, Board Member  
Adrian Perez, Board Member

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## EXECUTIVE SUMMARY

The Texas Legislature created the Texas School Performance Review (TSPR) in 1990 to “periodically review the effectiveness and efficiency of the budgets and operations of school districts.” (Texas Government Code, Section 322.016) The Legislative Budget Board’s (LBB) School Performance Review team conducts comprehensive and targeted reviews of school districts’ and charter schools’ educational, financial, and operational services and programs. The review team produces reports that identify accomplishments, findings, and recommendations based upon the analysis of data and onsite study of each district’s operations. A review examines 12 functional areas and recommends ways to cut costs, increase revenues, reduce overhead, streamline operations, and improve the delivery of educational, financial, and operational services. School districts are typically selected for management and performance reviews based on a risk analysis of multiple educational and financial indicators.

To gain an understanding of the school district’s operations prior to conducting the onsite visit, the LBB review team requests data from both the district and multiple state agencies, including the Texas Education Agency, the Texas Department of Agriculture and the Texas School Safety Center. In addition, LBB staff may implement other methods for obtaining feedback on district operations such as surveys of parents, community members, and district and campus staff. While onsite in the district, information is gathered through multiple interviews and focus groups with district and campus administrators, staff, and board members.

Freer Independent School District (Freer ISD) is located near the crossroads of State Highway 16 and State Highway 44 in Freer, Texas, 114 miles south of San Antonio, 63 miles east of Laredo, and 83 miles west of Corpus Christi. The town of Freer is located in the northwest quadrant of Duval County and is the second largest town in the county. The

district is served by Regional Education Service Center II (Region 2) located in Corpus Christi. The state legislators for the district are Senator Judith Zaffirini and Representative Ryan Guillen.

The district has three instructional campuses, including Freer High School, Freer Junior High School, and Norman M. Thomas Elementary School, all situated on adjacent campuses. In school year 2011–12, enrollment totaled 859 students.

In school year 2011–12, approximately 63.7 percent of students were identified as economically disadvantaged (slightly over the state average of 60.4 percent); 5.4 percent were identified as limited English proficient (LEP) (below the state average of 16.8 percent); and 54 percent of students were identified as at risk (over the state average of 45.4 percent).

### EDUCATIONAL OVERVIEW

Freer ISD has a history of variable academic achievement. Under the state accountability system, the district was rated Improvement Required for school year 2012–13, Academically Unacceptable in school years 2010–11 and 2008–09, and Academically Acceptable in school year 2009–10. In school year 2012–13, the most recent state accountability data available at the time of the review, Freer High School was rated Met Standard, and Freer Junior High and Norman M. Thomas Elementary were rated Improvement Required. **Figure 1** shows state accountability ratings for the past five years for the district and the individual campuses under the previous system (Exemplary, Recognized, Acceptable, or Academically Unacceptable) and the revised system implemented in school year 2012–13 (Met Standard, Improvement Required, or Not Rated).

**Figure 2** compares various academic measures of Freer ISD to the average of other school districts in Regional Education Service Center II (Region 2) and the state.

**FIGURE 1**  
**FREER ISD STATE ACCOUNTABILITY RATINGS**  
**SCHOOL YEARS 2008–09 TO 2012–13**

YEAR	DISTRICT	HIGH SCHOOL	JUNIOR HIGH SCHOOL	ELEMENTARY SCHOOL	ASSESSMENT INSTRUMENT
2008–09	Unacceptable	Unacceptable	Unacceptable	Recognized	TAKS
2009–10	Acceptable	Acceptable	Recognized	Acceptable	TAKS
2010–11	Unacceptable	Unacceptable	Acceptable	Acceptable	TAKS
2011–12	None	None	None	None	STAAR
2012–13	Improvement Required	Met Standard	Improvement Required	Improvement Required	STAAR

NOTE: Accountability ratings were not issued in school year 2011–12 with the implementation of new state assessments.

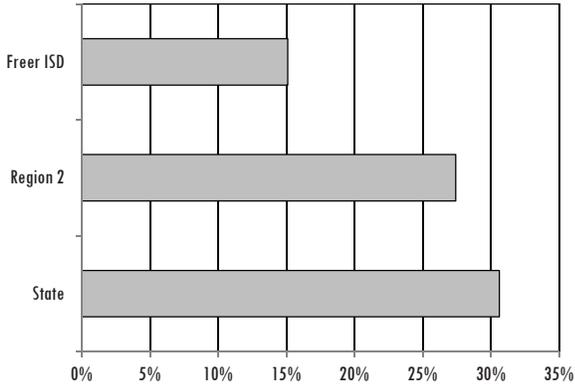
Acceptable = Academically Acceptable; Unacceptable = Academically Unacceptable

TAKS = Texas Assessment of Knowledge and Skills; STAAR = State of Texas Assessments of Academic Readiness

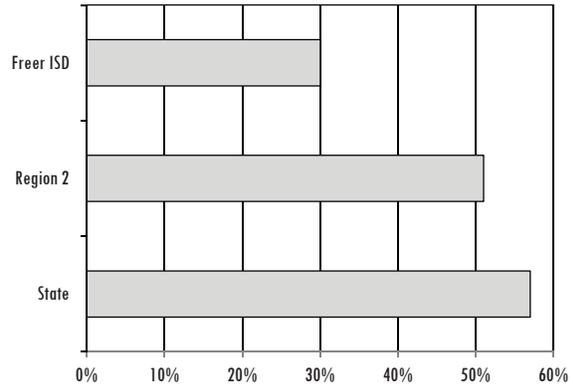
SOURCE: Texas Education Agency, AEIS Report, school years 2008–09 to 2011–12; Texas Academic Performance Report, school year 2012–13.

**FIGURE 2**  
**FREER ISD**  
**DISTRICT STUDENT ACADEMIC MEASURES COMPARED TO REGION 2 AND STATE**  
**SCHOOL YEAR 2012–13**

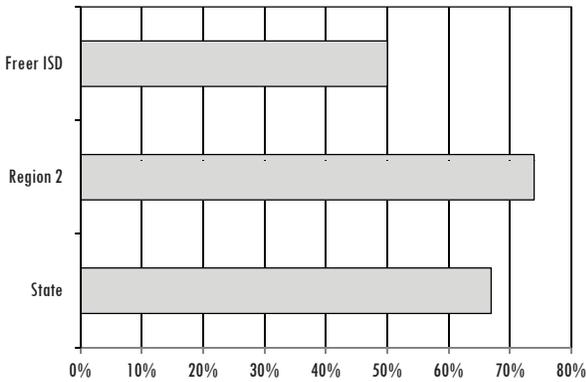
**ADVANCED COURSE/DUAL ENROLLMENT COMPLETION**



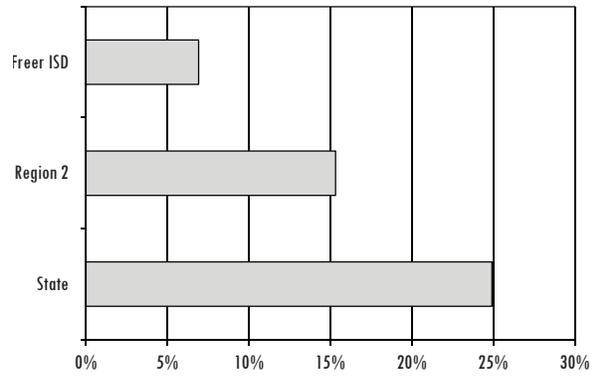
**COLLEGE-READY GRADUATES COMPLETING BOTH ENGLISH AND MATHEMATICS**



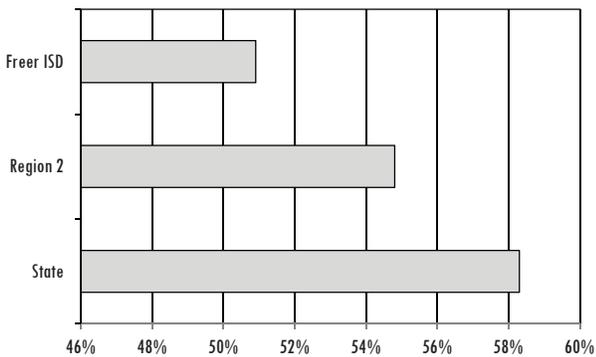
**SAT/ACT PERCENTAGE OF STUDENTS TESTED**



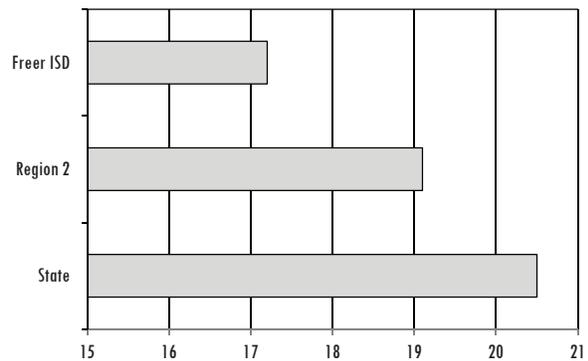
**AT/ABOVE CRITERION**



**GRADUATES ENROLLED IN TX INSTITUTION OF HIGHER EDUCATION**



**AVERAGE ACT SCORE**



**NOTES:**

- (1) To be considered college-ready, a graduate must have met or exceeded the college-ready criteria on the TAKS exit-level test, or the SAT or ACT test.
- (2) Criterion refers to the scores on the SAT and ACT college admissions tests, the AP and IB tests, and the College-Ready Graduates indicator. For college admissions tests, the criterion scores are at least 24 on the ACT (composite) and at least 1110 on the SAT (total). For AP and IB tests, the criterion scores are at least 3 on AP tests, and at least 4 on IB tests.

SOURCE: Texas Education Agency, Texas Academic Performance Report 2012–13.

### FINANCIAL OVERVIEW

In 2012, Freer ISD's preliminary property wealth per student was \$432,043. This placed the district below, and thus not subject to, the state's primary equalized wealth level (EWL) of \$476,500, which is the property wealth level above which the state "recaptures" a portion of wealthy school districts' local tax revenue to assist in financing public education in other districts. This primary EWL applies to a district's tax rates up to \$1.00 per \$100 of valuation. The state's school finance system has a secondary EWL that applies to certain enrichment tax effort above \$1.00.

In calendar year 2012, Freer ISD's total actual expenditures were approximately \$10.2 million. Freer ISD's per pupil actual operating expenditures in school year 2011–12 was \$9,994 compared to the state average of \$8,276. In fiscal year 2012, Freer ISD spent approximately 50 percent of total actual operating expenditures on instruction compared to the state average of approximately 58 percent. The instructional expenditures percentage was calculated using the district's total actual operating expenditures that funded direct instructional activities including Function 11 (Instruction), Function 12 (Instructional Resources and Media Sources), Function 13 (Curriculum Development and Instructional Staff Development), and Function 31 (Guidance, Counseling, and Evaluation Services).

### FINDINGS AND RECOMMENDATIONS

The LBB's School Performance Review team identified significant findings and recommendations based upon the analysis of data and onsite visit of the district's operations. Some of the recommendations provided in the review are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed by the school district to determine the level of priority, appropriate timeline, and method of implementation.

#### LONG-RANGE PLANNING

The district lacks a long-range strategic planning process to provide direction in meeting district and community needs. Strategic planning includes a process for establishing goals, objectives, and strategies, and for monitoring, evaluating, and amending the plan. A strategic plan should include all district functions and should be the basis for the district budget and district and campus improvement planning process. Without a comprehensive strategic planning process,

a district cannot ensure agreement on its needs, use of resources, or stakeholder goals.

The lack of planning places the district in a reactive mode, concentrating mostly on immediate problems instead of preparing for future issues. For example, the district lacks a protocol to evaluate facilities initiatives and does not have a master plan for facilities management. As a result, Freer ISD facilities are not managed according to a centralized plan that lays out priorities, goals, and objectives based on building plans, anticipated needs, and timelines.

Regarding safety and security, the district lacks a comprehensive plan and coordinated approach to assessing safety and security procedures and needs. For example, without consistent visitor management and control processes, the district risks not keeping its students safe while on school property. The district also does not have in place a system for reporting and cataloging safety and security issues. As a result, there is no way to assess the frequency and severity of safety and security concerns that arise in the district and how they are handled.

Freer ISD also lacks a process to ensure the district regularly has an up-to-date, comprehensive technology plan that is based on identified needs and goals. The district has also not conducted a formal technology needs assessment to assist in the development of its technology plan.

The district also has not defined or managed a fleet replacement standard for its Transportation Department resulting in an aging bus fleet. On average, Freer ISD buses are seven years older than the recommended average age. The lack of a replacement standard can also have a direct impact on the overall cost of vehicle maintenance as older vehicles often have a higher cost of routine maintenance due to the age of the vehicle and the lack of warranty support provided with new buses. An effective system requires a clear replacement plan for its school bus fleet based within a clearly defined age and mileage parameter.

Recommendations to assist the district's long range planning process include:

- Develop and implement a three- to five-year comprehensive strategic plan with measurable objectives to ensure accountability and evaluate the district's effectiveness in meeting the needs of its students.

- Develop a comprehensive long-range facility master plan and establish a committee of stakeholders to identify long-range needs.
- Establish and maintain a districtwide safety and security committee to address identified safety and security issues.
- Develop and implement a districtwide visitor control and risk management system.
- Develop a process to regularly prepare and maintain an up-to-date technology plan aligned with identified district needs and goals and detailed budget requirements.
- Establish a fleet management and replacement plan to better support long-term capital planning.

### **CURRICULUM AND INSTRUCTION**

Freer ISD does not provide clear direction for developing, managing, and evaluating curriculum and instruction, and aligning professional development and instructional resource needs. Lack of direction can contribute to a lack of oversight of the educational needs of students as well as staff training and evaluation. Aligning curriculum, instruction, and professional development allows instruction to be consistent between grades and campuses.

Freer ISD's curriculum design and instruction board policies include generic general policy statements with no guidelines that are specific to the district. The policies do not include any information about how Freer ISD will design, manage, and evaluate their curriculum. In addition, the policies do not provide direction for the district on best practices such as curriculum reviews, vertical alignment of instruction, professional development, and data-driven instruction. Freer ISD's policies also do not provide a process for community review and input.

Some teachers reported using the state-adopted instructional materials as the primary resource for instruction, while others use them to supplement materials they bring. Although no longer required, still others use the previously district-adopted curriculum as a primary or supplemental resource. Staff said that they were not aware of any curriculum guides, online or written, except for the previous curriculum guides and those that accompany the state-adopted English language arts and mathematics instructional resources.

When describing professional development needs, teachers and staff stated that district administrators select the topics for professional development, although, as of October 2013, the district had not yet selected topics or published a training calendar for school year 2013–14. Some teachers and staff participate in professional development sessions and webinars provided by the Regional Education Service Center II (Region 2), but staff reported attendance is a result of their own initiative rather than part of a planned program of professional development. Refined policies, consistent curriculum materials, and corresponding professional development provide an opportunity for maximizing student achievement.

Recommendations to assist the curriculum and instruction process include:

- Modify board policies and administrative procedures related to curriculum and instruction for a coordinated system of curriculum development, instruction, and professional development.
- Establish a committee that includes a board member, the superintendent, principals, the curriculum director, a master teacher, if available, and members of the community to study school district policies related to curriculum development and instruction and recommend policy changes for board approval.
- Appoint a staff member to study a range of resources available for curriculum improvement, teacher effectiveness, and students' special needs.

### **BUDGET DEVELOPMENT AND MANAGEMENT**

Freer ISD has not developed a budgeting process that considers the district's priorities or includes stakeholder involvement. The budgeting approach used by the district results in a budget that meets legal requirements, but fosters a lack of ownership of the budget within the organization. Consequently, district staff do not always adhere to decisions made within the adopted budget.

During onsite interviews staff and board members indicated that there is no formal budget development process in place for Freer ISD. There is no budget calendar, no guidelines and instructions for the principals and budget managers, no formal process for coordinating the preparation or review of the budget, and limited opportunities for stakeholders to provide input to the process.

The budget process for non-salary resources provided to the campuses and departments for fiscal year 2014 consisted of

individual meetings with the superintendent and the various principals and department managers. At these meetings, the superintendent identified the total dollars available for each school or department and told the principals and managers where reductions would take place in their budgets. This process provides no reference to the District Improvement Plan (DIP) or individual school improvement plans. The focus has been on line-item expenditures with no reference to the goals of the organization or how the allocation of resources can help to improve the education for Freer ISD students or the overall management of the organization. An ideal budget process allows budget managers, those most familiar with day-to-day operations, to have valuable input into the budget process and provide incentives and flexibility to managers to improve program efficiency.

To assist the district budget development and management process, the district should:

- Develop a budgeting process that includes all stakeholders and incorporates district goals and plans.

### **FINANCIAL OVERSIGHT**

Freer ISD does not have adequate procedures and practices in place to ensure that the district is managing all of its financial resources appropriately. The district has not conducted a cost benefit analysis to determine the exact cost of various district programs and policies.

For example, the Texas Tax Code allows districts to offer taxpayers an optional exemption of the appraised value for an adult's residence homestead. The percentage of value exempted can vary from 1 percent to a maximum of 20 percent. Freer ISD provides the maximum optional exemption of 20 percent. The district's decision to offer the maximum 20 percent optional homestead exemption provides a direct financial benefit to Freer ISD taxpayers. However, Freer ISD has not evaluated the fiscal or programmatic implications of offering the maximum local optional homestead exemption.

In addition, Freer ISD offers a prekindergarten (pre-K) program that is available to the children of district staff and the community. The pre-K operates as a half day program for some students and full day program for others. The district receives state reimbursement for students who meet certain statutory requirements. Of the 24 students ineligible for state funding, 9 are children of district employees with the remainder being resident within the Freer ISD service area. Freer ISD also offers a day care program at the elementary school that charges tuition. District employees have the

opportunity to participate in the day care program at a reduced tuition rate. As a result, Freer ISD absorbs a portion of the cost for both the pre-K and day care programs. While these programs benefit employees, the community, and participating students, Freer ISD has not articulated and examined the full benefits and costs of providing both day care and pre-K programs to the community and district employees.

The district also currently operates an in-house tax office that collects ad valorem taxes for the district. The Freer ISD tax collection process results in residents within the district receiving at least two tax bills, one from the Freer ISD Tax Office for the school taxes and one from Duval County. Operating an in-house tax office also costs the district more than it would cost to outsource this function to Duval County.

Finally, Freer ISD owns six residential properties to aid in the recruitment of personnel for positions that are required to live within the district. The residents of each house are all district employees and pay \$400 per month in rent via payroll deduction. Freer ISD is responsible for all operating costs such as utilities, repairs, and facilities upgrades. The district has no formal documentation such as lease agreements with the tenants or separate accounting records for the individual units or the overall program, thus Freer ISD does not have a clear understanding of the actual fiscal impact of managing these facilities.

Recommendations to assist the district financial oversight process include:

- Evaluate the factors that affect how the local homestead optional exemption impacts the district.
- Conduct a cost benefit analysis of the reduced-price day care and pre-K programs offered to district staff and examine the cost-service delivery model used for program operations.
- Eliminate the Tax Office and contract with Duval County to collect property taxes for the district.
- Develop property management business guidelines to manage and operate the six residential properties and create an enterprise fund to manage the financial activities associated with these properties.

### **DISTRICT ORGANIZATION AND STRUCTURE**

Freer ISD does not have an effective or efficient organizational structure relative to reporting responsibilities and the

superintendent's span of control. Within Freer ISD's current organizational structure, the superintendent is at risk of spending a significant amount of time managing staff, which diminishes the amount of time available for district planning. This structure can also limit effective decision-making, which can affect staff morale.

The Freer ISD superintendent supervises and evaluates 10 direct reports. The superintendent supervises six different functional areas of operation, including educational service delivery, transportation, maintenance, athletics, business operations, and technology. Given the breadth of the responsibilities of this position, it is challenging for the superintendent to effectively supervise all direct reports. Daily operational reporting requirements, even for a smaller district of Freer's size, are likely significant with this reporting structure. While an effective span of control or the number of staff a supervisor can effectively manage varies by organization, a general rule for an executive is six to eight direct reports.

In addition, the curriculum and related assessment areas are not consolidated, and report independently to the superintendent. This includes both the curriculum director position and the special programs/assessment director position. The Technology Department is supervised by the support services director, although technology provides direct support to the campuses. The support services director also oversees the district's maintenance, custodial, and transportation operations. Efficient organizations establish an organizational structure that has supervisors overseeing similar functions and responsibilities.

Freer ISD's human resource (HR) functions are also not adequately managed as several district staff members are assigned various HR duties without the benefit of training. In addition, a staff member has not been assigned responsibility for HR management to provide coordination and oversight of critical HR functions, especially with regard to monitoring and compliance requirements.

Regarding safety and security, the district does not sufficiently assign responsibility to a particular business unit or individual for the collection, reporting, review, solution exploration, and closure of safety and security issues. The district also does not have a department or individual responsible for districtwide organization and management of safety and security.

Freer ISD's organizational structure also does not ensure that supervisory roles and reporting assignments are aligned

correctly. Various titles are given to positions such as manager, supervisor, or director; however all positions with the same title do not have the same authority with the organization. In an effective organizational structure there is a clear delineation of responsibilities. Thus all directors have similar supervisory and reporting responsibilities as do all managers. In turn, there should not be an established organization structure that has one director position reporting to and being supervised by another director position.

Recommendations to assist the district organization and structure include:

- Modify the district's organization structure to align similar functions and reduce the superintendent's span of control.
- Consolidate functions to establish an educational services department and business and operations department.
- Eliminate the support services director position. A new technology supervisor position should be created to oversee the Technology Department; this person should report directly to the curriculum director. In addition, the maintenance and transportation supervisor should report directly to the business director.
- Assign responsibility for managing and coordinating human resources activities to a central office administrator.
- Realign organizational reporting and assign responsibilities for safety and security to a district-level administrator.

#### **DISTRICT COMMUNICATION**

The district does not have an established communication process for effectively and efficiently relaying internal and external information throughout the district and the community. Organizations that practice ineffective communication methods can struggle with basic operational activities. Effective two-way communication is cited as a necessary trait for success at all levels of education, from school board to superintendent to principal, administrator and teacher. At the district level, a poor communication system can negatively impact staff morale, resource distribution, instructional decisions, and contribute to an overall learning environment that is not conducive to effectively educating students.

Further, the district does not have a systematic model for communication. There are no written policies or procedures nor any established method for how information is communicated throughout the district. In interviews, campus administrators frequently mentioned that central administration does not seek their input on large issues facing the district or other key functions such as the budget, facility planning, or curriculum.

Interview data suggests that many site based decision-making (SBDM) members are uncertain of their purpose. Interviews with staff also indicate that members of the SBDM committees do not participate in the development of the district or campus improvement plans. Additionally, there is also no evidence that the SBDM committees play any role in the budgetary process or staff development.

Freer ISD's lack of an established process for distributing information throughout the district has also resulted in budget managers and the board of trustees not being provided adequate information to effectively manage and monitor financial operations. There is no process in place where financial reports are provided on a scheduled basis to the schools and departments. Budget managers and principals were not aware of what was in their department's budget. The monthly report provided to the board contains numerous unusual circumstances that seem to indicate the budgeted amounts for each function are not being properly established in the budget.

Additionally, neither the district nor the campuses have a formal process in place for communicating with parents and the community. There is no position at Freer ISD with responsibility for coordinating community and/or parent involvement activities. There are also no district-level activities for community involvement and no district-level awareness, management, or monitoring of community involvement efforts at the campuses. Finally, there is no standard method for collecting or responding to community feedback.

Recommendations to assist the district communication process include:

- Develop a formalized written communication protocol that clearly states expected communication methods and channels.
- Develop and implement a communication plan for disseminating information to the public and seeking community and parent input.

- Establish a process to provide regular communication regarding the district's financial operations to the budget managers and board of trustees.
- Appoint a parent or community member to serve as a community involvement coordinator.

#### **ASSET AND RECORDS MANAGEMENT**

Freer ISD's records management process is ineffective and lacks proper controls. The district has adopted a records retention schedule, however the adoption of this schedule is informal and district local policy does not explicitly identify it as the records management plan the district will follow. The district lacks records management guidance for properly boxing and labeling records for storage, preserving permanent records from inadvertent destruction or corruption, or, managing annual purging, collection, and shredding of records.

Systematic districtwide storage procedures are not in place. For example, staff reported that some records were stored in an unused building while the district constructed the new administration facility, which was completed about four years ago. The building's roof collapsed, and many records were lost. At the time of the onsite review, the district stored records in another unused building behind the high school, and staff interviews indicate that this building's roof is also in need of repair, exposing the district to the risk of losing documents once again.

Further, Freer ISD does not have an effective system for identifying and tracking assets potentially increasing the risk of error and theft. The capitalized fixed asset records for Freer ISD are incomplete as all but one of the inventory items lacks a purchase order number or the vendor name, and, with a few exceptions, there are no serial numbers identified. Descriptions are inconsistent and hard to follow, and there is a high probability that some items on the list will not be located if a formal inventory is taken.

Freer ISD's technology assets inventory processes result in inaccurate and incomplete assessments of technology inventory and potential exposure to loss and theft. For example, classroom inventories were not completed at the end of school year 2012–13 or the beginning of school year 2013–14.

Staff development records also indicate that the district personnel who manage, organize, maintain, and store records have not had training in records management, including Health Insurance Portability and Accountability Act training,

and are not using established best practices for record processing.

The lack of district records management procedures and guidelines results in staff confusion, haphazard and incomplete records management, lost records, and potential exposure to fines or legal consequences. Lack of diligent records management procedures could also result in non-compliance of legal requirements outlined by the Texas State Library and Archives Commission, the Public Information Act, and other federal and state laws. In addition, the inconsistent manner of identifying the capitalized fixed assets and the lack of a scheduled physical inventory may result in a risk of overstating the amount of fixed assets reported in the district’s Annual Financial Report.

Recommendations to assist the district’s asset and records management include:

- Revise local policy to develop an official districtwide records management policy.
- Assign a district administrator to officially serve as the district’s records management officer.

- Organize personnel records to be in compliance with federal and state laws and district required records procedures.
- Establish an internal process to manage and maintain an effective fixed assets inventory using existing capacity in the district’s financial recordkeeping system.

The chapters that follow contain a summary of the district’s accomplishments, findings, and numbered recommendations. Detailed explanations for accomplishments and recommendations follow the summary and include fiscal impacts.

Each chapter concludes with a fiscal impact chart listing the chapter’s recommendations and associated savings or costs for school year 2014–15 through 2018–19.

The following figure summarizes the fiscal impact of all 65 recommendations in the performance review.

**FISCAL IMPACT**

	2014–15	2015–16	2016–17	2017–18	2018–19	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
Gross Savings	\$166,104	\$166,104	\$166,104	\$166,104	\$166,104	\$830,520	\$0
Gross Costs	(\$13,700)	(\$11,550)	(\$8,240)	(\$4,350)	(\$13,040)	(\$50,880)	(\$11,557)
<b>Total</b>	<b>\$152,404</b>	<b>\$154,554</b>	<b>\$157,864</b>	<b>\$161,754</b>	<b>\$153,064</b>	<b>\$779,640</b>	<b>(\$11,557)</b>

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# **CHAPTER 1**

## **DISTRICT ORGANIZATION AND GOVERNANCE**

**FREER INDEPENDENT SCHOOL DISTRICT**

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# CHAPTER 1. DISTRICT ORGANIZATION AND GOVERNANCE

An independent school district’s governance structure, staff management, and planning process provide the foundation for effective and efficient education of students. Each school district in Texas is governed by an elected seven-member board of trustees. The board focuses on the decision-making process, planning, and providing resources for achieving goals. The board sets goals, objectives, and policies, and approves plans and funding necessary for school district operations. The superintendent is responsible for implementing policy, managing district operations, recommending staffing levels, and allocating the resources to implement district priorities. The board and superintendent collaborate as a leadership team to meet district stakeholder needs.

The city of Freer is 4.1 square miles in area. According to the 2010 U.S. Census, the town has 2,818 residents with an average of 2.87 people situated in 980 households. The 2007–2011 American Community Survey indicates the median household income is \$35,224, with 30.6 percent of families living below the poverty level.

As of school year 2013–14, Freer Independent School District (ISD) has three schools, Freer High School, Freer Junior High School, and Norman M. Thomas Elementary School, all situated on adjacent campuses on the west side of South Norton Avenue. The central administration office is located in the same campus as the junior high and high school.

Over the past 10 years, Academic Excellence Indicator System (AEIS) data indicate student enrollment in grades prekindergarten–12 has decreased from 941 students in school year 2002–03 to 859 students in 2011–12. **Figure 1–1** shows student enrollment for this period.

Over the same period, student demographics have fluctuated slightly with an increase in the percentage of Hispanic students and a decrease in the percentage of White students. In school year 2002–03, the student population was 82 percent Hispanic and 18 percent White, and, in school year

2011–12, it was 88 percent Hispanic and 11 percent White. In addition, the percentage of students identified as economically disadvantaged increased from 58 percent in school year 2002–03 to 68 percent in school year 2011–12. **Figure 1–2** shows information on student demographics.

Organizations are assessed by the measurable results relative to the purpose of the work, and public schools are measured by the academic performance of the students. Understanding the academic performance of a Texas school district is important as the organizational and management systems play a role in the arena of student performance. The state of Texas has tracked academic progress of schools in districts via the Academic Excellence Indicator System (AEIS) since 1993. Initially, schools were rated as Exemplary, Recognized, Acceptable or Low Performing. The rating system changed slightly in 1995 and Academically Unacceptable was substituted for Low Performing. Adequate Yearly Progress (AYP) is the model advanced by the federal No Child Left Behind legislation. Schools either Met or Missed AYP based on a variety of indices. In school year 2009–10, Freer ISD was rated Academically Acceptable by the Texas Education Agency (TEA) and met federal AYP as a district. However, this changed in school year 2010–11 when TEA rated the district as Academically Unacceptable, and the district and all three schools missed AYP. This trend continued as the state system underwent a transformation. The most recent application of state standards found the district in the Improvement Required category, while the district and two of the three schools missed AYP in school year 2011–12.

Freer ISD’s Board of Trustees is the policy-making body authorized by the Texas Legislature to govern the district. The board is made up of seven members who serve four-year terms on a staggered November election cycle. Board members are elected at large and each year, two or three board members are up for reelection. **Figure 1–3** shows information about the district’s current board.

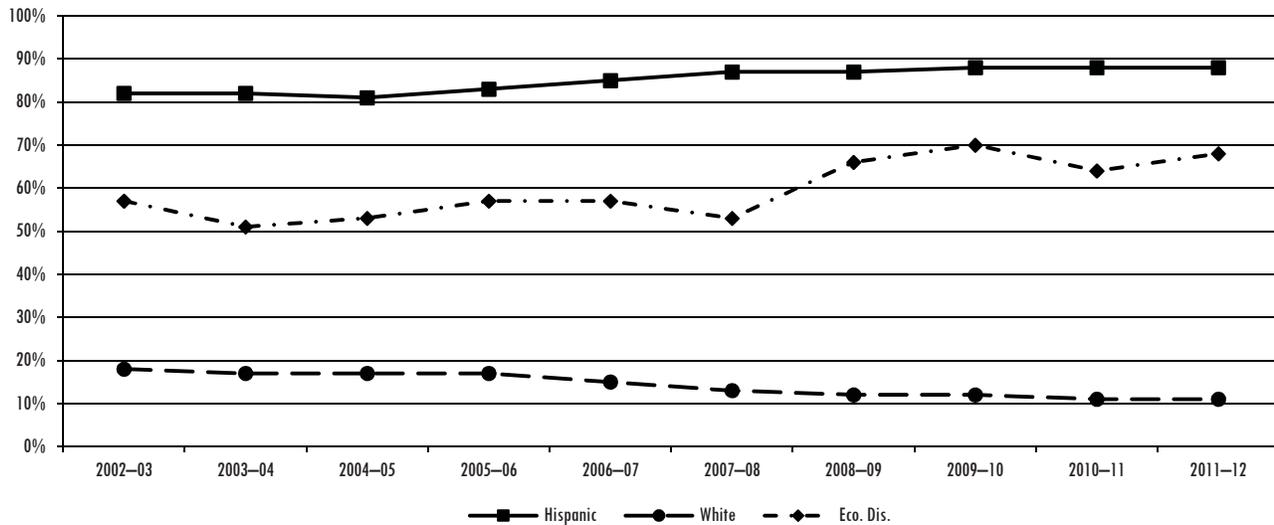
**Figure 1–3** shows that of the school year 2013–14 board one member has seven years of experience, two members have

**FIGURE 1–1**  
**FREER ISD STUDENT ENROLLMENT**  
**SCHOOL YEARS 2002–03 TO 2011–12**

	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12
Total Student Enrollment	941	914	898	878	852	820	823	840	835	859

SOURCE: Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS) report, school years 2002–03 to 2011–12.

**FIGURE 1-2**  
**FREER ISD STUDENT DEMOGRAPHICS**  
**SCHOOL YEARS 2002-03 TO 2011-12**



SOURCE: Texas Education Agency, AEIS report, school years 2002-03 to 2011-12.

**FIGURE 1-3**  
**FREER ISD BOARD OF TRUSTEES**  
**SCHOOL YEAR 2013-14**

MEMBER	OFFICE HELD	1 <sup>ST</sup> YEAR ELECTED	TERM EXPIRES	OCCUPATION
Saul Hinojosa	President	2007	2014	Retired principal
Steve McQuagge	Vice President	2012*	2016	Department of Public Safety employee
Anita Pulido	Secretary	2012*	2016	Retired teacher
Christina Lichtenberger	Member	2012*	2016	Restaurant manager
Linda Garza-Moncada	Member	2010	2014	Licensed vocational nurse
Robert Lee	Member	2010	2014	Attorney
Adrian Perez	Member	2012*	2016	Water Conservation Board employee

NOTE: The four members who ran in 2012 were unopposed and the election was canceled.  
 SOURCE: Freer ISD, superintendent’s office, October 2013.

four years of experience, and five have between one and two years of experience. The Freer ISD board holds regularly scheduled monthly meetings on the third Monday of each month at 6:00 PM in the Freer ISD Administration Building at 905 S. Norton.

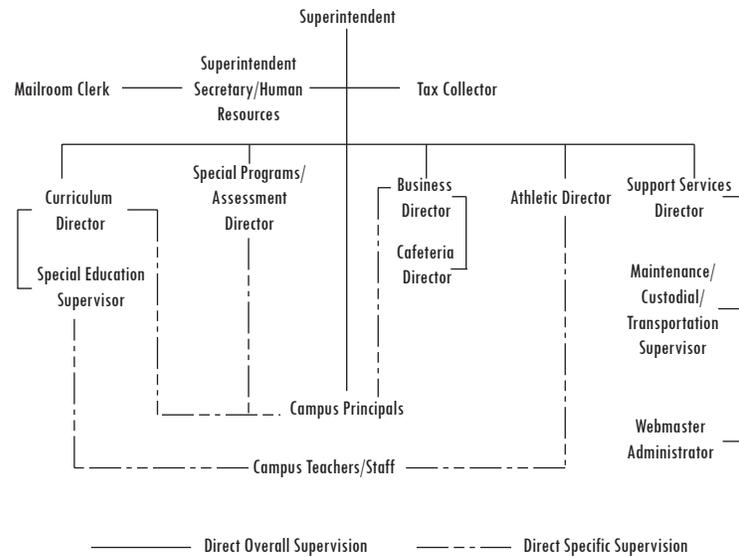
Freer ISD’s superintendent oversees management of the district and is charged with effectively executing the policies adopted by the Board of Trustees. Superintendent Dr. George Padilla has served the district since 2011.

Other central administration office positions are shown in the organization chart in **Figure 1-4**.

The organizational chart shows the administrative leadership team for the district. The members of this team are the superintendent, special programs/assessment director, the Special Education supervisor, the support services director, the three school principals, the curriculum director (vacant), and the business director. This team typically meets every two weeks.

Freer ISD employs 115 staff, including 62 teachers, 24 auxiliary staff, 12 educational aides, 9 professional staff, 4 campus administrators, and 4 central administrators. The district has 11 departments including the Athletic Department, Business office, Curriculum and Instruction,

**FIGURE 1–4**  
**FREER ISD DISTRICT ORGANIZATION**  
**SCHOOL YEAR 2013–14**



SOURCE: Freer ISD superintendent’s office, October 2013.

Food Service, Human Resources, Maintenance and Operations, Special Education, Special Programs, Tax office, Technology, and Transportation.

**FINDINGS**

- ◆ Freer ISD lacks an effective communication process between the superintendent and other district stakeholders.
- ◆ Freer ISD does not have an effective or efficient organizational structure relative to reporting responsibilities and the superintendent’s span of control.
- ◆ Freer ISD does not have a comprehensive strategic planning process to effectively provide direction for the district.
- ◆ Freer ISD is not effectively implementing site-based decision-making processes and procedures.
- ◆ Freer ISD’s record management process is ineffective and lacks proper controls.

**RECOMMENDATIONS**

- ◆ **Recommendation 1:** Develop a formalized written communication protocol that clearly states expected communication methods and channels.
- ◆ **Recommendation 2:** Modify the district’s organization structure to align similar functions and reduce the superintendent’s span of control by redistributing instructional and operational responsibilities between the superintendent, business director, and the curriculum director.
- ◆ **Recommendation 3:** Develop and implement a three- to five-year comprehensive strategic plan with measureable objectives to ensure accountability and evaluate the district’s effectiveness in meeting the needs of its students.
- ◆ **Recommendation 4:** Create a functional site-based decision-making process.
- ◆ **Recommendation 5:** Revise local policy to develop an official districtwide records management policy.

## DETAILED FINDINGS

### COMMUNICATION (REC. 1)

Freer ISD lacks an effective communication process between the superintendent and other district stakeholders.

Communication between the superintendent and board members, and the superintendent and district staff is often informal and inconsistent. Data collected during the onsite visit suggest the district does not have a formal systematic model for communication. There are no written policies or procedures for district communication. In addition, staff interviewed indicated that there is no established method for how information is communicated throughout the district. However, since the time of the onsite review, the superintendent reported that there are weekly administrative meetings, weekly or bimonthly campus leadership meetings, and written procedures for board members on communication from staff members.

In interviews, campus administrators frequently mentioned that central administration does not seek their input on large issues facing the district or other key functions such as the budget, facility planning, or curriculum. However, since the time of the onsite review, the superintendent reported that campus administrators meet weekly with central administrators to discuss significant items including the budget and curriculum. Staff interviewed stated that they are frequently not informed about schedule changes or district events. Staff also reported that the communication model in place in the district is one-way only. Comments such as, “Our input is not sought,” were repeated across interviews. For example, department heads cited having little input into the allocation of budgeted funds designated for their departments. In addition, members of the site-based decision-making committee indicated that they provide no input to the board regarding decisions made by the district leadership. The superintendent indicated that administrative, campus leadership, and staff meetings are all two-way and that campus principals have virtually complete control of their campus-based decisions.

The lack of effective dialogue and collaboration between central administration and school campuses has created a measure of dissention, low morale, and a general feeling from staff that the district campuses function as disconnected silos. Principals indicated that directives from central administration were minimal. This results in little cohesion or alignment between campuses as each school establishes its

own procedures and functions. “We are four islands,” one staff member reported.

Interviews conducted with board members also indicated that poor communication is a problem between central administration and the board. For example, some board members expressed a need for improved communication between them and the superintendent, and reported that the superintendent did not consistently return phone calls. Board members also indicated that when they tried to communicate with the superintendent via e-mail, the responses they received were often not timely and sometimes came from his secretary. This poor communication has created a climate of mistrust between some board members and the superintendent.

Organizations with ineffective communication methods may struggle with basic operational activities. Effective two-way communication is cited as a necessary trait for success at all levels of education, from school board to superintendent to principal, administrator and teacher. Noted executive management consultant and author Dr. Karl Albrecht, describes how poor communication can lead organizations to disintegrate into isolated camps “with little incentive to cooperate, collaborate, share information, or team up to pursue mission-critical outcomes.” At the district level, a poor communication system can negatively impact staff morale, resource distribution, instructional decisions, and contribute to an overall learning environment that is not conducive to effectively educating students. However, organizations with poor communication strategies are not uncommon, and many districts have taken proactive steps to overcome this obstacle to success.

For example, Matagorda ISD’s internal communication structure allows information to flow quickly and efficiently between the board and superintendent with supports to ensure professional and timely communication. Matagorda ISD’s superintendent listed several ways in which district leadership maintains productive and constructive communication, including the following:

- keeps the board well-informed on all school operations;
- maintains an open-door practice for board members to discuss issues at their discretion;
- ensures that board members receive board meeting agenda packets in advance of board meetings, allowing ample review time; and

- follows through on information requests quickly and efficiently, relaying information to all board members.

Effective communication methods like these can contribute to the success of any district; however, it can be especially important in smaller districts where misinformation is apt to travel more quickly than in larger districts.

Freer ISD should develop a formalized written communication plan that clearly states expected communication methods and channels. The superintendent and the site-based decision-making committee should develop a plan that establishes regular meeting schedules and encourages open communication between central administration and campus staff. Any plan should be approved by the board and also include established methods for improved communication between the board and the superintendent.

No fiscal impact is assumed for this recommendation. Regional Education Service Center II (Region 2) can provide consulting services on this topic at no additional cost as a part of its board and administrative training program.

### **ORGANIZATIONAL STRUCTURE (REC. 2)**

Freer ISD does not have an effective or efficient organizational structure relative to reporting responsibilities and the superintendent's span of control.

The Freer ISD superintendent reports to the Board of Trustees and oversees the management of the district's daily operations as outlined in board policy. In addition, the superintendent supervises and evaluates 10 direct reports. These include three principals, the curriculum director, the special programs/assessment director, the business director, the athletic director, the support services director, the superintendent's secretary, and the tax collector. The superintendent supervises six different functional areas of operation, including educational service delivery, transportation, maintenance, athletics, business operations, and technology.

In addition, the curriculum and related assessment areas are not consolidated, and report independently to the superintendent. This includes both the curriculum director position and the special programs/assessment director position. At the time of the onsite visit, the Technology Department was supervised by the support services director, although technology provided direct support to the campuses. The support services director also provided oversight of the district's maintenance, custodial, and

transportation operations. Supervising such disparate functions is an inefficient organizational practice.

Freer ISD also currently operates an in-house tax office that collects ad valorem taxes for the district. This office includes a tax collector and a tax office clerk. The current Freer ISD tax collection process results in residents within Freer ISD receiving at least two tax bills, one from the Freer ISD Tax Office for the school taxes and the Duval County Emergency Service District, and the second tax bill from the county.

Given the breadth of the responsibilities of this position, it is challenging for the superintendent to effectively supervise all of these direct reports. Daily operational reporting requirements, even for a smaller district of Freer's size, are likely significant with this reporting structure. While an effective span of control or the number of staff a supervisor can effectively manage varies by organization, a general rule for an executive is six to eight direct reports.

Within Freer ISD's current organizational structure, the superintendent is at risk of spending a significant amount of time managing staff, which diminishes the amount of time available for district planning.

Superintendents typically are responsible for a multitude of district functions such as: setting the vision and goals, working with the board, being involved in the community, managing finances, serving as an instructional leader, and delegating daily activities that accomplish instructional and operational requirements. An effective span of control allows time for the chief executive to focus on critical strategic initiatives that contribute to the overall success of the district.

Sinton ISD divides responsibilities and reporting structure under the superintendent's office by allocating operational and instructional responsibilities between a deputy superintendent and an assistant superintendent for curriculum/support services, while maintaining direct oversight of the principals and the athletic director. Other districts divide responsibilities between two to three assistant superintendents or directors over the following combined functional areas: Business Services, Curriculum/Support Services, Human Resources/Student Services, or Technology and Support Operations/Special Programs Services.

Freer ISD should modify the district's organization structure to align similar functions and reduce the superintendent's span of control by redistributing instructional and operational responsibilities between the superintendent, business director, and the curriculum director.

The recommended reporting structure combines functions to establish an educational services department and business and operations department. This functional reporting structure relieves the superintendent of supervision of some staff and functions and reduces the direct reporting from 10 direct reports to seven.

The district should begin to modify the districts’ organization by placing the curriculum director over all educational service areas. During the onsite review, this position was vacant. Since time, the district has indicated that the position has been filled. In addition, the business director should supervise all business and operation areas.

At the time of the onsite visit, the support service director supervised the Technology, Maintenance and Operations, and Transportation Departments. To improve the efficiency and effectiveness of the Technology Department and to streamline the organization of departments by curriculum and operations, the support services director position should be eliminated. The Computers and Technology chapter includes additional recommendations related to the technology function. A new technology supervisor position should be created to oversee the Technology Department; this position should report directly to the curriculum director. In addition, the maintenance and transportation supervisor should report directly to the business director. Since the time of the onsite review, the district has indicated that a new maintenance supervisor has been hired and the support services director now only supervises technology.

The Financial Management chapter includes a recommendation that the district should close the Freer ISD tax office and outsource the tax collection to Duval County.

This recommendation also includes the elimination of the two positions in the tax office.

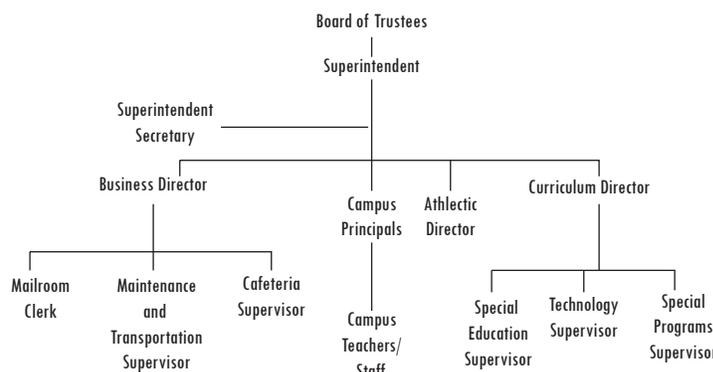
In reorganizing the administrative structure of the district, Freer ISD should also ensure that supervisory roles and reporting assignments are aligned correctly. There should be a clear delineation of responsibilities for each position. An organization that gives the title of supervisor or director to various positions does so with the understanding that all positions with the same title hold the same authority with the organization. For example, all directors should have similar supervisory and reporting responsibilities. In turn, there should not be an established organization structure that has one director position reporting to and being supervised by another director position. In establishing a new organization structure, Freer ISD should maintain three director positions, including business director, curriculum director, and athletic director. The two current director positions, cafeteria director and special programs/assessment director, should be given the new titles of cafeteria supervisor and special programs supervisor. The cafeteria supervisor should report to the business director and the special programs supervisor should report to the curriculum director.

Figure 1–5 shows the proposed reorganization chart.

The district should also consider the new duties assigned to the curriculum director and the business director and modify their job descriptions accordingly. In addition, in considering the new job duties of each director, the district should consider whether these additional duties warrant changes in salary.

The fiscal impact related to the recommendations to eliminate the support services director and create a technology

**FIGURE 1–5  
FREER ISD PROPOSED REORGANIZATION**



SOURCE: Legislative Budget Board, School Review Team, December 2013.

supervisor position are addressed in the Computers and Technology chapter. In addition, the fiscal impact related to closing the tax office is addressed in the Financial Management chapter. The fiscal impact does not assume changes in salaries related to the revised job duties for the director and supervisor positions.

### **STRATEGIC PLANNING (REC. 3)**

Freer ISD does not have a comprehensive strategic planning process to effectively provide direction for the district.

The district uses its district improvement plan (DIP) as a substitute for a comprehensive strategic plan. The DIP is developed each year to identify and develop improvement goals, objectives, and strategies to address district needs based on analysis of student achievement, graduation rates, retention rates, and other federal/state accountability indicators. The Texas Education Code, Section 11.251, requires districts to develop a DIP and have it approved by the board annually. There is no evidence that Freer ISD has attempted to develop a long-range strategic plan.

While the DIP is critical in providing direction for the district, it is not structured to allow for long-range planning. The expectations in Freer ISD's DIP are not driven by any long-term targets established by the board through a strategic planning process. Freer ISD's DIP is focused on instruction and includes student achievement, fiscal responsibility, community involvement, personnel, and safety as they relate to the delivery of educational services. Freer ISD's DIP does not address transportation, food service, asset and risk management, and other areas of district operations. As a result, planning for items such as technology, facilities, and risk management are addressed in ancillary documents that are not integrated into a single comprehensive strategic plan. Additionally, Freer ISD's DIP does not indicate funding sources to accomplish any goals or strategies nor is there any direct link to the district's budget in this document.

Freer ISD uses a model template to create their DIP. However, from onsite interviews and a review of available district documents it is unclear what process the district used to identify the goals and objectives within the DIP or who was involved in the process. Onsite interviews with staff indicated that the DIP for school year 2013–14 was created by central administration and at the time of the onsite review, in October 2013, the DIP was still in draft form and had not been presented to or approved by the board. However, since the time of the onsite review, the superintendent indicated

that the site-based decision-making committee has reviewed and approved the DIP.

A review of the recent DIP found six stated goals for school year 2013–14. In order to accomplish these six goals, the 2013–14 DIP contains 29 objectives and 74 strategies supplemented with hundreds of activities. For example, Goal 2 of the DIP states that Freer ISD will ensure a safe and positive working environment for all. Some of the objectives listed in the DIP to accomplish this goal include establishing effective Disciplinary Alternative Education (DAEP) and In School Suspension (ISS) Programs and ensuring safety regulations are practiced districtwide. There are also several strategies listed for the district to use in order to meet those objectives. These strategies include developing a written comprehensive ISS program, developing and effectively implementing a successful DAEP, and providing training and resources necessary for personnel to fulfill safety regulations.

Data indicates that the board and staff in Freer ISD, while acknowledging the existence of the DIP, seem to spend little time and effort working toward the accomplishment of the goals identified in the plan. For example, an analysis of board and leadership team agendas suggest that the Board of Trustees, superintendent, and other district leaders do not spend time discussing the district goals in the DIP or evaluating the district's progress toward goal attainment. An analysis of published school board agendas for a period of 13 months, from July 17, 2012, to July 22, 2013, indicated that the board addressed 69 agenda items, with only 15 percent related to district goal attainment and 85 percent not clearly related to district goal attainment. In addition, analysis of administrative leadership team agendas from September 6, 2012 to November 17, 2013, indicated that 23 percent of the items discussed may have been directly related to goal attainment, while 77 percent of the items discussed were not clearly related to goal attainment. Board members, district leaders, and members of the district's site-based decision-making committee all suggested that their involvement in the assessment of DIP goals was limited.

Establishing a comprehensive strategic planning process ensures that administrative staff, campus personnel, and principals are in agreement on long-term district direction, use of resources, and goals. Further, a systematic planning process ensures that a process for monitoring and adjusting direction is in place. Sound strategic plans encompass all aspects of district operations including academic, operational, and financial goals. Each goal is tied to resource requirements,

student achievement, implementation steps, timelines, action items, performance measures, and fund requirements. A strategic planning process can also be a means for obtaining stakeholder “buy-in” by bringing staff, parents, and community members into the planning process.

Throughout this report, examples of the district’s lack of an all-encompassing planning process are discussed ranging from the absence of an updated technology plan that is based on identified needs and goals, and at the time of the onsite review, an up-to-date Emergency Operations Plan (EOP). Related to the EOP, the district provided a 2011 Security Audit as its most current version of an EOP. There is also discussion of the lack of a comprehensive bus replacement plan that could impact the budget if the district had to replace the entire fleet at one time. The district is also cited for not having a master plan for facilities management or a plan to address low student performance that includes analysis of performance data.

Districts use different strategies to effectively establish a comprehensive strategic planning process. For example, Tatum ISD uses a strategic planning and monitoring process called a Continuous Improvement Cycle that involves iterative and ongoing review and alignment of the district’s strategic plan, program plans, and Campus Improvement Plans (CIP). All of these plans are developed and reviewed with significant input from all stakeholders including staff, teachers, parents, and community members. A focus group of principals in this district reported that this cycle is one of the main educational issues discussed in instructional administrative team meetings, and principals must link their CIPs to the DIP so that the focus of the entire organization is consistent. Each January, the superintendent presents a monitoring report to the board showing highlights, issues, and plans for each objective of the strategic plan that has been adopted as the official DIP for that year. Principals also prepare and present CIP reports to the board. There is a similar report for each goal and objective for the DIP and the district’s technology plan.

Freer ISD should develop and implement a three- to five-year comprehensive strategic plan with measureable objectives to ensure accountability and evaluate the district’s effectiveness in meeting the needs of its students. The superintendent and the board should initiate the development of a strategic planning process to ensure the improvement of systemic needs in the areas of student achievement, operating procedures, facilities, and community relations. Any strategic planning efforts by the district should include a wide range

of input from staff as well as community members and other stakeholders.

To implement this recommendation, Freer ISD should do the following:

- form a district team (superintendent, senior staff, board representative, and directors) to develop a timeline for the strategic planning process, identify participants, and facilitate the logistics of the process;
- form a district steering committee (central office administration, teachers, principals, board, business community, parents, and students) representing all stakeholder groups to identify the overall direction, values, mission, vision, purpose, and goals for the plan.
- establish an action planning committee (one representative from each stakeholder group: superintendent, senior staff, teachers, principals, board, business community, parents, and students) to write objectives, create strategies, identify resources, and design metrics to measure the outcomes;
- ensure that the plan is written, shared with the public, and posted on the district website for public comment;
- incorporate components of the plan in the annual district and campus improvement plans; and
- develop key highlights of the strategic plan to share with the business community and other organizations.

In developing this plan, goals should be supplemented with specific measurable long-term objectives for both instructional and non-instructional areas.

After determining capacity and availability of staff to oversee and conduct the strategic planning process, the superintendent may want to consider external assistance to lead the district through an initial strategic planning process for the primary purpose of keeping the process focused and adhering to a timeline. External assistance can help to lay the foundation for a five-year strategic plan, including assisting the district in conducting community and parent surveys, forums, and focus groups. After the initial strategic plan has been developed, the district can update its plan in future years.

No fiscal impact is assumed for this recommendation because the district would first need to determine if the strategic

planning process could be conducted in-house or if external assistance would be necessary.

#### **SITE-BASED DECISION-MAKING (REC. 4)**

Freer ISD is not effectively implementing site-based decision-making processes and procedures.

Texas Education Code (TEC) requires school districts to have both district and campus level site-based decision-making (SBDM) committees. Freer ISD has established a district site-based decision-making (SBDM) committee that consists of 20 members with two committee spaces unfilled as of the time of the onsite review. The membership consists of each campus principal, one community representative for each of the three campuses, and one parent from each campus. The other nine members are made up of teachers from the elementary, junior high, and high schools. Onsite interviews and a review of documents show that the district SBDM committee and the campus SBDM committees appear to be using the same members. However, no documents found during the onsite review officially state this. Freer established board policy BQA (LEGAL) and BQA (LOCAL) that defines the roles and responsibilities of the SBDM committees as well as their makeup. Freer ISD local policy mirrors the requirements in the Texas Education Code for site-based decision-making. However, current district practice does not align with statute or local policy.

The Texas Education Code (TEC), Section 11.251(b), states the district level committee must be involved in decisions in the areas of planning, budgeting, curriculum, staffing patterns, staff development, and school organization. The campus-level committee must approve the portions of the campus plan addressing campus staff development needs.

The statute specifies many requirements for SBDM committees including:

- developing, reviewing, and annually revising district and campus improvement plans;
- assisting in district decisions in the areas of planning, budgeting, curriculum, staffing patterns, staff development, and school organization;
- remaining actively involved in establishing administrative procedures; and
- consulting with principals in the planning, operation, supervision, and evaluation of the campus educational program.

The intent of the law is to create a working body of professionals, parents and community members to advise the superintendent on the development of the annual DIP and the planning, operation, supervision, and evaluation of the district educational program.

While Freer ISD has a district improvement plan approved by the board, at the time of the onsite review no campus improvement plans were in place. Additionally, there is also no evidence that the SBDM committee plays any role in the budgetary process or staff development.

Many SBDM members are uncertain of their purpose. Staff reported they do not understand how members are selected for the committee or their responsibilities. Some staff members reported there had been an election of SBDM committee members in the past but said they were unclear of the current methodology for committee formation. Additionally, the role of the SBDM committee within the organizational structure of the district is unclear. Interviews with staff indicated that neither the principals nor SBDM committee members were trained on the SBDM process. SBDM committee members characterized their role as “we are just here to listen.” One member said: “we do nothing.”

TEC also requires both the district and campus level SBDM committees to hold at least one public meeting a year. Interviews with staff indicated that no such public meetings occurred during school year 2012–13 or 2013–14 (as of October 2013).

The requirements for the formation and work of the SBDM committee have been in place since 1995. Many districts have created successful models to comply with the law, and, more importantly, to add value to the work of the district. Effective districts integrate the SBDM committee into the decision-making processes which serve to assist the superintendent and board in their leadership capacity. This process also supports consistency and continuity in the planning, goal setting, and monitoring functions.

Freer ISD should create a functional site-based decision-making process. The district should establish a plan for effectively implementing existing local and legal policies and procedures addressing site-based decision-making at both the district and campus levels. The superintendent and the board should take the lead in establishing a process for engaging with the current SBDM committees. They should ensure that district leadership and SBDM committee members are properly trained in the SBDM process and have clearly defined roles and responsibilities. Regular meetings of

the SBDM committees should be established, including ensuring that the required annual public meetings are placed on the district calendar well in advance of the meeting, and committee members and district staff are made aware of the meetings. The superintendent and the board should seek assistance from Region 2 in understanding the expectations, requirements, and proper procedures related to site-based decision-making. The board should require written progress reports from the superintendent on the process as needed.

This recommendation can be implemented using existing resources.

### **RECORDS MANAGEMENT (REC. 5)**

Freer ISD's records management process is ineffective and lacks proper controls.

The district has adopted a records retention schedule as required by the Texas State Library and Archives Commission (TSLAC). However, the adoption of this schedule was informal, and district local policy does not explicitly identify it as the records management plan the district will follow. A review of documents and interviews with staff revealed that there is no written records management program outlining procedures for the requirements stated in Freer ISD's legal and local policies.

According to interviews conducted during the onsite review, Freer ISD's records management is very informal. For example, central office personnel keep the previous year's files on site for one to two years and then box them up for storage. At the campus level, registrars organize and manage students' academic records or transcripts, which, according to the TSLAC, are permanent records requiring protection from fire, water damage, corruption, or destruction. The schools' secretaries send these records for storage as well.

In 1999, Freer ISD contracted with a records management company to help organize district records, including destruction of records that had met their retention date. However, the district did not keep up with the required organizing, managing, and shredding of records. Freer ISD contracted with the company a second time to complete the process and was not satisfied with the company's performance. The district has not used their services again. Since that time, the district has not directed resources to records management, including necessary records destruction, resulting in new storage needs. The district lacks records management guidance for properly boxing and labeling records for storage, preserving permanent records from inadvertent destruction

or corruption, or, managing annual purging, collection, and shredding of records.

Further, staff development records indicate that the district personnel who manage, organize, maintain, and store records have not had training in records management and are not using established best practices for records processing.

The Texas Local Government Code, Section 203.023, requires districts to appoint a Records Management Officer (RMO) and establish a records management plan. Interviews with district staff indicate that the superintendent, who is the district's custodian of records, has delegated the responsibility of records management, including managing personnel records, to his secretary. However, the district has not officially named the secretary as the RMO in accordance with district legal policy, specifically CPC (LEGAL).

Freer ISD also has no system to ensure that records are tracked, labeled adequately, and kept the appropriate amount of time. Systematic districtwide storage procedures are not in place. For example, staff reported that some records were stored in an unused building while the district constructed the new administration facility, which was completed about four years ago. The building's roof collapsed, and many records were lost. At the time of the onsite review, the district stored records in another unused building behind the high school, and staff interviews indicated that this building's roof is also in need of repair, exposing the district to the risk of losing documents once again.

Other district records are spread throughout the district. For example, staff was unaware of the location of the facility "as built" blueprints. Since the time of the onsite review, the superintendent indicated that the school attorney had them as part of an ongoing construction lawsuit.

A review of Freer ISD's financial records also noted the district does not have one central location where it maintains all its financial contracts with vendors. The onsite review team was unable to review several vendor contracts as district staff was unaware of their location. District staff stated that copies of the contracts were probably located in various district offices but they were not sure where. In addition, the district maintains tax records and board minutes in the tax record room. However, upon observing this room onsite, the review team noted that it was in a state of disorder and boxes of board minutes were piled and scattered throughout the room. In addition, the room was unlocked allowing anyone access to these documents.

Freer ISD also keeps employment documentation, evaluations, and medical information for staff in separate folders in the superintendent's secretary's office. The file cabinets in this office are not locked, nor are they fireproof. This puts the district at risk of violating the federal Health Insurance Portability and Accountability Act, or HIPAA, which requires employee medical information to be maintained securely to maintain strict confidentiality.

The lack of district records management procedures and guidelines on maintaining employee personnel files results in staff confusion, haphazard and incomplete records management, lost records, and potential exposure to fines or legal consequences. Lack of diligent records management procedures is not consistent with the legal requirements outlined by the Texas State Library and Archives Commission (TSLAC), the Public Information Act, and other federal and state laws.

School districts are charged with maintaining a large number of records in a variety of formats. These include paper as well as electronic records. In addition, there are numerous rules and regulations provided by state agencies which describe how long records should be maintained and how they should be disposed of when they reach the end of their cycle. The Texas Local Government Code, Section 200, (the Local Government Records Act) provides guidelines that govern the management and retention of local government records including student academic records, district financial records, transportation, food service records, and individual employee records.

The Texas Administrative Code rules associated with destruction, management and preservation of records require all local governments to establish a records management program and create a records control schedule. The process of identifying, analyzing, and appraising a school district's records should include the identification of records that are considered essential or vital to its operations. These records must be protected by adequate backup procedures. If a disaster occurs, the backup copies of the records should then be available to continue operations.

TSLAC records retention provisions state that the destruction of local government records, in violation of the Local Government Act of 1989 and the administrative rules accompanying those provisions, is a Class A misdemeanor. For severe infractions, a perpetrator may face a third degree felony charge (Texas Penal Code, Section 37.10). Additionally, personnel who destroy local government

records without authorization may face criminal penalties and fines described in the Public Information Act (Texas Government Code, Chapter 552). The district's practices are not consistent with TSLAC provisions because staff is aware that records are now stored in an old building with a roof that is not secure, thus, putting important records in jeopardy.

Many districts, especially small ones, struggle with record keeping processes and procedures. One small district, Karnack ISD, has implemented an effective process for administering its records management system. The district maintains a current records control schedule defining retention and destruction procedures and timelines for all types of records and information. The district also contracts with a records management consultant to assist with implementing and maintaining the district's comprehensive records retention plan. The records management consultant visits the district annually to handle the disposition of appropriate records. Campus administrators, department directors, and the central administrative office staff work with the contractor to ensure all records are appropriately identified, stored, transported, and disposed of according to the district's records control schedule. The district's business manager assesses the contractor's performance by ensuring established goals are met within set timelines. The district's formal records management plan establishes clearly stated procedures for handling all types of information, including information the district maintains for management purposes and records it is legally required to retain. Records maintained at Karnack ISD are stored in fire-safe file cabinets in the administration building while retired records are stored at an offsite location. Using these procedures, the district complies with requirements of the Texas Local Government Records Act and district board policy on records management.

Freer ISD should revise local policy to develop an official districtwide records management policy. The district should begin this process by assigning a district administrator to officially serve as the district's Records Management Officer (RMO). The RMO should take the lead in working with the superintendent and the board to help revise local policy to comply with all federal and state standards for records management. These revisions should thoroughly and distinctly outline how the district will coordinate, organize, and manage its records. This should include establishing a central, secure location where key records are stored. As part of the records management policy, the district should follow

the TSLAC retention schedule for records of public school districts/local governments.

The RMO should participate in records management training. Records management webinars are available to Texas Association of School Boards (TASB) and Texas Association of School Personnel Administrators members at no cost, and relevant resources are available on the TASB website. Additionally, the RMO should assist and advise district staff with daily records management activities. Annually, the RMO should assist with purging records of superfluous documents (documents that are not listed on the TSLAC retention schedule), verify the contents of boxed records before storage, and arrange for the destruction of records that have met retention dates.

The RMO along with the administrator in charge of human resources should follow these recommended steps in managing district records:

- Create job descriptions and job evaluation instruments that outline the specific duties of the RMO and the administrative assistant.
- Write detailed procedures for the proper coordination, organization, and management of district records.
- Review district local policy CPC and ensure that the Records Management Officer (as prescribed by the Texas Local Government Code, Sections 203 to 223), the Records Administrator (as prescribed by the Texas Local Government Code Sections 176.001 and 176.007), the Officer for Public Information (as prescribed by the Texas Government Code, Sections 552.201 to 204), and the Public Information Officer (as prescribed by the Texas Government Code, Section 552.012) are formally named and their contact information is included in procedures/regulations and on the district's website.
- Ensure the district reads the name, office, or position of the records management officer into the minutes of a board of trustees meeting in accordance with the Local Government Code, Section 203.025.
- Inform the director and librarian of TSLAC of the name or the name and office or position of the RMO within 30 days of designation.

The district should also consider the use of an outside records management consulting firm to help set up their records management program.

No fiscal impact is assumed for this recommendation as the district can decide whether the records management system can be set up in-house or if the district should acquire the services of an outside consulting firm.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

<b>RECOMMENDATION</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>TOTAL 5-YEAR (COSTS) SAVINGS</b>	<b>ONE- TIME (COSTS) SAVINGS</b>
<b>CHAPTER 1: DISTRICT ORGANIZATION AND GOVERNANCE</b>							
1. Develop a formalized written communication plan that clearly states expected communication methods and channels.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Modify the district's organization structure to align similar functions and reduce the superintendent's span of control by redistributing instructional and operational responsibilities between the superintendent, business director, and the curriculum director.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. Develop and implement a three- to five-year comprehensive strategic plan with measureable objectives to ensure accountability and evaluate the district's effectiveness in meeting the needs of its students.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. Create a functional site-based decision-making process.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5. Revise local policy to develop an official districtwide records management policy.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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## **CHAPTER 2**

# **EDUCATIONAL SERVICE DELIVERY**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 2. EDUCATIONAL SERVICE DELIVERY

An independent school district's educational service delivery function is responsible for providing instructional services to Texas students based on state standards. A school district should identify students' educational needs, provide instruction, and measure academic performance. Educational service delivery can encompass a variety of student groups and requires adherence to state and federal regulations related to standards, assessments, and program requirements.

Managing educational services is dependent on a district's organizational structure. Larger districts typically have multiple staff dedicated to educational functions, while smaller districts have staff assigned to multiple education-related tasks. Educational service delivery identifies district and campus priorities, establishes high expectations for students, and addresses student behavior. The system provides instructional support services such as teacher training, technology support, and curriculum resources. To adhere to state and federal requirements, an educational program must evaluate student achievement across all content areas, grade levels and demographic groups.

Freer Independent School District (ISD) consists of one elementary school, one junior high school, and one high school. In school year 2011–12, enrollment totaled 859 students with 87.8 percent Hispanic, 11.1 percent White, 0.8 percent Asian, 0.1 percent African American, and 0.1 percent two or more races. Approximately 63.7 percent of students were identified as economically disadvantaged (slightly over the state average of 60.4 percent); 5.4 percent were identified as limited English proficient (LEP) (below the state average of 16.8 percent); and 54 percent of students were identified as at risk (over the state average of 45.4 percent).

Freer ISD has a history of variable academic achievement. Under the state accountability system, the district was rated *Improvement Required* for school year 2012–13, *Academically Unacceptable* in school years 2010–11 and 2008–09, and *Academically Acceptable* in school years 2007–08 and 2009–10. In school year 2012–13, the most recent state accountability data available at the time of the review in October 2013, Freer High School was rated *Met Standard*, and Freer Junior High and Norman M. Thomas Elementary were rated *Improvement Required*. All the campuses have a history of variable accountability ratings. Additionally, since

the time of the onsite visit, in a letter from TEA dated February 28, 2014 the district was notified that its accreditation status was now *Accredited-Warning*. The change in status was due to the ratings assigned to the district in the state's academic and financial accountability rating systems. With this rating, pursuant to TEC, Section 39.103, and the Texas Administrative Code, Section 97.1073, the district has been assigned a monitor until August 31, 2014. **Figure 2–1** shows the state accountability ratings for the past 10 years for the district and the individual campuses under the previous system (Exemplary, Recognized, Acceptable, or Academically Unacceptable) and the revised system implemented in school year 2012–13 (Met Standard, Improvement Required, or Not Rated).

Pursuant to the accountability provisions in the *No Child Left Behind Act*, all public school campuses, school districts, and states are evaluated for Adequate Yearly Progress (AYP). The 2012 AYP results indicate that Freer ISD *Missed AYP* for Reading (Performance) and is in Stage 1 of School Improvement Plan requirements for Reading (Performance). A district is identified for Stage 1 requirements if it does not meet AYP requirements for the same measure that was missed in the previous year. In 2012, Freer High School was rated *Meets AYP*, Freer Junior High *Missed AYP* for Reading (Performance) and Mathematics (Performance), and Norman M. Thomas Elementary *Missed AYP* for Mathematics (Performance). **Figure 2–2** shows Freer ISD AYP data from school year 2002–03 to 2011–12.

**Figure 2–3** compares various academic measures of Freer ISD to other school districts in Regional Education Service Center II (Region 2) and the State.

The district's organization for educational service delivery is shown in Figure 2–4. The curriculum director, the special programs/assessment director, the athletic director, and the support services director all report directly to the superintendent. The curriculum director is responsible for providing direct overall supervision to the special education supervisor, who in turn provides direct supervision to the Duval County diagnostician. In addition, the curriculum director provides direct supervision to the campus principals and campus instructional staff. The curriculum director's main responsibilities include monitoring curriculum implementation, ensuring that the written curriculum is

**FIGURE 2-1  
FREER ISD STATE ACCOUNTABILITY RATINGS  
SCHOOL YEARS 2001-02 TO 2012-13**

YEAR	DISTRICT	HIGH SCHOOL	JUNIOR HIGH SCHOOL	ELEMENTARY SCHOOL	ASSESSMENT INSTRUMENT
2001-02	Acceptable	Exemplary	Acceptable	Recognized	TAAS
2002-03	None	None	None	None	TAKS
2003-04	Acceptable	Acceptable	Acceptable	Recognized	TAKS
2004-05	Acceptable	Acceptable	Unacceptable	Acceptable	TAKS
2005-06	Acceptable	Unacceptable	Acceptable	Acceptable	TAKS
2006-07	Acceptable	Acceptable	Unacceptable	Recognized	TAKS
2007-08	Acceptable	Acceptable	Unacceptable	Recognized	TAKS
2008-09	Unacceptable	Unacceptable	Unacceptable	Recognized	TAKS
2009-10	Acceptable	Acceptable	Recognized	Acceptable	TAKS
2010-11	Unacceptable	Unacceptable	Acceptable	Acceptable	TAKS
2011-12	None	None	None	None	STAAR
2012-13	Improvement Required	Met Standard	Improvement Required	Improvement Required	STAAR

NOTE: Accountability ratings were not issued in school year 2002-03 and school year 2011-12 with the implementation of new state assessments.

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS) reports, school years 2001-02 to 2012-13.

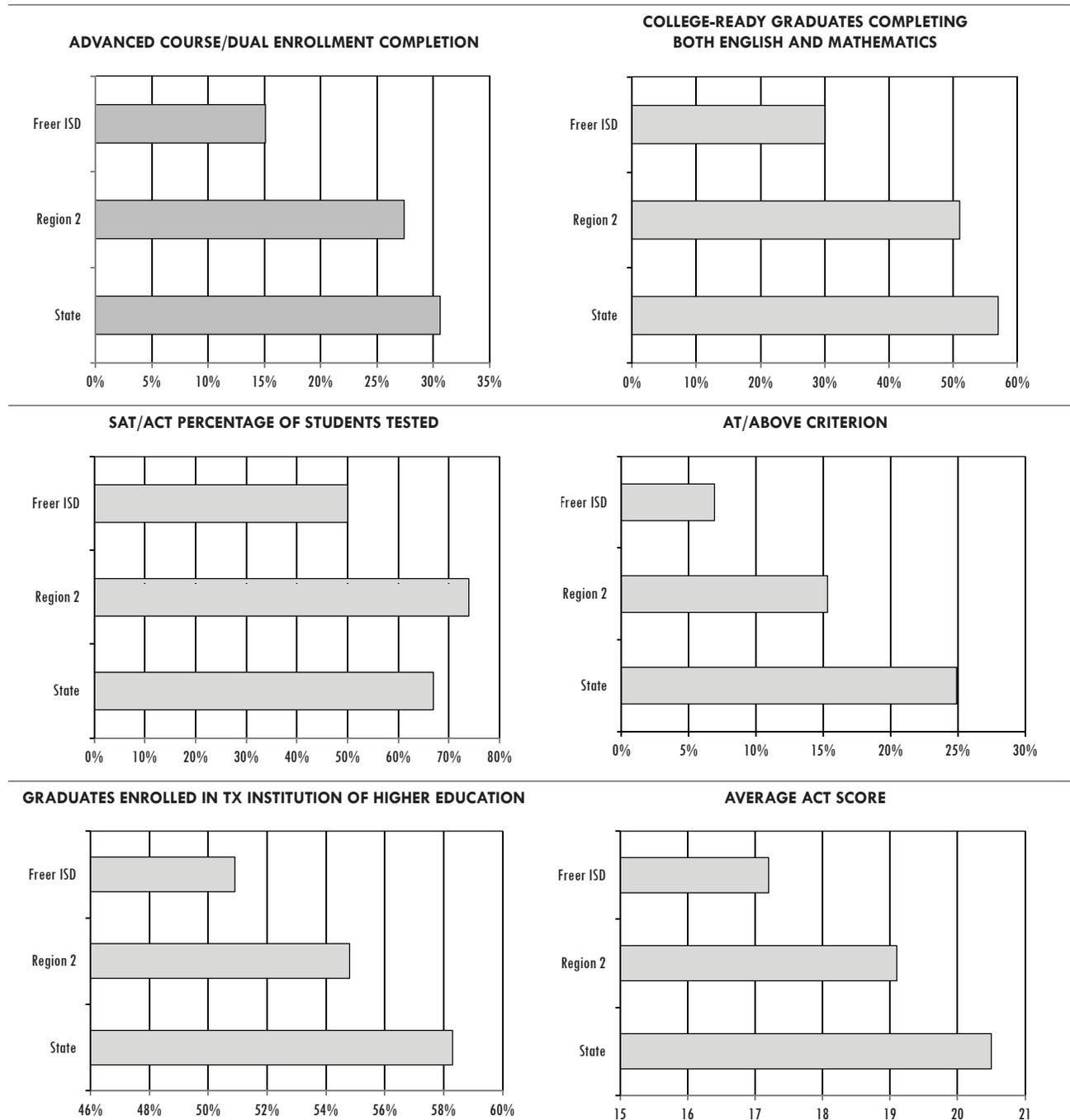
**FIGURE 2-2  
FREER ISD ADEQUATE YEARLY PROGRESS RATINGS  
SCHOOL YEARS 2002-03 TO 2011-12**

AYP STATUS	DISTRICT	HIGH SCHOOL	JUNIOR HIGH SCHOOL	ELEMENTARY SCHOOL
2002-03	Met	Met	Met	Met
2003-04	Met	Met	Met	Met
2004-05	Met	Met	Missed	Met
2005-06	Met	Missed	Met	Met
2006-07	Met	Met	Met	Met
2007-08	Missed	Met	Missed	Met
2008-09	Missed	Missed	Met	Met
2009-10	Met	Met	Met	Met
2010-11	Missed	Missed	Missed	Missed
2011-12	Missed	Met	Missed	Missed

SOURCE: Texas Education Agency, Adequate Yearly Progress (AYP), school years 2002-03 to 2011-12.

aligned with the test curriculum and state standards, and organizing instructional models. The curriculum director also provides oversight for the gifted and talented program as well as the dyslexia program. During the onsite review, the curriculum director position was vacant. Since the time of the onsite review, the district reports they have hired a curriculum director. The special programs/assessment director is responsible for managing all federal programs and grants, identifying at-risk students, managing assessment and providing oversight for the bilingual, English as a Second Language (ESL), and migrant education programs. In addition, the special programs/assessment director handles the Instructional Materials Allotment (IMA). The athletic director is responsible for all student athletic programs in the district. The support services director managed all technology in the district, supervised the Maintenance and Transportation Departments, and served as the district's pest control coordinator. During the onsite review, the support services director also provided direct overall supervision to the web administrator who provided technical support of all technology applications. Since the time of the onsite review, the district has indicated that a new maintenance supervisor has been hired and the support services director now only supervises technology.

**FIGURE 2–3  
FREER ISD  
DISTRICT STUDENT ACADEMIC MEASURES COMPARED TO REGION 2 AND STATE  
SCHOOL YEAR 2012–13**

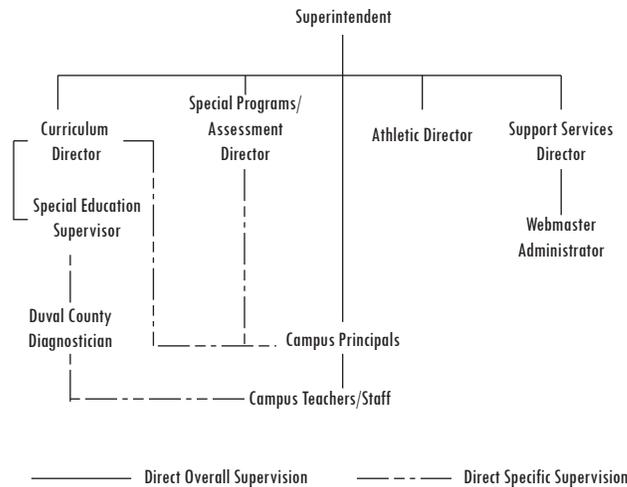


**NOTES:**

- (1) To be considered college-ready, a graduate must have met or exceeded the college-ready criteria on the TAKS exit-level test, or the SAT or ACT test.
- (2) Criterion refers to the scores on the SAT and ACT college admissions tests, the AP and IB tests, and the College-Ready Graduates indicator. For college admissions tests, the criterion scores are at least 24 on the ACT (composite) and at least 1110 on the SAT (total). For AP and IB tests, the criterion scores are at least 3 on AP tests, and at least 4 on IB tests.

SOURCE: Texas Education Agency, Texas Academic Performance Report 2012–13.

**FIGURE 2-4**  
**FREER ISD EDUCATIONAL SERVICE DELIVERY ORGANIZATION**  
**SCHOOL YEAR 2013-14**



SOURCE: Freer ISD, superintendent's office, October 2013.

**FINDINGS**

- ◆ Freer ISD lacks a formalized plan to address low student performance that includes analysis of performance data as well as identification and implementation of instructional approaches to maximize learning opportunities.
- ◆ Freer ISD does not provide clear direction for developing, managing, and evaluating curriculum and instruction or aligning professional development and instructional resource needs.
- ◆ Freer ISD lacks the resources and training to deliver effective differentiated instruction, resulting in inconsistent strategies for meeting the educational needs of students in special education, students with dyslexia, and other students with special needs.
- ◆ Freer ISD's discipline program is inconsistently managed resulting in an inordinate number of disciplinary placements.
- ◆ Freer ISD lacks a formalized plan for maximizing use of its Instructional Materials Allotment, resulting in minimal input from teaching and administrative staff and inadequate resources to address the needs of teachers and students.
- ◆ Freer ISD does not have formal policies or procedures in place to manage the procurement, implementation,

and evaluation of instructional programs and other academic materials and resources.

- ◆ Freer ISD does not consistently clarify the responsibilities, position-required training, mandatory and ongoing professional development and overall job functions of staff.

**RECOMMENDATIONS**

- ◆ **Recommendation 6: Ensure that all instructional strategies and models are research-based, designed to meet student needs, and aligned with high expectations for all students.**
- ◆ **Recommendation 7: Modify board policies and administrative procedures related to curriculum and instruction to provide a framework for a coordinated system of curriculum development, instruction, and professional development.**
- ◆ **Recommendation 8: Identify teachers who are implementing effective differentiated instruction strategies and who can assist other teachers to develop their skills in differentiated instruction.**
- ◆ **Recommendation 9: Convene a discipline oversight committee consisting of principals, counselors, and other stakeholders to improve disciplinary policy and procedures in the district.**

- ◆ **Recommendation 10: Organize Texas Education Agency-recommended teams to implement a transparent process for acquiring instructional materials and for upgrading technology, including hardware, software, infrastructure, and assistive technology, as needed.**
- ◆ **Recommendation 11: Form a district oversight committee to develop policies and procedures for selecting and evaluating current and future instructional programs and materials.**
- ◆ **Recommendation 12: Develop, implement, and assess policies and procedures for training, professional development, and ongoing support for all staff members, inclusive of support services positions.**

## DETAILED FINDINGS

### STUDENT PERFORMANCE (REC. 6)

Freer ISD lacks a formalized plan to address low student performance that includes analysis of performance data as well as identification and implementation of instructional approaches to maximize learning opportunities.

Over the past five years, Freer ISD has experienced low student achievement with no pattern of improvement on state accountability system indicators. Historical analysis of Texas Assessment of Knowledge and Skills (TAKS) performance for all student groups indicates significant achievement gaps between the district and the state. TAKS was used for this analysis because of the longer historic perspective provided. However, in reviewing district student data on the new State of Texas Assessments of Academic Readiness (STAAR), low performance trends continue in most areas.

When considering gaps in district performance, it is important to acknowledge that similar gaps between student groups do exist statewide. **Figures 2–5 to 2–8** show TAKS performance data (percentage of students who met the passing standard) in English language arts-reading (ELA-reading), mathematics, science, and social studies over a four-year period, comparing Freer ISD’s student groups to peer groups statewide. Overall, most Freer ISD student groups performed five or more percentage points lower than the state average for their respective peer groups. The exception was in social studies for school years 2008–09, 2009–10, and 2010–11.

**FIGURE 2–5  
FREER ISD AND STATEWIDE ELA-READING TAKS  
PERFORMANCE BY STUDENT GROUP  
SCHOOL YEARS 2007–08 TO 2010–11**

MEASURE	2007–08	2008–09	2009–10	2010–11
State Overall	91%	91%	90%	90%
Freer ISD Overall	<b>83%</b>	<b>85%</b>	<b>82%</b>	<b>79%</b>
State African American	87%	88%	87%	86%
Freer ISD African American	--	--	--	--
State Hispanic	87%	88%	87%	87%
Freer ISD Hispanic	<b>82%</b>	84%	<b>82%</b>	<b>79%</b>
State White	96%	96%	96%	95%
Freer ISD White	<b>89%</b>	<b>90%</b>	<b>87%</b>	<b>82%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007–08 to 2010–11.

**FIGURE 2–6  
FREER ISD AND STATEWIDE MATHEMATICS TAKS  
PERFORMANCE BY STUDENT GROUP  
SCHOOL YEARS 2007–08 TO 2010–11**

MEASURE	2007–08	2008–09	2009–10	2010–11
State Overall	80%	82%	84%	84%
Freer ISD Overall	<b>68%</b>	<b>66%</b>	<b>72%</b>	<b>69%</b>
State African American	69%	71%	74%	75%
Freer ISD African American	--	--	--	--
State Hispanic	75%	78%	81%	81%
Freer ISD Hispanic	<b>66%</b>	<b>66%</b>	<b>70%</b>	<b>68%</b>
State White	89%	90%	91%	91%
Freer ISD White	<b>83%</b>	<b>70%</b>	<b>85%</b>	<b>73%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007–08 to 2010–11.

**FIGURE 2-7  
FREER ISD AND STATEWIDE SCIENCE TAKS PERFORMANCE  
BY STUDENT GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Overall	74%	78%	83%	83%
Freer ISD Overall	<b>63%</b>	<b>61%</b>	<b>64%</b>	<b>65%</b>
State African American	61%	66%	75%	74%
Freer ISD African American	--	--	--	--
State Hispanic	66%	70%	78%	78%
Freer ISD Hispanic	<b>59%</b>	<b>57%</b>	<b>61%</b>	<b>62%</b>
State White	87%	89%	92%	92%
Freer ISD White	<b>82%</b>	<b>81%</b>	<b>79%</b>	<b>78%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

**FIGURE 2-8  
FREER ISD AND STATEWIDE SOCIAL STUDIES TAKS  
PERFORMANCE BY STUDENT GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Overall	91%	93%	95%	95%
Freer ISD Overall	<b>84%</b>	<b>84%</b>	<b>84%</b>	<b>84%</b>
State African American	87%	90%	93%	92%
Freer ISD African American	--	--	--	--
State Hispanic	88%	90%	94%	94%
Freer ISD Hispanic	<b>83%</b>	<b>82%</b>	<b>81%</b>	<b>81%</b>
State White	96%	97%	98%	98%
Freer ISD White	<b>91%</b>	95%	99%	96%

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

Figures 2-9 to 2-12 show the performance of Freer ISD students identified for special education, as economically disadvantaged, Limited English Proficiency (LEP), and at risk compared to state averages for their respective populations. Figures in bold indicate a Freer ISD student performance gap that is five or more percentage points lower than the state average for that group. For the four-year period shown, the performance of Freer ISD identified groups was generally lower than state averages for their respective groups, with few instances of groups that met or exceeded state averages. The exceptions were LEP students in ELA-Reading in school year 2010-11, special education students in mathematics in school years 2007-08 and 2010-11, special education students in science in school year 2007-08 and in social studies in school years 2007-08 and 2010-11.

**FIGURE 2-9  
FREER ISD AND STATEWIDE ELA-READING TAKS  
PERFORMANCE BY STUDENT GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Special Ed	75%	78%	66%	75%
Freer ISD Special Ed	88%	75%	<b>52%</b>	<b>70%</b>
State Economically Disadvantaged	86%	87%	86%	85%
Freer ISD Economically Disadvantaged	<b>77%</b>	<b>81%</b>	<b>78%</b>	<b>73%</b>
State LEP	72%	74%	73%	73%
Freer ISD LEP	<b>63%</b>	<b>67%</b>	<b>50%</b>	80%
State At Risk	82%	83%	81%	80%
Freer ISD At Risk	<b>72%</b>	<b>75%</b>	<b>69%</b>	<b>65%</b>

NOTE: The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

In summary, as these figures show, district performance is generally below state averages overall and for student groups.

**FIGURE 2-10  
FREER ISD AND STATEWIDE MATHEMATICS TAKS  
PERFORMANCE BY STUDENT GROUPS  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Special Ed	61%	68%	55%	68%
Freer ISD Special Ed	67%	<b>45%</b>	<b>36%</b>	70%
State Economically Disadvantaged	74%	76%	79%	79%
Freer ISD Economically Disadvantaged	<b>60%</b>	<b>59%</b>	<b>65%</b>	<b>63%</b>
State LEP	68%	71%	74%	76%
Freer ISD LEP	<b>57%</b>	<b>50%</b>	70%	<b>65%</b>
State At Risk	63%	66%	69%	70%
Freer ISD At Risk	<b>48%</b>	<b>45%</b>	<b>51%</b>	<b>48%</b>

NOTE: The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

**FIGURE 2-11  
FREER ISD AND STATEWIDE SCIENCE TAKS PERFORMANCE  
BY STUDENT GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Special Ed	39%	46%	54%	60%
Freer ISD Special Ed	58%	44%	<b>38%</b>	56%
State Economically Disadvantaged	63%	68%	76%	76%
Freer ISD Economically Disadvantaged	<b>53%</b>	<b>49%</b>	<b>54%</b>	<b>54%</b>
State LEP	42%	47%	57%	58%
Freer ISD LEP	--	--	--	<b>44%</b>
State At Risk	53%	58%	67%	66%
Freer ISD At Risk	<b>41%</b>	<b>33%</b>	<b>40%</b>	<b>43%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

**FIGURE 2-12  
FREER ISD AND STATEWIDE SOCIAL STUDIES TAKS  
PERFORMANCE BY SPECIAL GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
State Special Ed	64%	72%	78%	77%
Freer ISD Special Ed	71%	<b>67%</b>	<b>56%</b>	78%
State Economically Disadvantaged	87%	89%	93%	93%
Freer ISD Economically Disadvantaged	<b>71%</b>	<b>78%</b>	<b>78%</b>	<b>78%</b>
State LEP	63%	68%	80%	80%
Freer ISD LEP	--	--	--	<b>67%</b>
State At Risk	84%	87%	91%	90%
Freer ISD At Risk	<b>76%</b>	<b>74%</b>	<b>74%</b>	<b>75%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

Figures 2-13 to 2-15 show performance comparisons of Freer ISD students overall and those identified as special education, economically disadvantaged, LEP, or at risk. Percentages in bold indicate the areas in which the identified Freer ISD student groups performed five percentage points or more below Freer ISD students overall.

**FIGURE 2-13  
FREER ISD ELA-READING TAKS PERFORMANCE BY  
STUDENT GROUP  
SCHOOL YEARS 2007-08 TO 2010-11**

MEASURE	2007-08	2008-09	2009-10	2010-11
Overall	83%	85%	82%	79%
Special Ed	88%	<b>75%</b>	<b>52%</b>	<b>70%</b>
Economically Disadvantaged	<b>77%</b>	<b>81%</b>	<b>78%</b>	<b>73%</b>
LEP	<b>63%</b>	<b>67%</b>	<b>50%</b>	80%
At Risk	<b>72%</b>	<b>75%</b>	<b>69%</b>	<b>65%</b>

NOTES:

- (1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.
- (2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007-08 to 2010-11.

**FIGURE 2–14**  
**FREER ISD MATHEMATICS TAKS PERFORMANCE BY STUDENT GROUP**  
**SCHOOL YEARS 2007–08 TO 2010–11**

MEASURE	2007–08	2008–09	2009–10	2010–11
Overall	68%	66%	72%	69%
Special Ed	67%	<b>45%</b>	<b>36%</b>	70%
Economically Disadvantaged	<b>60%</b>	<b>59%</b>	<b>65%</b>	<b>63%</b>
LEP	<b>57%</b>	<b>50%</b>	70%	65%
At Risk	<b>48%</b>	<b>45%</b>	<b>51%</b>	<b>48%</b>

NOTE: The numbers in bold show the areas in which the identified Freer ISD student groups performed 5 percentage points or more below Freer ISD students overall.

SOURCE: Texas Education Agency, AEIS reports, school years 2007–08 to 2010–11.

**FIGURE 2–15**  
**FREER ISD SCIENCE TAKS PERFORMANCE BY STUDENT GROUP**  
**SCHOOL YEARS 2007–08 TO 2010–11**

MEASURE	2007–08	2008–09	2009–10	2010–11
Overall	63%	61%	64%	65%
Special Ed	<b>58%</b>	<b>44%</b>	<b>38%</b>	<b>56%</b>
Economically Disadvantaged	<b>53%</b>	<b>49%</b>	<b>54%</b>	<b>54%</b>
LEP	--	--	--	<b>44%</b>
At Risk	<b>41%</b>	<b>33%</b>	<b>40%</b>	<b>43%</b>

NOTES:

(1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.

(2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Texas Education Agency, AEIS reports, school years 2007–08 to 2010–11.

Over the period and subject areas analyzed, performance of all special groups has generally been lower than performance of Freer ISD students overall based on lower percentages meeting the TAKS standard. As the data indicate, achievement gaps in Freer ISD are persistent in terms of race and ethnicity and special student groups. Overall, the identified student groups are performing at a lower level than the overall Freer ISD student population.

**Figure 2–16** shows the 2012–13 STAAR results for Freer ISD as compared to the state. The bold items show the grade levels/subject areas with performance below the state average in each category of performance (Level I - Unsatisfactory, Level II - Satisfactory, and Level III - Advanced).

**Figure 2–17** shows a comparison of student performance on the STAAR as compared to the set of peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes. In comparison to these four districts, the percentages of Freer ISD students meeting STAAR Level II standards were:

- second highest in Grade 3 reading;
- fourth highest in Grade 4 writing;
- fifth highest in Grade 5 science;
- second highest in Grade 7 math; and
- fourth highest in Grade 8 social studies.

In summary, analysis of this data indicates key groups and subject areas do not receive enough targeted interventions. Starting in first grade, Freer ISD students receive departmentalized instruction. This means that students have multiple teachers covering the different content areas. One teacher may teach mathematics and science, and another teacher may teach English language arts/reading and social studies to the same group of students on a grade level. Traditionally, departmentalization is introduced in the upper elementary grades. This is the case for several reasons: to facilitate the transition to junior high school, where switching classrooms is generally the norm, and to allow teachers to focus on a particular subject area as the content becomes increasingly difficult.

Teachers who participated in focus groups had mixed feelings about departmentalization in the early grades. Some believed that it was not developmentally appropriate to departmentalize in first grade, and that it did not provide them a chance to really get to know their students. Others expressed a concern that they did not like being solely responsible for the reading or mathematics performance for up to 87 students. Conversely, some teachers were in support of departmentalization because they felt it was easier to manage the content.

When asked about the types of opportunities available to plan collaboratively and to coordinate with fellow grade-level teachers to integrate instruction, teachers reported that grade-level teams met once a week but that the meetings were not always about curriculum. When asked to estimate the extent to which performance data was used to make instructional decisions, one principal indicated that teachers at one grade-level at his/her campus were prepared to use data to make instructional decisions. However, another

**FIGURE 2–16**  
**STAAR RESULTS FOR FREER ISD STUDENTS COMPARED TO STATE**  
**SCHOOL YEAR 2012–13**

GRADE LEVEL/ CONTENT AREA	LEVEL I UNSATISFACTORY		LEVEL II SATISFACTORY		LEVEL III ADVANCED	
	FREER ISD	STATE	FREER ISD	STATE	FREER ISD	STATE
Grade 3 Reading	<b>30%</b>	21%	<b>70%</b>	79%	<b>14%</b>	20%
Grade 3 Mathematics	22%	31%	78%	69%	<b>11%</b>	16%
Grade 4 Reading	<b>57%</b>	28%	<b>43%</b>	72%	<b>3%</b>	20%
Grade 4 Mathematics	<b>48%</b>	32%	<b>52%</b>	68%	<b>7%</b>	16%
Grade 4 Writing	<b>57%</b>	29%	<b>43%</b>	71%	<b>2%</b>	7%
Grade 5 Reading	<b>48%</b>	23%	<b>52%</b>	77%	<b>10%</b>	20%
Grade 5 Mathematics	<b>58%</b>	25%	<b>42%</b>	75%	<b>7%</b>	21%
Grade 5 Science	<b>49%</b>	27%	<b>51%</b>	73%	<b>7%</b>	11%
Grade 6 Reading	<b>45%</b>	29%	<b>55%</b>	71%	<b>6%</b>	20%
Grade 6 Mathematics	<b>39%</b>	26%	<b>61%</b>	74%	<b>5%</b>	16%
Grade 7 Reading	<b>40%</b>	23%	<b>60%</b>	77%	<b>4%</b>	16%
Grade 7 Mathematics	<b>33%</b>	29%	<b>67%</b>	71%	<b>4%</b>	9%
Grade 7 Writing	<b>54%</b>	30%	<b>46%</b>	70%	<b>2%</b>	5%
Grade 8 Reading	<b>39%</b>	16%	<b>61%</b>	84%	<b>2%</b>	24%
Grade 8 Mathematics	<b>36%</b>	23%	<b>64%</b>	77%	<b>0%</b>	5%
Grade 8 Social Studies	<b>71%</b>	37%	<b>29%</b>	63%	<b>3%</b>	13%
Grade 8 Science	<b>64%</b>	25%	<b>36%</b>	75%	<b>2%</b>	14%
English I Reading	<b>56%</b>	35%	<b>44%</b>	65%	<b>0%</b>	11%
English II Reading	<b>42%</b>	22%	<b>58%</b>	78%	<b>2%</b>	21%
English III Reading	--	37%	--	63%	--	28%
English I Writing	<b>77%</b>	52%	<b>23%</b>	48%	<b>0%</b>	2%
English II Writing	<b>63%</b>	48%	<b>37%</b>	52%	<b>0%</b>	3%
English III Writing	--	58%	--	42%	--	9%
Algebra I	<b>50%</b>	22%	<b>50%</b>	78%	<b>3%</b>	16%
Geometry	<b>51%</b>	14%	<b>49%</b>	86%	<b>2%</b>	18%
Algebra II	--	3%	--	97%	--	70%
Biology	<b>40%</b>	15%	<b>60%</b>	85%	<b>0%</b>	12%
Chemistry	<b>36%</b>	16%	<b>64%</b>	84%	<b>4%</b>	12%
Physics	--	19%	--	81%	--	20%
World Geography	<b>59%</b>	25%	<b>41%</b>	75%	<b>2%</b>	15%
World History	<b>53%</b>	30%	<b>47%</b>	70%	<b>0%</b>	9%
U.S. History	--	27%	--	73%	--	7%

## NOTES:

(1) The numbers in bold indicate Freer ISD student performance that is 5 or more percentage points lower than the state average for that group.

(2) -- indicates numbers are too small for inclusion in the analysis.

SOURCE: Pearson Education, Inc., STAAR Assessment Summary Results, school year 2012–13.

**FIGURE 2–17**  
**FREER ISD STUDENTS MEETING STAAR LEVEL II STANDARDS (SELECTED TESTS)**  
**SCHOOL YEAR 2012–13**

DISTRICT	GRADE 3 READING	GRADE 4 WRITING	GRADE 5 SCIENCE	GRADE 7 MATH	GRADE 8 SOCIAL STUDIES
<b>Freer ISD</b>	<b>70%</b>	<b>43%</b>	<b>51%</b>	<b>67%</b>	<b>29%</b>
Anthony ISD	79%	70%	56%	61%	43%
Bloomington ISD	53%	42%	63%	46%	31%
Floydada ISD	66%	58%	72%	79%	43%
Morton ISD	68%	55%	79%	54%	24%

SOURCE: Pearson Education, Inc., STAAR Assessment Summary Results, school year 2012–13.

principal indicated that “not much data were used to make instructional decisions” on his/her campus.

Freer ISD groups students for classes according to ability level (e.g., high, middle, low). During the onsite review focus groups and interviews, little information was given as to why the district selected to go with ability grouping or exactly how long this tracking system has been in place.

Based on an analysis of 2013 STAAR performance data, Freer ISD has several content areas that specifically require attention. For example, writing scores are low in both grade 4 and grade 7. In addition, only 29 percent of all students met the Level II satisfactory standard in grade 8 social studies. At the time of the onsite review the district did not have an approved District Improvement Plan (DIP) in place for school year 2013–14, however the district did have a draft available for review. A review of the draft of the DIP for school year 2013–14 did not include any objectives that specifically targeted these areas. Many of the DIP objectives are broad and lack specificity. One example of an overarching objective that lacks specific focus is the following:

Objective 1.13 The district will establish a data-driven decision-making process to increase proficiency and efficiency in meeting student and staff needs.

In addition, despite the deficiency in the area of writing, when teachers were asked how much time is devoted to daily writing instruction, the response was 10 to 15 minutes per day.

Further, related to an academically rigorous college preparatory program incorporated into the instructional curriculum, according to district staff, the number of gifted and talented (G/T) students in the district had reached a low of only 3.6 percent of the student population in school year 2009–10. In an effort to identify more students who were eligible to receive G/T services, the district began a process of

global screening in kindergarten and grade 2 in school year 2011–12. This increased the G/T population to approximately 4.3 percent of the student population. As part of the screening process, the district uses the Naglieri Non-Verbal Ability Test and the Sages-2 Screening Assessment for Gifted Elementary and Middle School Students to determine G/T eligibility and placement. In addition, some of the other criteria used were STAAR results, teacher questionnaires, student interviews, parent recommendations, and teacher recommendations. The district does not have a G/T pull-out program, however there is a 30-minute period in the daily schedule set aside for differentiated learning. Teachers are expected to implement Texas Performance Standards Project (TPSP) strategies and activities, other enrichment activities, and workbook activities during this 30-minute block. At the junior high campus, the counselor is in charge of the G/T instruction, enrichment, and differentiation.

Related to emphasis on advanced academics at the secondary level, school year 2013–14 is the first year that honors classes were made available on the high school campus. District staff reported that there is not much differentiation between the honors classes and the regular classes and that honors teachers do not receive enough professional development in providing rigorous instruction. Although not a state requirement, there are no pre-Advanced Placement (pre-AP) or Advanced Placement (AP) classes offered at the high school, nor is there any plan to train teachers on the College Board’s AP strategies or add AP classes to the instructional program.

Freer ISD has a dual credit program with Coastal Bend College, a community college located in Beeville, Texas. Though district staff reported adequate participation in the past, as a result of changing entrance requirements, fewer students are now qualifying for the program, and one class had to be dropped this year. In past years, when the entrance requirements were based on TAKS results, approximately 30

to 40 students enrolled in dual credit classes per year. For school year 2013–14, students had to take the ACCUPLACER exam, a College Board diagnostic assessment in reading, writing, mathematics, and computer skills. Only 20 Freer ISD students qualified for the dual credit program based on the ACCUPLACER results. District staff expressed concerns about the program’s sustainability since students are no longer meeting the entrance requirements.

As evidenced by the four-year longitudinal analysis of TAKS results and the 2013 STAAR results, Freer ISD has demonstrated consistently low student performance, and district efforts to remediate low student performance have not yielded significant results.

Freer ISD’s writing test scores are below the state average and staff interviews indicate that a lot of the writing instruction of students has fallen on new teachers. This is not a district practice but a result of vacancies in teaching positions that are required to teach writing. In a small district such as Freer ISD, when one individual is responsible for delivering writing instruction to an entire grade level, standardized test scores may be significantly affected. This is made even more difficult when the assignment is given to less experienced teachers who already must contend with learning grade level expectations, standardized test specifications, Texas Essential Knowledge and Skills (TEKS) content-area standards, and maximizing instruction.

In addition, the evidence available on the effectiveness of ability grouping is inconclusive. Research indicates that the harmful effects of ability grouping can worsen at the secondary level. Anne Wheelock, author of *Crossing the Tracks: How Untracking Can Save America’s Schools* (New Press, 1992), asserts that ability grouping is considered harmful for the following reasons:

- The criteria used to group kids are based on subjective perceptions and fairly narrow views of intelligence.
- Tracking leads students to take on labels—both in their own minds as well as in the minds of their teachers—that are usually associated with the pace of learning (such as the “slow” or “fast” learners) that confuse pace of learning with capacity to learn.
- Student placements are associated with the type of learners they are, creating different expectations for different groups of students.

Some research indicates that once students are grouped, they generally stay at that level for their school careers, and the

gap between achievement levels becomes exaggerated over time. The notion that students’ achievement levels at any given time will predict their achievement in the future can become a self-fulfilling prophecy.

The National Association of Elementary School Principals (NAESP) issued a white paper entitled *Using Student Achievement Data to Support Instructional Decision Making*, which outlines five recommendations to help principals create a data-driven culture in their schools. The recommendations and associated action steps are as follows:

1. Make data part of the ongoing cycle of instructional improvement.
  - Collect and prepare a variety of data about student learning.
  - Interpret data and develop hypotheses about how to improve student learning.
  - Modify instruction to test hypotheses and increase student learning.
2. Teach students to examine their own data and set learning goals.
  - Explain expectations and assessment criteria.
  - Provide feedback to students that is timely, specific, well formatted, and constructive.
  - Provide tools that help students learn from feedback.
  - Use students’ data to guide instructional changes.
3. Establish a clear vision for schoolwide data use.
  - Establish a schoolwide data team that sets the tone for ongoing data use.
  - Define critical teaching and learning concepts.
  - Develop a written plan that articulates activities, roles, and responsibilities.
  - Provide ongoing data leadership.
4. Provide supports that foster a data-driven culture within a school.
  - Designate a school-based facilitator who meets and collaborates with teacher teams in discussing data and solving problems.

- Dedicate structured time for staff collaboration.
  - Provide targeted professional development regularly.
5. Develop and maintain a districtwide data system.
- Involve a variety of stakeholders in selecting a data system.
  - Clearly articulate system requirements relative to user needs.
  - Plan and stage the implementation of the data system.

Freer ISD should ensure that all instructional strategies and models are research-based, designed to meet student needs, and aligned with high expectations for all students.

A first step is to engage all instructional staff and leaders in analysis of student performance data on state and local assessments. For each area of low performance, teachers and campus and district leaders should investigate possible causes of low performance and potential corrections to address students' instructional needs. Key areas to review include the following:

- Teaching methods: For example, to address low writing performance, the district might provide teacher professional development on the writing workshop model.
- Structure of the school day and instructional time: Again, as an example to address low writing performance, increase the amount of time dedicated to writing instruction, implement writing requirements across subjects. These approaches could be applied in other subject areas as well.
- Instructional materials: The rigor, relevancy, and availability of instructional materials should also be reviewed. For example, if social studies performance is low, then targeted goals should include a focus on social studies content as well as a broader focus on nonfiction texts. Incorporating more nonfiction texts, which are often found on standardized assessments, into the curriculum could assist with reading comprehension and increase test scores.
- Instructional goals: Again, with the social studies example, instructional goals should focus on student understanding of the features of nonfiction text, structure, and content-specific vocabulary.

- Assessment: Targeted instructional goals should be measured frequently to inform instruction and to provide timely feedback to students about their progress towards instructional goals.

This recommendation can be implemented using existing resources.

#### **CURRICULUM AND INSTRUCTION (REC. 7)**

Freer ISD does not provide clear direction for developing, managing, and evaluating curriculum and instruction, or aligning professional development and instructional resource needs.

Freer ISD used CSCOPE exemplar lessons and other components of that curriculum as the basis for its instructional program until the beginning of school year 2013–14. In August 2013, the district assembled available teachers from the elementary, junior high, and high school to write lesson plans for the upcoming school year. With a consultant hired by the district, the participating teachers wrote lesson plans using the TEKS and the existing scope and sequence from the previous curriculum. During the same period, the district held new teacher orientation and in-service training for teachers and staff. When asked if the board of trustees had approved the curricular changes, one staff member reported that the administration discussed the changes in instructional approach with the board but that board action was not required. However, the previous curriculum was referred to in the district's 2013–14 DIP as the basis for curriculum and instruction. Since the time of the onsite review, the district indicated that a final 2013-14 DIP has been adopted and that the district is moving toward a Freer-developed curriculum.

A review of Freer ISD's board policies confirms that the board does not have decision-making authority on major issues such as curricular changes. The policies posted on the district's website include general statements of the mission, goals, and objectives of public education, with wording identical to that in the Texas Education Code (TEC), Section 4.001, Public Education Mission and Objectives. With regard to curriculum design and instruction, Freer ISD's board policies similarly reflect the wording in various sections of the TEC. Many of Freer ISD's board policies include general policy statements written for school districts by the Texas Association of School Boards (TASB) with no statements that are specific to Freer ISD. For example, Freer ISD board policy number EHA, Curriculum Design, Basic Instructional Program, reflects TEC, Section 28.003 that

applies to all school districts. TEC, Section 28.003, states that if the parents or guardians of at least 22 students request transfer of their students to other campuses that offer a specific course, the school district must make an effort to offer the course at the school from which the transfers were requested. The policy does not include any information about how Freer ISD will design, manage, and evaluate their curriculum. An additional example of how the district uses generic policies rather than local policies is the board policy EHB (LEGAL), Curriculum Design, Special Programs. The policy used by Freer ISD includes a reference to the State Board of Education's dyslexia handbook and dedicates the remainder of the two-page policy to wording from the TEC, Section 38.003, and the Texas Administrative Code, Section 74.28, both of which provide general direction to school districts related to educating students with dyslexia. No wording in the policy relates directly to how Freer ISD screens for dyslexia, resources used, and training provided for those who screen for dyslexia. Thus, the policies do not provide direction for the district on best practices such as curriculum reviews, vertical alignment of instruction, professional development, and data-driven instruction.

Freer ISD's policies also do not provide a process for community review and input. The district website includes a description of expectations entitled "Freer ISD Effective Instructional Framework," which is described as the district's guiding principles for teaching and learning. The Framework includes "effective instructional strategies and teacher actions that support student achievement." Examples of effective instructional strategies provided in the Framework include keeping a learning journal, using repetition, identifying similarities and differences, summarizing and note taking, and student engagement activities. However, it was unclear through interviews and focus groups the extent to which training on the framework took place. Data collected from staff reflect an absence of districtwide oversight of curriculum and instruction and do not have a professional development plan for teachers and staff. Freer ISD district policies do not include direction for a professional development plan.

According to teachers and other staff, the school district is using state-adopted instructional materials in English language arts and mathematics at the elementary school and an additional mathematics program for grades 3–5. The junior high school uses the state-adopted instructional materials for English language arts. The district purchased a new mathematics program for use at the junior high school. However, the junior high school never fully implemented the

new mathematics program because it was determined to be too rigorous for students.

Some teachers reported using the state-adopted instructional materials as the primary resource for instruction, while others use them to supplement materials they bring in. Still others use the previously adopted curriculum as a primary or supplemental resource. When asked about the existence of curriculum guides, several staff members responded that they were not aware of any curriculum guides, online or written, except for the previous curriculum guides and those that accompany the state-adopted English language arts and mathematics instructional resources. One staff member reported that the district uses a curriculum consultant to help guide instruction.

When asked whether the district had a process for evaluating the effectiveness of the new lesson plans implemented this year, one staff member stated that the district had not yet established such a process. The principal is responsible for reviewing the lesson plans after teachers submit them. The curriculum director approved them in prior years, according to the superintendent, but at the time of the onsite review, the curriculum director position was vacant.

Regarding feedback on instructional practices, several staff members stated that "walkthroughs" by the principals were the primary means of feedback other than an annual teacher evaluation. Another teacher stated that teachers submit lesson plans three weeks in advance but receive no substantive feedback.

The draft DIP for school year 2013–14 highlights the key role of the curriculum director in curriculum implementation. According to the DIP, the curriculum director is part of the team that monitors the curriculum and curricular materials, conducts six-week meetings with teachers for feedback and input, and evaluates lesson plans for effectiveness on an ongoing and annual basis. In addition, the document indicates that the curriculum director plays an important role in identifying and sharing exceptional lessons and instruction. The DIP includes many other responsibilities of the curriculum director, including training new teachers in the use of the Freer Effective Instructional Framework.

Regarding teacher and staff communication and collaboration on curriculum issues, some staff noted that teachers attend grade-level meetings weekly at the elementary school but that the meetings are not always about curriculum. Meetings across the district related to vertical alignment occurred less frequently staff said.

Special education teachers work with general education teachers in an inclusion setting. They meet on a weekly basis with general education teachers specifically to discuss progress on the Individual Education Plans (IEP). IEPs provide the district, parents, and students with information such as the student's current level of performance, instructional goals, and benchmarks used to measure progress toward the goals, and resources needed to assist the student with meeting those goals. The IEP also provides parents and students with recommendations on participation in extracurricular activities and provides a calendar for notifying parents of students' progress toward accomplishing the stated goals. When asked about communication between the special education and general education teachers related to goals and objectives of instruction, some participants explained that this did not occur. According to some staff, the attitude of the general education teachers is that special education teachers are assistants in the inclusion classroom rather than instructional partners. General education and special education teachers do not participate in cooperative teaching, and some general education teachers view the special education student as being the special education teacher's student, not theirs, according to some participants.

When describing professional development needs, teachers and staff stated that district administrators select the topics for professional development, although the district had not yet selected topics or published a training calendar for school year 2013–14 as of October 2013. High school teachers in foundation subjects such as mathematics, social studies, science, and English language arts and reading described campus-based conferences among themselves that provide professional development. An interviewee explained that junior high school teachers participate in grade-level meetings with occasional teacher-led professional development sessions. Some teachers and staff also participate in professional development sessions and webinars provided by the Regional Education Service Center II (Region 2). Examples include sessions pertaining to resources for homeless students and Public Education Information Management System (PEIMS) training. Staff reported that when teachers take advantage of the regional education service center's offerings, it is on their own initiative.

The district does not provide professional development to help general education teachers understand what special education inclusion programs entail and to learn that there are several models for inclusion. Additionally, staff indicated that there is a lack of training provided in using the district's

data system to make sound instructional decisions, particularly at the junior high school and high school levels. The district's data system has the capability of generating benchmark tests from a bank of items released from the STAAR, but teachers are not trained to use the system. Additionally, the district has not provided any training for using the interactive white boards that some teachers have in their classrooms. As a result, some teachers are using them as dry erase boards rather than for their intended purpose.

Several staff mentioned the absence of a districtwide support and mentoring program for new teachers. At the high school, the principal assigns a mentor for each new teacher, but there is no training for mentors, according to staff. A Freer ISD board member noted the need for a process to support teachers, especially new ones.

Without better aligned curriculum, instruction, and professional development, instruction may be inconsistent from grade to grade and campus to campus and can contribute inconsistency in assessment of the educational needs of students as well as staff training and evaluation.

School districts throughout the state have adopted model policies disseminated by the Texas Association of School Boards (TASB) that delineate the responsibilities of the board, superintendent, and instructional staff with regard to developing, modifying, implementing, and evaluating the curriculum and instruction processes. Some school districts adopt the policies as written by TASB, while others develop local policies that address site-specific conditions, goals, and practices. Corpus Christi ISD's board policy EG, Curriculum Development is an example of a school district local policy that establishes the vision for the district and defines its curriculum and instructional framework. The policies also outline the responsibilities of the board, the superintendent, central administration staff, principals, and teachers, and stress the importance of coordinating curriculum, instruction, assessment, professional development, and educational resources. The policy reflects the mission that the board and administration sets for the district to ensure that all instructional efforts and resources are aligned with state curriculum and assessment standards and that district personnel are working toward the same goal, that of maximizing opportunities for student achievement.

Freer ISD should modify board policies and administrative procedures related to curriculum and instruction to provide a framework for a coordinated system of curriculum development, instruction, and professional development.

The superintendent and the board should fill the vacant curriculum director position with a highly qualified individual with extensive experience in curriculum development and management. This person would be responsible for developing procedures to better align the curriculum and instruction functions with instructional resources, professional development, and educational technology. Since the time of the onsite review, the district reported that a curriculum director was hired.

The superintendent, with board members, should appoint a committee that includes a board member, the superintendent, principals, the curriculum director, a master teacher, if available, and members of the community to study school district policies related to curriculum development and instruction and recommend policy changes for board approval. The committee should focus its work on expanding the current board policies to include policies and procedures that are specific to Freer ISD, including policies that provide direction for curriculum design, management, evaluation, and professional development. The committee should then develop a blueprint, based on new board policies, to align the district's curriculum, instruction, and professional development functions and present the plan to the board for approval. The superintendent and the committee should establish a schedule to review the revised procedures on a six-month basis and make the necessary adjustments based on feedback from teachers and principals.

The superintendent should appoint a staff member to study a range of resources available for curriculum improvement, teacher effectiveness, and students' special needs, including online resources such as Project Share, the Best Practices Clearinghouse, and the What Works Clearinghouse, listed on the TEA website.

This recommendation can be implemented using existing resources.

### ***DIFFERENTIATED INSTRUCTION (REC. 8)***

Freer ISD lacks the resources and training to deliver effective differentiated instruction, resulting in inconsistent strategies for meeting the educational needs of students in special education, students with dyslexia, and other students with special needs.

According to the U.S. Department of Education, "differentiation" refers to tailoring instruction to the learning preferences of different learners. Learning goals are the same for all students, but the method or approach of instruction

varies. For example, for English language learners (ELL), differentiated instruction relies on linguistic accommodations such as instructional materials, techniques, and tools that are specifically designed to meet the needs of ELLs.

Some Freer ISD teachers use effective differentiated instruction within the general education classroom and for interventions, while others differentiate instruction less effectively or not at all. As an example, one staff member noted that some Freer ISD teachers use activities from the Texas Performance Standards Project (TPSP) for their G/T students to supplement their regular classroom instruction while others do not. The TPSP is a TEA-developed program that provides teachers with resources to differentiate instruction for G/T students. While the elementary and junior high school teachers use the TPSP activities frequently, the district is still lacking in resources for G/T students and limited differentiated instruction is provided for G/T students at the high school.

Freer ISD requires English language arts teachers to be certified for teaching English as a second language (ESL) in order to teach ELLs more effectively. According to information provided by staff, some English language arts teachers have ESL certification, and others are working to acquire it. ELLs participate in general education in English language arts classes and use the same instructional materials as their English-speaking classmates. In fact, the librarian is just beginning to build a collection of instructional materials for bilingual students. Some teachers reported participating in past training sessions related to the English Language Proficiency Standards (ELPS) created by the state that school districts must implement in each academic subject. Data on the number of teachers who participated in the ELPS training, however, was not available from the district. According to one staff member, Freer ISD uses the Sheltered Instruction Observation Protocol (SIOP) for teaching ELLs. SIOP training provides specialized instructional approaches to teach ELLs. According to a staff member, the difficulty in teaching ELLs and designing special programs in Freer ISD is the small number of ELL students. Each classroom teacher is responsible for providing the specialized instruction that ELLs require, but it is unclear how many teachers have the necessary training.

The district implements Response to Intervention (RtI) to provide differentiated instruction for struggling students. Tier 1 students are students who receive high-quality instruction in the classrooms with specialized instruction and instructional materials designed to assist struggling

students. Tier II students participate in small group and individualized instruction in order to assist with their success in the classroom. Tier III students are those who are struggling and have not responded to small group or individualized instruction used with Tier II students. Students who participate in Tier III efforts have access to a multimedia software program in a laboratory setting. Students use the program for 30 minutes each day. In prior years, the program was also available for Tier II students, but there are now too many Tier II and Tier III students to accommodate in the intervention setting. The district intends to purchase an alternative program in the future to accommodate the Tier II students, but at the time of the visit the laboratory setting was reserved for Tier III students only.

Students designated as Tier I and II students are not receiving additional support, according to an interviewee, because there is no set of intervention strategies in the classroom for them. In the past, students had access to a program designed to help students who are struggling in mathematics, but the district discontinued the program.

Students diagnosed with dyslexia also have access to a multimedia program for reading, according to a staff member familiar with the program. Staff members in multiple positions expressed concerns that the approach for teaching students with dyslexia includes technology only, that the district does not employ an interventionist, and that the teachers need training in teaching students with dyslexia. Other staff members explained that there is little to no support for students with dyslexia and that there is very little individualized instruction, a key component included in the district's official dyslexia plan. Additionally, over half of the respondents (56.3 percent) to the Freer ISD campus survey disagreed or strongly disagreed with the statement, "The district has effective supplemental programs for dyslexia." Responses to the same statement on the parent survey were similar, with 62.5 percent disagreeing or strongly disagreeing with the statement. A staff member explained that the regional education service center offers some support for teaching students with dyslexia during the summer, but it was unclear how many teachers have taken advantage of the opportunity.

According to interviews and focus groups, special education teachers participated in training on scaffolding, sponsored by the Duval County Special Education Cooperative. Scaffolding is an instructional approach designed to provide teachers with a framework for guiding and closely monitoring students' progress as they work in small groups on project-

based activities. Although teachers seemed to enjoy the training, interviewees were not certain how applicable the training would be in the inclusion classroom. There seems to be minimal communication between Freer ISD's special education and general education teachers regarding instructional objectives, even though TEA suggests that collaboration between special education teachers and general education teachers is a key element of RtI. Some interviewees noted that the district's instructional program does not meet the needs of students in special education. Other interviewees noted that there is no cooperative teaching with special education and general education teachers and that there is very little one-on-one instruction.

Prior to school year 2013–14, the superintendent and the previous curriculum director discussed the professional development that they felt teachers needed and scheduled sessions before the beginning of the school year. At the time of the onsite review, a staff member reported that each campus handled its own professional development, and the district had not scheduled any professional development sessions for school year 2013–14. Since the time of the onsite review, the district indicated that a staff development plan for school year 2013–14 had been structured upon the hiring of a new curriculum director, and that campuses may still provide staff development based on the needs of their teachers.

Without an organized approach for incorporating differentiated instruction across the school district, only a portion of students with special needs may receive the educational services they require.

TEA provides best practices resources for professional development and effective instructional strategies. For example, the Best Practices website includes a case study that describes a school district that uses timely interventions and collaborative monitoring for students struggling with mathematics. In addition, TEA's RtI Guidance is a resource that outlines recommendations for implementing and maintaining an effective RtI program. The website of the Association for Supervision and Curriculum Development (ASCD) also includes resources for assisting districts with differentiated instruction.

Freer ISD should identify teachers who are implementing effective differentiated instruction strategies and who can assist other teachers to develop their skills in differentiated instruction.

The campus administrators should conduct a thorough evaluation of teachers to identify those who are making a positive impact on student performance and behavior. Careful observations should examine teacher interactions with students in a whole classroom arrangement, in small groups, and with individual students. Additionally, the observations should note the instructional strategies and materials used and the extent to which the teachers use differentiated instruction and effective interventions. The observations should identify specific activities that positively affect student interest and engagement.

As a component of a broader professional development plan, the superintendent should use the teacher evaluations to select a teacher from each campus to designate as a professional development coordinator. The coordinators would share resources and strategies with other teachers from his/her campus. On an ongoing basis, each coordinator should review available resources on the TEA website and other websites such as the What Works Clearinghouse that feature best practices for differentiated instruction and intervention.

This recommendation can be implemented using existing resources.

**STUDENT DISCIPLINE (REC. 9)**

Freer ISD’s discipline program is inconsistently managed resulting in an inordinate number of disciplinary placements. As part of the school performance review, Freer ISD was asked to provide the operational procedures for the disciplinary alternative education program (DAEP), the in-school suspension (ISS), and out-of-school suspension (OSS) programs, including any evaluations performed. The documentation that was submitted included the *Freer DAEP Student Handbook 2013–2014*, the *Freer ISD In-School Suspension Handbook* (revised June 2013), the school year 2012–13 Discipline Action Listing for Freer High School, and the 2012–13 discipline notices for Freer Junior High School.

The Freer High School Discipline Action Listing report for school year 2012–13 was analyzed to determine the total number of discipline placements by program (DAEP, ISS, and OSS), the number of students who received each type of discipline placements, the lengths of disciplinary actions, the number of students with multiple placements, and the types of incidents that resulted in a placement.

**Figure 2–18** shows that there were a total of 127 disciplinary placements in school year 2012–13 for Freer High School students. Students were most frequently assigned to ISS, followed by DAEP and OSS.

**Figure 2–19** shows that these 127 disciplinary placements were assigned to a total of 57 students in grades 9–12.

**FIGURE 2–18  
FREER ISD HIGH SCHOOL DISCIPLINE ACTION LISTING,  
NUMBER OF PLACEMENTS BY PROGRAM TYPE  
SCHOOL YEAR 2012–13**

DAEP PLACEMENTS ACTUAL LENGTH	PLACEMENTS
0 to 4 days	9
5 to 10 days	22
11 to 30 days	5
<b>Total</b>	<b>36</b>
ISS PLACEMENTS ACTUAL LENGTH	PLACEMENTS
1 day	26
2 days	14
3 to 8 days	19
<b>Total</b>	<b>59</b>
OSS PLACEMENTS (THREE-DAY LIMIT)	PLACEMENTS
Partial day	23
1 to 3 days	9
<b>Total</b>	<b>32</b>
<b>Grand Total</b>	<b>127</b>

SOURCE: Freer ISD, Discipline Action Listing – Freer High School, school year 2012–13.

**FIGURE 2–19  
FREER ISD ANALYSIS OF HIGH SCHOOL DISCIPLINE  
ACTION LISTING  
SCHOOL YEAR 2012–13**

DISCIPLINARY PLACEMENTS	STUDENTS
1	25
2	15
3	8
4 to 7	9
<b>Total</b>	<b>57</b>

SOURCE: Freer ISD, Discipline Action Listing – Freer High School, school year 2012–13.

Eighty-six of the 127 disciplinary placements were coded as “violation of student code of conduct” (PEIMS code 21), which represents 68 percent of disciplinary incidents. The rest of the referrals provided by the district did not have a PEIMS code and provided the following descriptions, including, but not limited to:

- possess, use accepted tobacco product;
- horseplay, scuffling;
- rude/profane language/gestures toward student;
- disrespect (mild);
- failure to follow direction;
- class cutting;
- harassment/intimidation toward another student;
- leaving class without authorization;
- leaving school without authorization;
- fighting with student;
- class disruption;
- misbehaving;
- refusing to go to detention; and
- refusal to work, failure to comply.

Of the total 57 students who received disciplinary placements, 25 students received one disciplinary placement only. Based on the total number of students who received disciplinary placements and the number of students who received more than one placement, 56 percent of Freer High School students with disciplinary placements had repeat placements during school year 2012–13. Recidivism can be defined as a tendency to relapse into a previous condition or mode of behavior; thus, a recidivism rate is a measurement of the students who have received multiple disciplinary placements within a particular school year.

It should be noted that the rate at which students receive multiple disciplinary placements may be slightly skewed by the fact that a student may receive two disciplinary referrals for the same incident, which would be listed twice within the Discipline Action Listing. For example, a student may have received one day of OSS in addition to a 10-day DAEP assignment for the same violation. The *Freer DAEP Student Handbook* dated 2013–2014 states that the district’s goal is

to maintain a recidivism rate of 5 percent or less during the same school year and across school years.

The Discipline Action Listing for school year 2012–13 was not provided for Freer Junior High School, so an entirely similar comparison cannot be made. However, discipline notices for Freer Junior High School were provided. A review of over 400 discipline notices for 73 students from the junior high school campus for school year 2012–13, revealed patterns of repeat offenders recommended for disciplinary placements for similar behaviors, disparity with regard to incidents and associated consequences, and little documentation of support services provided to students who have been given placements in DAEP, ISS, or OSS. It is important to note that the discipline notices that were reviewed provided descriptions of the undesired behaviors (incidents) and accompanying recommendations for DAEP, ISS, and OSS assignments but did not provide actual time spent in DAEP, ISS, or OSS. For example, a student may have been given a recommended consequence of 30 days in DAEP but may have only fulfilled 10 days of that assignment as a result of administrative review. The review team also found that the days students actually spend in DAEP does not always match the days recommend as a consequence of the disciplinary action they violated. Therefore the review team could not conduct an analysis of total actual time spent in DAEP, ISS, and OSS based on the data provided. At the time of the onsite review, the formal TEA discipline report, *Counts of Students and Discipline Actions by Discipline Action Groupings*, was not available for school year 2012–13, and data for school year 2011–12 were not reported for Freer ISD.

Based on the documentation that was provided for the discipline incidents, 73 junior high students were recommended for disciplinary placements. Of the 73 students, 14 students had only one recommendation for disciplinary placement, resulting in 81 percent of students having more than one placement.

Because more descriptions about the inappropriate behaviors were provided on the discipline forms for junior high students, the review team could review the types of behaviors and related consequences. Based on this analysis, there are several inconsistencies with regard to the types of behaviors and the recommended disciplinary placement given. Recommended consequences for fighting with another student ranged from 1 day of ISS, 3 days of OSS, to 30 days in DAEP. The disparity between the length and type of referral did not appear to be related to the number of referrals

that a student had received previously; therefore, there was no evidence to support that students who repeated undesirable behaviors received more severe or lengthier consequences.

Figures 2–20 through 2–22 show the number of disciplinary placements for ISS, OSS, and DAEP, respectively, for peer districts as compared to Freer ISD.

The number of Freer ISD ISS placements is nearly double the placements in Anthony ISD, which is very similar in enrollment. In addition, the number of Freer ISD ISS placements is second only to Bloomington ISD and exceeds Floydada ISD, two school districts with significantly larger student populations.

As seen in Figure 2–21, similar to the comparative trends with ISS, the number of Freer ISD OSS referrals is second only to Bloomington ISD and exceeds Floydada ISD.

As Figure 2–22 shows, Freer ISD has seen a steady increase in DAEP placements from school years 2007–08 to 2010–11 (no data were reported for school year 2011–12). Compared to Anthony ISD, a school district with very similar student enrollment numbers, the number of DAEP actions differs dramatically. For school years 2007–08 to 2011–12, Anthony

ISD had a total of six DAEP placements whereas Freer had 134 DAEP placements, not including the missing data from school year 2011–12. It is also important to note that the number of DAEP placements for Freer ISD more than doubled between school years 2009–10 and 2010–11.

Freer ISD has an *In-School Suspension (ISS) Handbook* (revised in June 2013) and a *DAEP Student Handbook 2013–2014*. The student handbooks contains the philosophy of the program, the vision and mission statements, program goals and objectives, policies and procedures (including dress code policy), rules and expectations, a student contract, a parent contract, a counseling consent form, a student data form, and a personal growth plan to be developed by the student. Based on a review of information in the student handbook, there are several gaps in information about how the continuity of instruction at the DAEP is maintained, how students receive individualized instruction in a variety of content areas, how the transition process is designed, and how counseling and other support services are offered. Given the fact that the student handbook has a personal growth plan that is to be completed by the students and requires student input as to the types of counseling they could benefit from,

**FIGURE 2–20  
FREER ISD/PEER DISTRICT COMPARISON DISCRETIONARY IN-SCHOOL SUSPENSIONS (ISS) – ALL STUDENTS  
SCHOOL YEARS 2007–08 TO 2011–12**

DISTRICT		2007–08	2008–09	2009–10	2010–11	2011–12
Freer ISD	Action	266	411	497	432	No data
	Students	134	168	179	182	No data
	Percentage	15%	19%	20%	20%	No data
Anthony ISD	Action	84	88	134	169	40
	Students	64	72	105	109	33
	Percentage	7%	9%	12%	12%	4%
Floydada ISD	Action	223	260	274	245	260
	Students	144	136	138	155	140
	Percentage	14%	13%	14%	16%	14%
Morton ISD	Action	33	57	76	169	105
	Students	24	52	47	74	54
	Percentage	5%	10%	9%	14%	12%
Bloomington ISD	Action	508	552	524	527	695
	Students	203	212	199	192	238
	Percentage	19%	21%	20%	19%	24%

NOTE: Numbers less than five have not been cited due to the Family Educational Rights and Privacy Act (FERPA) 34CFR Part 99 and Texas Education Agency procedures OP 10-03.

SOURCE: Texas Education Agency, Counts of Students and Discipline Actions by Discipline Action Groupings, school years 2007–08 to 2011–12.

**FIGURE 2–21**  
**FREER ISD/PEER DISTRICT COMPARISON DISCRETIONARY OUT-OF-SCHOOL SUSPENSION (OSS) – ALL STUDENTS**  
**SCHOOL YEARS 2007–08 TO 2011–12**

DISTRICT		2007–08	2008–09	2009–10	2010–11	2011–12
Freer ISD	Action	56	31	51	48	No data
	Students	36	24	27	40	No data
	Percentage	4.12%	2.74%	3.01%	4.37%	No data
Anthony ISD	Action	24	32	28	32	41
	Students	22	31	25	26	34
	Percentage	2.56%	3.66%	2.74%	2.78%	3.71%
Floydada ISD	Action	42	53	42	45	41
	Students	31	42	28	33	34
	Percentage	2.91%	4.07%	2.78%	3.4%	3.48%
Morton ISD	Action	*	6	7	9	41
	Students	*	5	6	7	18
	Percentage	*	0.97%	1.16%	1.36%	3.84%
Bloomington ISD	Action	165	111	194	155	132
	Students	85	73	93	77	68
	Percentage	8.05%	7.1%	9.42%	7.71%	6.73%

NOTE: \*Numbers less than five have not been cited due to the Family Educational Rights and Privacy Act (FERPA) 34CFR Part 99 and Texas Education Agency procedures OP 10-03.

SOURCE: Texas Education Agency, Counts of Students and Discipline Actions by Discipline Action Groupings, school years 2007–08 to 2011–12.

**FIGURE 2–22**  
**FREER ISD/PEER GROUP COMPARISON DISCRETIONARY DAEP PLACEMENTS – ALL STUDENTS**  
**SCHOOL YEARS 2007–08 TO 2011–12**

DISTRICT		2007–08	2008–09	2009–10	2010–11	2011–12
Freer ISD	Action	25	23	26	60	No data
	Students	23	21	20	42	No data
	Percentage	2.63%	2.39%	2.23%	4.59%	No data
Anthony ISD	Action	0	6	0	0	0
	Students	0	*	0	0	0
	Percentage	0%	*	0%	0%	0%
Floydada ISD	Action	27	31	31	34	31
	Students	24	30	26	31	27
	Percentage	2.26%	2.9%	2.58%	3.19%	2.77%
Morton ISD	Action	30	29	20	60	25
	Students	28	24	15	42	21
	Percentage	5.42%	4.68%	2.9%	8.19%	4.48%
Bloomington ISD	Action	31	37	33	25	19
	Students	31	33	28	21	15
	Percentage	2.94%	3.21%	2.84%	2.1%	1.48%

NOTE: \*Numbers less than five have not been cited due to the Family Educational Rights and Privacy Act (FERPA) 34CFR Part 99 and Texas Education Agency procedures OP 10-03.

SOURCE: Texas Education Agency, Counts of Students and Discipline Actions by Discipline Action Groupings, school years 2007–08 to 2011–12.

there seems to be variability in terms of the interventions provided.

District staff reported that teachers send work to the DAEP and ISS programs for the students. A conflicting viewpoint was offered when one interviewee indicated that at one point, the DAEP and ISS teachers had to go to the students' regular classroom teachers and ask them for students' work. When asked what procedures were in place to help students in DAEP or ISS if they needed more support, one staff member reported that "kids help themselves." The superintendent indicated that consideration was being given to assigning teachers during their conference periods to assist with the DAEP and ISS instruction.

According to staff, education resources available in DAEP and ISS are limited. The computers were disconnected during the summer and despite submitting multiple work orders, at the time of the onsite review in October 2013, the computers were still not functional. The DAEP teacher expressed concern that the lack of access to functional computers prevents students from working on credit recovery while in DAEP. In addition, DAEP lacks instructional materials, including textbooks and reference books.

TEA's Division of Accountability Research issued a policy research brief on DAEP practices in August 2007. The policy brief highlights best practices in DAEPs, drawing on research collected from four studies that were specific to Texas policy and schools. Characteristics of effective programs include the following:

- focused on curriculum and instruction, especially individualized instruction with additional support for at-risk students, and student/teacher goal-setting;
- have qualified, certified teachers in certain content areas;
- work hard to train teachers and staff in conflict resolution, discipline management, and anger management;
- provide structured discipline that includes a strong orientation and positive and negative rewards for student behavior;
- provide counseling and other support services; and
- have a strong transitional program to ensure that open channels of communication exist between the sending school and the DAEP setting, preserve

continuity of instruction, and provides follow-up services by teachers, counselors, and social workers.

In addition, Laredo ISD, Mission CISD, and Tyler ISD provide examples of effective disciplinary referral and placement forms.

Freer ISD should convene a discipline oversight committee consisting of principals, counselors, and other stakeholders to improve disciplinary policy and procedures in the district. This committee can help implement the policy strategies designed to improve the effectiveness of discipline in Freer ISD by:

- developing consistent codes of conduct for all schools and for out-of-class disciplinary programs;
- developing standards of punishment for various types of violations;
- developing and implementing strategies for improving school culture and increasing expectations for student behavior;
- conducting ongoing analyses and evaluation of the DAEP, ISS, and OSS programs;
- identifying methods of improving educational and social services for DAEP, ISS, and OSS students;
- revising referral forms to provide more information on student placements, inclusive of specific PEIMS codes, counseling or other support services required, special education requirements, and other pertinent information needed to ensure that proper services are rendered and specific documentation is provided for analyses;
- identifying professional development needs for staff members on topics such as classroom management and conflict resolution based on analyses of placements; and
- determining whether additional expert resources are needed.

The revision of referral and placement forms will provide vital data to support the ongoing, comprehensive analyses of disciplinary placements.

The committee should also collectively review pertinent research on disciplinary programs, including the following resources:

- Policy Research: Disciplinary Alternative Education Program Practices; Report Number 17, August 2007; Texas Education Agency; Division of Accountability Research, Department of Assessment, Accountability, and Data Quality.
- DAEP Checklist (General Education) – 3rd Edition; Walsh Anderson.
- Disciplinary Alternative Education Programs in Texas; Intercultural Development Research Association (IDRA); IDRA Newsletter; May 2008.
- Disciplinary Alternative Education Programs in Texas – What is Known; What is Needed (An Excerpt); Intercultural Development Research Association (IDRA); IDRA Newsletter; January 1999.

To ensure that students are given disciplinary referrals fairly and consistently, Freer ISD should develop levels of misconduct based on the seriousness of the infraction and designate appropriate consequences for each level.

The oversight committee should develop a plan to systematically evaluate the number of DAEP, ISS, and OSS placements throughout the school year. The periodic analyses should include evaluating the number of disciplinary placements, the types of inappropriate behaviors, the consequences, the number of students with multiple referrals, the number of special education students referred, the teachers or staff members who initiate the referrals, the length of placement in disciplinary settings, the counseling and support services provided, the quality of the instructional programs and resources, and the effectiveness of the transition supports. An evaluation summary report should be submitted for board review at the conclusion of each school year.

This recommendation can be implemented using existing resources.

#### **INSTRUCTIONAL MATERIALS ALLOTMENT (REC. 10)**

Freer ISD lacks a formalized plan for maximizing the use of its Instructional Materials Allotment (IMA), resulting in minimal input from teaching and administrative staff and inadequate resources to address the needs of teachers and students.

In 2011, TEA instituted the IMA, an account for each school district that includes a specific dollar amount that can be used for the following:

- state-adopted instructional materials;

- approved non-adopted instructional materials;
- training personnel in the use of instructional materials; and
- technology that advances student learning, including electronic devices, software, and online products.

School districts may also use the IMA to pay for salaries of personnel who provide support for using technological equipment and are directly involved in student learning. When a school district orders state-adopted instructional materials using the state's online ordering system, the state pays the publishers, and reduces the district's IMA by the cost of the materials. When a school district selects non-adopted products, technology hardware, or technology services, TEA reviews the request, and, if approved, disburses funds directly to the school district to cover the cost of those products, reducing the district's IMA balance by an amount equal to the disbursement. This process places responsibility for managing the allotment with the school district. Also, the products purchased with the IMA become the property of the school district, a change from previous law. Unexpended balances in the IMA do not lapse at the end of a fiscal year.

The Freer ISD Board of Trustees' policy, EFFA (Local)-A, for Instructional Materials Selection and Adoption, issued on February 18, 2013, states that the "District shall establish a team, as needed, to select instructional materials and technological equipment to be purchased with the District's instructional materials allotment. The team shall make selections based upon District instructional needs and in accordance with administrative regulations." However, according to interview and focus group data, Freer ISD has not organized such a team.

In addition to board policy related to instructional materials, each district in Texas is required by the Texas Education Code, Section 31.004, Certification of Provision of Instructional Materials, to certify annually that instructional materials used in the required curriculum cover all the TEKS. According to staff, in the third year of the IMA, most teachers and administrators were still not aware of the IMA existence or any organized processes within the district for assessing needs and making recommendations for the purchase of instructional materials. They also were not aware of any effort by the district to establish a process by which they could recommend expenditures from the IMA even though such a process is established in board policy.

Typical instructional material requests include routine orders for consumable state-adopted workbooks and orders based on occasional requests from individual teachers and principals. Some interviewees also indicated that teachers in Freer ISD lack instructional materials that align with the TEKS in some curricular areas. Other interviewees noted that the district lacks materials and technology for students with special needs.

Staff also noted the lack of computers and the age of the ones they do have. Students using the credit recovery program are unable to have continuous access to the program if assigned to the DAEP or ISS because the computers in both classrooms were non-functional at the time of the onsite review and had been since August 2013. When asked about the use of assistive technology, special education teachers also indicated that the only technological resource available to them is a text and picture to voice generator for students with limited verbal skills. According to interviewees, the district also does not have enough wireless access points, generally an allowable IMA expenditure.

According to data collected from focus groups, interviews, and observations, DAEP and ISS also lack supplementary reading and reference materials for students to use after completing assignments from their regular classes. Students do not have materials to supplement the programs for Accelerated Reading, nor are supplemental materials available for students who are struggling readers. Students in special education use only the instructional materials that their classmates in general education use.

According to TEA, the state provided a total of \$406,285,208 in Instructional Materials Allotment funding for school year 2013–14. As of November 12, 2013, school districts across the state had expended \$110,443,449, or 27.2 percent of the IMA total. The Allotment Report from TEA, dated October 29, 2013, indicates that Freer ISD had a total of \$113,879 in their IMA on July 11, 2013, prior to school year 2013–14. This included a balance of \$50,163 that carried over at the end of school year 2012–13 and \$63,716, the district's allotment for school year 2013–14. In August 2013, the district spent \$13,181, or 20.7 percent of its 2013–14 allotment, slightly less than the statewide average, leaving an unexpended balance of \$100,698 as of October 29, 2013.

The lack of an organized plan for decision-making for IMA expenditures that is based on teacher and staff input may result in purchases of instructional materials and technology

that do not adequately address the needs of teachers, staff, and students.

In summer 2011, prior to the beginning of the school year 2011–12, TEA produced a series of training sessions on the IMA, including recommendations on how school districts should plan for expenditures using the IMA. The recommendations included organizing a committee consisting of an IMA decision team, a fiscal team, a technology team, and an instructional materials team. Each team would have a unique composition and set of responsibilities described as follows:

- The decision team would include representatives from the superintendent's office, the business office, and the principals. Responsibilities would be to take a broad view of the student, teacher, classroom, campus, and district needs and goals. Additionally, the team would review fiscal, instructional materials, and technology team recommendations for expenditures from the IMA.
- The fiscal team would include the principals and business office personnel. Their responsibilities would be to track the IMA budget, examine district needs, and provide recommendations to the decision team on expenditures.
- The technology team would include the technology coordinator, the instructional materials coordinator, and teachers. The responsibilities of the technology team would be to consider any necessary expenditures for salaries, technology hardware and software, and to make recommendations to the decision team on these and other technology needs.
- The instructional materials team, consisting of the curriculum coordinator, the instructional materials coordinator, and teachers would examine the available state-adopted and non-adopted instructional materials and provide recommendations for purchases to the decision team.

Numerous school districts shared their processes for implementing the IMA during a 2012 study conducted by the Instructional Materials Coordinators' Association of Texas and the Association of American Publishers. In every case cited, school districts felt that the organizing principles in TEA's recommendations were instrumental in establishing a cooperative and effective manner with which to purchase needed resources.

Freer ISD should organize TEA-recommended teams to implement a transparent process for acquiring instructional materials and for upgrading technology, including hardware, software, infrastructure, and assistive technology, as needed.

The superintendent should appoint IMA teams as recommended by TEA with appropriate modifications given the size of the district. The superintendent should inform each member of the unexpended balance in the IMA. The IMA teams should review the processes recommended by TEA and request access to the training sessions that TEA conducted by videoconference in summer 2011. The IMA teams should establish priorities for technology purchases, instructional materials purchases, and other eligible purchases using the IMA. For example, the decision team should only consider a recommendation for new instructional materials if the committee recommending the purchase also submits information showing the extent to which the recommended resources align with TEKS and with the district and campus improvement plans.

The decision team would exercise oversight of the district's IMA balance and make technology and instructional materials purchases based on the district's needs over the remainder of school year 2013–14 and again upon receipt of school year 2014–15 IMA. The teams' memberships could change from year to year to provide broad, districtwide input over several years.

This recommendation can be implemented using existing resources.

### **INSTRUCTIONAL PROGRAMS (REC. 11)**

Freer ISD does not have formal policies or procedures in place to manage the procurement, implementation, and evaluation of instructional programs and other academic materials and resources.

The district lacks a formal approach to selecting instructional materials and programs. Most principals reported that they made decisions about purchases of instructional programs based on their previous experience with a product, perhaps in another district, or their perceptions of what would work best for students.

A list of instructional programs administered districtwide that was submitted by Freer ISD included the following:

- Expressways to Learning (Reading and Math);
- Think Through Math;

- Accelerated Reader – assessment and program; and
- Accelerated Math – assessment.

Expressways to Learning is a computer program designed to provide remediation and acceleration by exposing students to multimedia, multisensory, multilevel learning. The program has two components that are currently being implemented in the district. There are two separate programs created using the Expressways to Learning model, Expressways to Math and Expressways to Reading. These programs are used as Tier II and Tier III interventions in the RtI program to support at-risk students in need of small group or individualized instruction in reading and mathematics. The program is a comprehensive system of many integrated programs that teach reading, spelling, handwriting, and reading comprehension. Expressways to Math is used to assist students in memorizing calculation facts. To evaluate the effectiveness of the program, the district indicated it contacted other districts who had implemented the programs and asked for their feedback.

Think Through Math was selected by TEA as the Texas Students Using Curriculum Content to Ensure Sustained Success (SUCCESS) math provider for Texas public school students in grades 3–8. Texas SUCCESS was launched in August 2012 as part of the state's Student Success Initiative (SSI) and provided online interactive mathematics and reading materials for struggling students. According to the product website, Think Through Math provides adaptive instruction and real-time support from a state-certified math teacher.

Accelerated Reader is a software assessment tool that assesses a student's reading level, suggests titles of books at that level, and then assesses whether a student has completed the book by asking a series of questions to determine the student's level of comprehension. This software has been used as a progress monitoring tool since 1984.

Accelerated Math is a daily, progress-monitoring software tool that monitors and manages mathematics skills practice. According to documentation submitted by Freer ISD, only the assessment portion of Accelerated Math is currently being used; however, district staff reported in focus groups that Accelerated Math had recently been discontinued due to funding issues.

Both Expressways to Reading and Accelerated Reader offer adaptive computer technology that adjusts to students' various levels. Both programs offer a level of progress

monitoring with the purpose of using data to inform instruction. Expressways to Reading claims to offer remediation, as does the Accelerated Reader program which asserts similar remedial features that focus on vocabulary development, decoding, and fluency. Both Think Through Math and Accelerated Math offer the same features, with emphasis on skill-building and application practices and a progress-monitoring component. Accelerated Math does not include support from a real-time, state-certified math teacher.

The district uses a variety of instructional as shown in **Figure 2–23**. Training in new systems is not always provided. Campus staff said that they had become comfortable with the Data Management for Assessment and Curriculum (DMAC) student data system the district had purchased and knew how to access data to help their students. However, the previous administration discontinued DMAC and replaced it with Eduphoria, a suite of web-based applications. Teachers reported confusion and frustration about changing products and the lack of direction from district leadership about what system features should be used. For example, both eChalk and Eduphoria have features that enable teachers to utilize a lesson planner and then submit lesson plans electronically for administrative review. According to district staff, teachers have the ability to use both, depending on their comfort level with one or the other system. However, since the time of the onsite review, the superintendent told the review team that teachers must use eChalk.

According to interviews with principals during the onsite review, only one out of three principals had been trained on Eduphoria, the current data management system, and, as a result, the principals who had not been trained did not place emphasis on its use or data analysis in general. One of the principals indicated that it was unclear who had been trained on Eduphoria. Since the onsite review, the superintendent reported that two of the three principals have been trained. The teachers who had been trained use it, but the teachers who had not been trained typically resorted to paper-based methods. Another principal reported that more training is needed to be able to create tests and disaggregate test scores. At one campus, where the principal was trained on Eduphoria, teachers had been sporadically trained.

When teachers were asked about their exposure to training, some reported that they had “kind of been trained on Eduphoria.” Overall, no systematic plan for training on products and programs was identified, nor was there any plan to provide ongoing support and professional development to use the products to their full capacity.

However, since the time of the onsite review, the superintendent has indicated that training is provided every school year.

When district staff was asked who monitors program implementation or the effectiveness of the programs, nobody knew who was responsible for any type of evaluation. District staff reported that programs were not heavily monitored by the district beyond feedback from teachers. However, teachers reported that district and campus leadership does not provide opportunities for them to give input about the programs and products that they are using. One board member was asked about the evaluation of products or programs and responded that the board typically did not receive enough information from the administration to know if products or programs were working.

Every school system should have a comprehensive policy on the selection of instructional products or programs. The American Library Association (ALA) offers a *Workbook for Selection Policy Writing*, which provides a useful foundation for policy that outlines the acquisition of instructional programs, materials, and products. Though the workbook emphasizes materials purchased for school libraries, it also provides a general structure that is useful for all instructional materials. According to the ALA, an effective policy for the selection of instructional materials includes the following:

- relevancy to the particular school system and its students,
- appropriateness of objectives,
- staff responsibility,
- criteria and procedures for selection, and
- evaluation of materials.

Basic components of a selection policy include the following:

- Objectives – What goals is the district trying to accomplish in terms of progress towards the advancement of its educational program?
- Responsibility for Selection – Which individuals (e.g., curriculum director, principals, guidance counselors, etc.) will be responsible for the selection of products?
- Criteria – Which guidelines or standards will be used to determine product selection? How are the criteria aligned with objectives for selection of the product?
- Procedures for Selection – What will the process for selection look like from initial screening to final

**FIGURE 2–23  
FREER ISD INSTRUCTIONAL MANAGEMENT TOOLS  
SCHOOL YEAR 2013–14**

INSTRUCTIONAL MANAGEMENT TOOL	PURPOSE	DESCRIPTION OF FEATURES	STATUS
eChalk	To manage communication and instruction	Build and maintain easy-to-use websites <b>Create, share and use standards-aligned lesson plans</b> Organize and manage each student’s schoolwork, interests, and activities <b>Coordinate and promote groups, departments, and professional learning communities</b> Communicate with parents and the community 24/7 via web, email, and safe social networking	Currently used
Texas Enterprise Information System (TxEIS)- TCC TxEIS State-Sponsored Student Information System	To manage student information	Establish a common integrated system for Texas school districts that supports accountability requirements A single integrated system for Texas Local Educational Agencies (LEAs) that supports accountability requirements The solution for analytical, reporting, and data access needs as defined by the Texas education community	Currently used
Eduphoria	To provide a suite of applications including teacher appraisals, professional development management, helpdesk, facilities usage, electronic forms and lesson planning	Provide an online lesson planner with a visible scope and sequence Provide the ability to track TEKS usage, a TEKS-aligned activity bank, and the ability to store and submit lesson plans electronically Analysis of test data; create data views to focus on important district issues; generate graphs Develop benchmark assessments Create a district bank of benchmark questions Build student personal graduation plans Store teacher appraisals and provide an evaluation schedule Manage professional development schedules and has the capacity to document professional development sessions and participants	
DMAC	To develop and improve the quality of education provided to students	<b>Perform data disaggregation</b> <b>Create Local assessments</b> <b>Monitor Student achievement/progress</b> <b>Develop curriculum maps</b> <b>Assist in Planning</b>	Used with the previous administration; no longer used
Gradespeed (acquired by School Net in 2009)	To provide a classroom management system	<b>Record student grades</b> <b>Record student/teacher schedules</b> Record Rubric-based observations <b>Create assessments</b> <b>Record attendance</b> <b>Record behavioral data</b> <b>Assist with aligning of assignments with specific state objectives</b> <b>Generate progress reports</b>	No longer used
Texas Grade Book	To provide a classroom management system	<b>Record student grades</b> <b>Record attendance</b> <b>Record student/teacher schedules</b> <b>Generate progress reports</b> Receive transfer students <b>View student demographic data, contact information, and test scores</b>	Currently used; started in school year 2012–13

NOTE: Bolded features appear to be duplicated in multiple instructional management tools.  
 SOURCE: Texas Education Agency, Texas Student Data System, school year 2013–14.

selection? What is the sequence of events for the selection committee to follow?

- Evaluation of Product – How will the district evaluate the implementation of the product? What measures will determine success? How will feedback from various stakeholder groups be considered? Who will provide oversight for implementation of the product?

The ALA offers the following sample criteria for selecting resources:

- educational significance;
- alignment with state and district standards and objectives;
- contribution to the curriculum and to the interests of the students;
- contribution to facilitating the instructional program for teachers;
- research-based evidence that supports effectiveness of the product;
- favorable reviews and recommendations based on preview and examination of materials by professional personnel;
- reputation and significance of the author, producer, and publisher;
- validity, currency, and appropriateness of material;
- high degree of potential user appeal;
- quality and variety of format;
- value commensurate with cost and/or need; and
- timeliness or permanence.

In addition, Conroe ISD created a user manual for Eduphoria that enables staff to access the program efficiently. This manual is available on the Conroe ISD website.

Freer ISD should form a district oversight committee to develop policies and procedures for selecting and evaluating current and future instructional programs and materials. This process should include requirements such as justification of need, evidence of proven research base, and submission for board approval process. Many districts have purchasing guidelines, but few districts have policies that dictate the selection process for new products. Freer ISD should form a committee to create such policy. Teachers and other

stakeholders should sit on product selection committees to provide insight about students' needs and to provide feedback on products during the screening process.

The committee should develop a plan to pilot new products and to provide systemic professional development when products are fully implemented. The committee should also create comprehensive product user manuals to support the implementation of new programs and to ensure that the programs are being used to full capacity in order to receive the maximum benefit that is offered.

The committee should establish guidelines for the evaluation of instructional programs and materials to determine their effectiveness. In addition to monitoring student progress for instructional programs, teacher and staff feedback on instructional management tools should be used to determine product effectiveness.

This recommendation can be implemented using existing resources.

#### **ORIENTATION, TRAINING, AND SUPPORT (REC. 12)**

Freer ISD does not consistently clarify the responsibilities, position-required training, mandatory and ongoing professional development and overall job functions of staff.

District staff expressed concern about the limited policies and procedures that govern their positions, the lack of mentoring and professional development opportunities that were provided, and the poor level of oversight and accountability on the part of the district. Some of the concerns expressed, particularly by support services staff, had potential implications for student safety.

A detailed example is given for the school nurses, though all staff members interviewed cited similar concerns. Two school nurses are employed by the district to meet the medical needs of all three campuses. One nurse is housed at the elementary campus, and another nurse had a shared, centralized office for the junior high and high school campuses. The nurse on the elementary campus estimated that she sees an average of 15 to 20 students per day, depending on many variables (such as flu season). The nurse assigned to the secondary campuses estimated that she typically sees 25 to 30 students per day. In addition to dealing with a variety of medical emergencies, such as insect bites, accidents on the playground, stomachaches, and other ailments, the nurses also dispense medicine on a daily basis to students. Some of the nurses' additional health-related duties include reviewing immunization records, sending communication to parents if

there were a contagious medical outbreak, preparing various reports, and administering required medical screenings.

The nurses perform these duties in the absence of any policy or procedures to guide their actions and responses to certain situations. For example, the district recently experienced a contagious outbreak of scabies, and the nurses informed the parents on their own initiative. No district policy outlines guidelines and procedures for notifying parents of serious illnesses. Also, the nurses operate without state and district guidelines. The primary source of guidance that the nurses acknowledged was from Regional Education Service Center II (Region 2) and from the school nurse in a neighboring district.

The nurses reported that they were not evaluated by an administrator, and they were solely responsible for maintaining their required certifications and training updates. However, since the time of the onsite review, the superintendent has indicated the campus administrators are assigned to evaluate the nurses. The nurses arranged their own training on the use of Automated External Defibrillators (AEDs) from the Cardiopulmonary Resuscitation (CPR) instructor and participated in online training for the use of Epinephrine (EPI) pens. To maximize the benefits of the available AEDs, the nurses identified teachers whose classrooms were near the AED devices and trained them on how to use the life-saving resource. However, no districtwide training was made available to all staff members, and it was unclear if coaches or physical education teachers had been trained. Given the importance of the AEDs and their potential impact on student safety, it important to note that when nurses checked the AEDs, the batteries and pads were expired, and they were not aware of any routine inspection or maintenance of the AED equipment. The nurses expressed concern that AEDs were not present in the transportation building or the agriculture (AG) shop because students work with electricity during the welding process.

When nurses were asked about health education and the health curriculum, they indicated that they had never seen a health curriculum, and there was no district policy regarding sex education. The nurses ordered the Abstinence-Centered Education Program (AEP) offered free-of-charge by the Texas Department of State Health Services for districts that service grades 5–12 that have 56 percent to 100 percent of students living in poverty as defined by TEA. However, they were not given direction on how or when to implement the program, nor were they given parent permission forms. Therefore, the program had not been implemented. Since the time of the onsite review, the superintendent has indicated that both nurses are familiar with the sex education program, and it is their responsibility to present the program to students.

Due to lack of guidelines, other pertinent information was not made available to the nurses, such as who maintains the students’ medical insurance cards. Similarly, there was no policy or procedure with regard to routine collection of bio-hazardous waste. Nurses reported having more than five containers, filled with needles, lancets, and other medical waste, that had not been emptied, and they had no idea how long the waste had been there.

As shown in **Figure 2–24**, a survey of district and campus staff asked respondents to agree or disagree with the following statement: The staff development program relevant to my position is effective. Campus staff were fairly equally divided in their response to this statement, 43.7 percent agreed or strongly agreed while 37.5 percent of respondents disagreed or strongly disagreed with this statement and another 18.8 percent had no opinion.

Instructional and non-instructional staff members are not provided with adequate guidance and training to perform their daily job functions, which could potentially have student safety implications and a negative effect on the student learning environment and academic performance.

**FIGURE 2–24**  
**FREER ISD DISTRICT AND CAMPUS STAFF SURVEY RESULTS, THE STAFF DEVELOPMENT PROGRAM RELEVANT TO MY POSITION IS EFFECTIVE**  
**OCTOBER 2013**

SURVEY AUDIENCE (NUMBER OF RESPONDENTS)	STRONGLY AGREE (NUMBER OF RESPONDENTS)	AGREE (NUMBER OF RESPONDENTS)	NO OPINION (NUMBER OF RESPONDENTS)	DISAGREE (NUMBER OF RESPONDENTS)	STRONGLY DISAGREE (NUMBER OF RESPONDENTS)
District staff (6)	16.7% (1)	16.7% (1)	33.3% (2)	33.3% (2)	0.0% (0)
Campus staff (32)	3.1% (1)	40.6% (13)	18.8% (6)	21.9% (7)	15.6% (5)

SOURCE: Legislative Budget Board, School Review Team Survey, October 2013.

The International Mentoring Association offers best practices for organizations to institute effective mentoring and induction programs for new employees. Effective mentoring and induction programs should try to address all three goals: orientation, improvement of performance, and changing the norms to improve the culture to that of a learning community. **Figure 2–25** shows an overview of modified goals for acclimating district staff to goals, expectations, and job responsibilities.

Freer ISD should develop, implement, and assess policies and procedures for training, professional development, and ongoing support for all staff members, inclusive of support services positions. The district should begin by forming a committee to create policies and procedures for all staff members and to develop and implement a mentoring and induction program to orient and support all employees.

Expectations must be clearly defined and policies and procedures must ensure compliance with district and state training requirements and success in the intended goals of the job. Policies and procedures should include the role of the district in the oversight of the position as well as resources for employees.

The district has a responsibility to ensure that appropriate staff members are adequately trained and that the equipment is properly maintained.

The systematic mentoring or induction program should be in place for all staff members so they can be given the information they need to perform their jobs effectively and efficiently.

This recommendation can be implemented using existing resources.

**FIGURE 2–25**  
**A MODEL FOR EFFECTIVE MENTORING AND INDUCTION PROGRAMS**

INDUCTION PROGRAM	TO ORIENT	TO IMPROVE PERFORMANCE
Training focus	Orientation to district, job responsibilities, and expectations, including required training and reporting.	<ul style="list-style-type: none"> <li>The effective employee model, its strategies and research base, the coaching model, and expectations.</li> </ul>
Observation	(None for this goal)	<ul style="list-style-type: none"> <li>Viewing expert peers at work, debriefing and planning application after that.</li> </ul>
Peer Support Group Activities	(None for this goal)	<ul style="list-style-type: none"> <li>What is being learned about being a productive staff member?</li> <li>How can professional goals be established?</li> <li>How can follow up support be provided to help the staff member meet professional goals?</li> </ul>
Goals and Action Plans	(None for this goal)	<ul style="list-style-type: none"> <li>How can the staff member self- assess their own skill level versus expert employee standards, responsibilities, and competencies?</li> <li>Conversations with peer support groups about self-assessment results.</li> <li>Periodic observations of the staff member's work to provide formative feedback and opportunities to engage in dialogue about job responsibilities and achievement toward professional goals.</li> <li>Collaborative goal setting and action planning and progress towards goals.</li> </ul>

SOURCE: International Mentoring Association, "Characteristics of Successful Mentoring and Induction Programs", 2013.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practice, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION		2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL	ONE
							5-YEAR	TIME
							(COSTS)	(COSTS)
							OR	OR
							SAVINGS	SAVINGS
<b>CHAPTER 2: EDUCATIONAL SERVICE DELIVERY</b>								
6.	Ensure that all instructional strategies and models are research-based, designed to meet student needs, and aligned with high expectations for all students.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7.	Modify board and administrative procedures related to curriculum and instruction to provide a framework for a coordinated system of curriculum development, instruction, and professional development.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8.	Identify teachers who are implementing effective differentiated instruction strategies and who can assist other teachers to develop their skills in differentiated instruction.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	Convene a discipline oversight committee consisting of principals, counselors, and other stakeholders to improve disciplinary policy and procedures in the district.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	Organize Texas Education Agency-recommended teams to implement a transparent process for acquiring instructional materials and for upgrading technology, including hardware, software, infrastructure, and assistive technology, as needed.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	Form a district oversight committee to develop policies and procedures for selecting and evaluating current and future instructional programs and materials.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	Develop, implement, and assess policies and procedures for training, professional development, and ongoing support for all staff members, inclusive of support services positions.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>		<b>\$0</b>						

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# **CHAPTER 3**

# **COMMUNITY INVOLVEMENT**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 3. COMMUNITY INVOLVEMENT

An independent school district's community involvement function requires communicating with stakeholders and engaging them in district decisions and operations. District stakeholders include students, staff, guardians, residents, and businesses. Stakeholders must be aware of issues facing the district, support its priorities, and respond to its challenges. Communication includes public meetings, the district's website, campus-to-home communications, extracurricular activities, and local media.

A successful community involvement program is designed so that it addresses both the unique characteristics of the school district and the community. A critical component of school improvement and accountability systems is a high level of community involvement. Community members and volunteers provide valuable resources that can enrich and enhance the overall educational system. In turn, community members directly benefit because successful students ultimately supply an informed citizenry, an educated workforce, and future community leaders.

Campus administrators at Freer Independent School District (ISD) are responsible for managing community involvement activities at the elementary, middle school, and high school levels. The district encourages membership in organizations such as the FFA and Athletic Booster Clubs. In addition, the district holds several fundraisers a year that involve the community. Examples of these include the Harvest Festival and Red Ribbon Week.

### FINDINGS

- ◆ Freer ISD does not keep parents informed about the federally required parent involvement activities.
- ◆ Freer ISD's ineffective management of community and parent involvement leads to duplicative efforts, missed opportunities to provide community and volunteer support to students, and uninformed community members.
- ◆ Freer ISD does not provide meaningful opportunities for community organizations and local businesses to be involved in district operations.

### RECOMMENDATIONS

- ◆ **Recommendation 13: Develop and implement a plan to maximize parental involvement related**

**to the federally required parent involvement activities.**

- ◆ **Recommendation 14: Develop and implement a communication plan for disseminating information to the public and seeking community and parent input.**
- ◆ **Recommendation 15: Establish relationships with local business and community organizations to gain support for the district and provide new opportunities for students.**

### DETAILED FINDINGS

#### FEDERAL REQUIREMENTS (REC. 13)

Freer ISD does not keep parents informed about the federally required parent involvement activities.

Schools receive Title I funding if they meet federal criteria indicating that they serve a high percentage of students from low-income families. As a Title I district, Freer ISD has a number of requirements it must meet with regard to parent involvement to receive funding. Freer ISD has a district Parent Involvement Policy (PIP) as required by the U.S. Department of Education (DOE) Elementary and Secondary Education Act (ESEA) Title I Part A. Likewise, each of the three campuses in Freer ISD has a PIP as required to receive Title I funds. However, neither the district nor the campuses regularly complete activities outlined in their PIP. The PIP parental involvement activities and Freer ISD's completion of the activity in the 2012–13 school year are shown in **Figure 3–1**.

District and campus staff members interviewed reported that they were unaware of annual required parent involvement activities, if the required activities had occurred, or if any were planned for school year 2013–14.

The Freer ISD website has links to the district PIP, as well as to the PIP for Freer High School, Freer Junior High School, and Norman M. Thomas Elementary School. Each campus website also has a link under the "Parents" tab that directs users to the PIP for each respective campus. The district parent involvement webpage has a link for a volunteer application, as well as a link for parent involvement newsletters, which directs users to the Regional Education Service Center XVI (Region 16) parent involvement

**FIGURE 3–1**  
**FREER ISD TITLE I REQUIRED PARENT INVOLVEMENT POLICY ACTIVITIES, SCHOOL YEAR 2012–13**

TIMELINE	ACTIVITY	EVALUATION MEASURE(S)	REQUIREMENT MET?
1. March/April for the upcoming school year	Assist in the coordination and integration of parental involvement strategies with strategies under other programs and other state-run <i>preschool</i> programs [(a)(2) (D)].	Coordination of efforts reflected in DIP and Campus Improvement Plans (CIP)	No - coordination not occurring and not reflected in DIP and CIPs
2. Planned in March and outlined in the DIP	Support schools in...[(a) (2) (C) & (c) under School Policy]  Offering a flexible number of meetings (e.g., morning and evening) by providing for such things as child care, home visits, etc.  Strengthening the processes of the site-based decision-making committees to create expanded opportunities for parents to assist in the planning, reviewing, and improvement of programs under Title I, Part A, including planning, reviewing, and improving the parent involvement policy and the school-wide program plan.	Participation records, annual evaluation results, resulting revisions to program plans	Limited - a parental involvement meeting was held at the end of school year 2012 – 2013, but the meeting only included a very small group of staff and parents._
3. Once a semester	Host at least one meeting each semester to address parents' topics of educational concern.	Sign-in sheet, meeting minutes	No - parent meetings were not planned or conducted at JHS or HS level. Parent meetings ("Report card nights") are held at elementary school but do not address parents' topics of educational concern
4. Ongoing	Facilitate continuing parent education classes for parents (e.g., computer literacy, reading, math/calculator strategies, nutrition, etc.).	Participation counts	No - parent education classes were not planned or conducted
5. Once a semester	Provide parent training sessions on topics of interest to parents.	Meeting minutes	No - parent training sessions were not planned or conducted

SOURCE: Freer ISD, Parent Involvement Plan, school year 2012–13.

newsletters. The designated parent involvement coordinator for the district is the special program/assessment director.

Freer Junior High School has an online survey on its campus website that is used for a needs assessment to assist in completing the application for federal funding and district and campus improvement plans. This survey includes a question regarding the type of training/programs parents would like the school to offer. However, Freer ISD has not held parent training or education classes, and no meetings are held that focus on parent-identified topics of interest. These classes are listed in the Freer ISD PIP as part of the activities being conducted to meet Title I federal requirements.

Title I requires the district to hold a meeting that informs parents of the current academic status of its students. Title I requirements also indicate the district must communicate with parents during the school improvement process, either by mail or e-mail. However, parents interviewed said they did not receive any notices from the schools or the district regarding district or school standings or school improvement progress. Parents and community members reported that the schools were doing well academically and were unaware that the district missed Adequate Yearly Progress (AYP) and that one of the three campuses was rated as *Academically Unacceptable* the previous school year. Since the time of the onsite review, the district reports it has sent letters notifying parents of the district/school standing regarding school improvement.

There is no mention of student academic performance on campus websites. The district website contains a link to No Child Left Behind results for the district and each campus. However, parents and community members reported they visited the campus websites consistently but did not visit the district website.

Goal 5 of the district PIP states that Freer ISD will establish the district's expectations for parent involvement, and these goals will be reflected in the District Improvement Plan (DIP). The DIP has these stated objectives and strategies for parental involvement (Goal 4 of the DIP):

Goal 4. Freer will increase parental and community involvement on all campuses.

- Objective 4.1. Plan activities that will encourage parental and community input, interest, and communication.

- Strategy 4.1.1. Use local cable television, newspaper/newsletter, online resources and two-way communication.
- Objective 4.2. The district shall ensure each campus develops a plan of action to provide inviting campus culture from the very first to the last step when parents visit campuses.
  - Strategy 4.2.1. Complete a walk-through from a parent's perspective and modify campus practices to ensure an inviting atmosphere.
  - Strategy 4.2.2. Conduct surveys from parents about their campus visits.
  - Strategy 4.2.3. Develop expectations for parent visits and make parents aware of those expectations.
  - Strategy 4.2.4. Place parent visits at the highest priority by all staff.
  - Strategy 4.2.5. Provide for genuine opportunities for parents to provide input on district and campus practices through surveys.
  - Strategy 4.2.6. Develop written and published campus parent volunteer programs.
  - Strategy 4.2.7. Design a parent award program.

Mable Falls ISD (MFISD) conducts an annual survey to obtain input from parents on a wide range of education issues. The district's survey asks parents their opinions about issues such as the adequacy of academic and administrative information the school provides, their satisfaction with school-home communications, parent attendance of school events, the academic program, discipline, extracurricular activities, school facilities and the extent to which the school meets different student needs.

Freer ISD should develop and implement a plan to maximize parental involvement related to the federally required parent involvement activities.

First, district staff should review the PIP to ensure it is updated and meets federal requirements, as well as the needs of Freer ISD. An analysis of the plan should be conducted to determine where gaps exist in the PIP. **Figure 3–1** shows there are several areas in which Freer ISD needs to either modify the PIP, or take steps to ensure it implements the plan effectively.

The district should use results from the Freer Junior High School online survey to determine topics of interest for parent meetings, and schedule classes and meetings accordingly. At the time of the onsite review, this survey was not on the elementary or high school campus websites. However, since the time of the onsite review, the district has indicated that the survey is now on the elementary and high school campus websites. Once the meetings and trainings have been held, evaluations should be conducted to assess whether the meetings and trainings address the needs of the parents and community. By using the responses gathered from parents on the needs assessment survey and evaluation, Freer ISD can maximize parental interest and participation.

Additionally, Freer ISD should revisit the strategies outlined for parental involvement in the DIP, and develop a plan to accomplish them. Many strategies can be easily established and promptly implemented. By implementing the strategies outlined in the DIP, Freer ISD can work towards meeting its parental involvement objectives and thereby meet their goal of increasing district-wide parental and community involvement.

This recommendation can be implemented using existing resources.

#### **COMMUNICATIONS PLAN (REC. 14)**

Freer ISD's ineffective management of community and parent involvement leads to duplicative efforts, missed opportunities to provide community and volunteer support to students, and uninformed community members.

Freer ISD does not have staff, budgeted funds, or formal district- or campus-level plans for community involvement. Informal planning and implementation of community involvement activities are conducted at the campus level. However, neither the district nor the campuses have a formal process in place for communicating with parents and the community. In addition, there is no standard method for collecting or responding to community feedback. Interviews of parents and community members indicated that the most common sources for district information were the district website and social media. While the district manages the information on its website, the social media content is unofficial information via individual postings on Facebook.

When district and campus administrators were asked how they communicate information to the public, they reported they use the website as their primary form of communication. While Freer ISD's main web page has current information,

several subpages do not. For example, the Curriculum and Instruction webpage lists contact information for the curriculum director for school year 2012–13, but at the time of the onsite review this position was not filled for school year 2013–14. The business office webpage is empty, with the exception of the statement, "This is to share all information of the business office," indicating information was never added to this webpage.

The other source parents and community members reported using for gathering information about the district was Facebook. Though neither the district nor the individual campuses have Facebook pages, most parents and community members reported using individual's postings on Facebook to find unofficial information about school activities and events. For example, one community leader reported that he does not have regular communication with anyone at the district or campuses but knows everything that is going on by checking Facebook. Parents reported that they knew it was a particular dress-up day at school because other parents were posting pictures of their children on Facebook. Staff reported that the district does not want to maintain a Facebook page because administrators are not familiar with the social network. At the beginning of school year 2013–14, campus administrators requested to have Facebook pages for their schools, but the request was not approved by district administration. Not having a way for parents and community members to access comprehensive district information means that parents will look for information elsewhere, even if it is "unofficial."

Communication between the district and parents is initiated differently by each campus. Elementary school staff reported sending notices home with students, but junior high and high school staff said they do not send home notices as students often do not give the notices to parents.

There is no position at Freer ISD with responsibility for coordinating community and/or parent involvement activities. District and campus staff reported they already have multiple roles and do not have the capacity to manage community or parent involvement. As a result, there are no district-level activities for community involvement and no district-level awareness, management, or monitoring of community involvement efforts at the campuses.

While the elementary campus allocates resources and time to plan and coordinate activities, staff from the secondary campuses reported that other initiatives have a higher priority than community involvement. For example, Norman

Thomas Elementary School invites parents to quarterly parent nights to pick up report cards and interact with teachers. Freer Junior High School and Freer High School also give report cards to parents, but they do not hold a parent night. In addition, the Freer Constable's Office has provided training for staff and students on the topics of bullying and computer predators at the elementary school but not the secondary schools or the district. This training was coordinated through the elementary school and the Constable's Office without any involvement of the district.

Typically, campus administrators plan and implement all community involvement activities at the campus level. These administrators reported they are already busy with numerous responsibilities, and have little or no time for coordinating community involvement activities. School counselors reported they have ideas for activities that would both increase community involvement and help students with their academics, thus meeting two district needs simultaneously. For example, one counselor mentioned an after-school peer mentoring program but stated there is not enough time to plan the activities, let alone implement them.

District data indicates that parent involvement varies by grade level. Staff at Norman Thomas Elementary School reported a satisfactory level of parent involvement, while staff at Freer Junior High School and Freer High School reported that parent involvement is low at their campuses. Staff said this is likely due to a misperception that older students do not need as much support from parents. Also, older students may discourage parents from participating in school activities.

The lack of districtwide coordination contributes to the low level of parent and volunteer participation at Freer ISD. Freer ISD does not actively recruit volunteers and does not strive to make volunteers feel valued and appreciated. Staff reported that volunteers do apply to provide support to schools and are approved through the district. Once they are approved, they work with the campuses exclusively to determine schedules and responsibilities. Volunteers do not receive training, and often lack a clear understanding of their role and responsibilities. Freer ISD does not track volunteer hours nor reward or publicly recognize its volunteers. Staff at the elementary school reported that some volunteers have received certificates, but this is not made public. Freer Junior High and Freer High School reported few volunteers at their campuses.

The lack of support for volunteers results in missed opportunities for the district. Additional volunteers could assist campus staff and enhance student achievement. The presence of volunteers could also give students the perception that the community is vested in their education, which may expand the student's sense of accountability.

Further, the lack of a district parent/community communications plan not only hinders public awareness of district information and activities but also limits the understanding of the academic progress. Understanding the district's academic standing and needs are essential because parents and the community cannot provide support if they are not aware it is needed. For example, parents might demonstrate more interest in attending a workshop or other academic-based activity if they were aware that students need help. Community groups might provide additional supports through volunteer efforts if the district communicates the needs of its students to the community.

Westphalia and Dripping Springs ISDs both have established effective methods to communicate with parents and the community and to encourage involvement in district programs and activities. For example, Westphalia ISD has implemented a number of school activities that involve active community participation, including a kindergarten roundup, a Halloween carnival, a holiday play, a book fair, and an end-of-school honors and awards assembly. The district also invites parents and community members to chaperone field trips and to attend and participate in school-sponsored activities. In addition, the district publishes and distributes a newsletter containing information about class activities as well as an event schedule and sends press releases and articles about district activities for area newspapers to publish. Dripping Springs ISD also employs multiple methods to communicate effectively about district accomplishments and challenges. Techniques include everything from informal superintendent visits with area residents at local coffee shops to a district column published in an area biweekly newspaper.

San Elizario ISD has also established a strong parent volunteer program that enhances the effectiveness of education services on each campus. Volunteers in the district dedicate many hours to the schools each year, which allows the teachers to focus more on instruction. Volunteers provide services as classroom tutors, field lesson chaperones, library aides, classroom aides, monitors, and office aides. They also assist with state testing and Red Ribbon Week events. Campuses conduct two volunteer orientations during the school year (fall and spring semesters). While parents help their children's

campuses by volunteering, campus staff also help parents by offering training and workshops that allow them to learn new skills to better assist their children at home with schoolwork and social skills.

The National Council of Professors of Educational Administration has outlined the following steps to assist districts in developing a communications plan and policy:

- The Board of Trustees authorizes the superintendent to facilitate the development of communications policy.
- The superintendent or his/her designee organizes a communications committee that is representative of school and community key stakeholders (e.g., students, parents, teachers, administrators, community members, and representatives of the school board). The committee composition should represent the diversity of the school and community.
- The committee develops a rationale for the communications plan, including the guiding principles and philosophy of communication improvement. Additional components include vision and mission statements aligned to district policy and goals for school-community relations as well as a clear purpose, direction, and outcomes for the communications plan.
- The committee also conducts a needs assessment to evaluate current activities and strategies and inform the district as to what improvements need to be made.
- In developing communications policy, the district needs to address plans for information dissemination to stakeholders as well as input and feedback mechanisms. The policy should outline the roles of all district and campus staff involved so that responsibilities are clear.

Once the policy is developed and approved by the board, it should be disseminated to all key stakeholders, including board members, district and school staff, parents, and members of related organizations, such as parent groups, media, business and industry, community groups, and local government.

Freer ISD should develop and implement a communication plan for disseminating information to the public and seeking community and parent input. A districtwide communications plan serves many purposes. It provides public understanding and awareness of the learning opportunities provided for

students. Communication with parents, community members, and business leaders and the active solicitation of input and feedback ensures that the district considers a wide range of impacts and opportunities that will affect the organization both positively and negatively. Effective communication also ensures that all members of the organization are aware of the district's plans, their role in implementation, and the level of importance of the plan. Another purpose of the communications plan is to ensure parents and community members are aware of the district's goals and to make the public aware of what supports are needed.

In developing the communication plan, Freer ISD should follow the six steps outlined by the National Council of Professors of Educational Administration. These steps can be modified to meet the particular needs of Freer ISD.

Freer ISD should also appoint a parent or community member to serve as a Community Involvement Coordinator (CIC). The CIC would assist the district in implementing the communication plan and relieve district and campus staff of the added responsibilities of designing and implementing community involvement activities.

As part of implementing the communication plan, Freer ISD should also designate one staff member as a central point of contact (POC) at the district level. This person will provide the CIC with a designated contact to facilitate activities at the district level. Working within the district would allow the POC to conduct activities that meet the district's best interests and use available resources effectively. Additionally, a POC would serve as the contact person for parents and community stakeholders needing information or providing feedback to the district.

This recommendation can be implemented using existing resources.

#### **COMMUNITY PARTNERSHIPS (REC. 15)**

Freer ISD does not provide meaningful opportunities for community organizations and local business to be involved in district operations.

Freer ISD does not have any formal partnerships in place with community groups or organizations. There is some support in the community, as evidenced by successful fundraisers and community events. For example, in prior years the PTO coordinated the Harvest Festival fundraiser and was able to raise enough money to purchase 20 new computers for the elementary school. However, this support

is not organized or managed in a way that maximizes effectiveness and continuity of effort. For example, the local constable ensures someone from his office supervises the school crosswalks before and after school, but this is completely unsolicited and unrecognized by the district.

Freer ISD has a foundation of support as evidenced by the donations and sponsorships the campuses are currently receiving. For example, a poster hanging in the district offices at Freer ISD highlighted the schedule for the football team and women's volleyball teams and included team pictures. At the bottom of the poster were 31 business advertisements, indicating these businesses paid to have their advertisements on the poster. These businesses covered a variety of professions, including home health, hotel management, construction, and oil field services, all professions that could appeal to students as potential future careers. Thus, Freer ISD does receive some assistance from local businesses for fundraising purposes, however it has not benefited from more formal partnerships. Consequently, the district misses out on potential additional services and supports that businesses could provide, and businesses miss out on benefits such as student volunteers or interns or publicity garnered from sponsoring school or district events.

Additionally, the superintendent is working towards establishing an Education Foundation (Boosting Unlimited Confidence, Knowledge & Skills Freer Youth Education Foundation) with support from five community business leaders. The foundation is intended to provide consistent financial support to the district.

As another example, a few years ago, the mayor of Freer organized a trash pickup outside of the school and offered \$500 to the group that had the most participants. There was no coordination with the district, and not many students participated. This year, the mayor repeated the event. A representative of the mayor's office brought a flier to the Freer ISD district office, and while there was no official district-level coordination, district staff disseminated the information among campus administrators. Consequently, the high school principal sent the information to his staff, and one of the high school athletics coaches texted the information to his athletes. As a result, there was much more participation than in previous years, and the athletics team won the \$500 prize for the school. This example demonstrates how the community of Freer and the district worked together for the benefit of all.

Because the district does not have any formal partnerships in place, each campus in Freer ISD seeks support from the community independently. The elementary school regularly requests donations from local businesses, while the junior high and high school do not. For example, when the elementary school wished to raise funds, the administrator and staff held a fundraiser or requested donations that benefitted only their own campus, leading to gaps and inequities in the support received at other campuses. When asked why they did not reach out to local businesses for support, Freer High School staff reported that the elementary school already asks everyone in the community, and there is no one left for them to ask.

Freer parents, community leaders, and business persons all reported that they would support the district if asked, but no formal partnerships exist because the district has not requested them. Because Freer ISD does not make the needs of the district known and request support from the community members, the district is missing out on opportunities to establish relationships with the community, and students are missing out on opportunities that would help support their education.

Socorro ISD has developed a series of best practices with regard to community involvement. By establishing relationships with a number of businesses and organizations, Socorro ISD gains many benefits, including mentors, cooperation on developing curriculum, fundraising assistance, and a professional women's network. The district established partnerships with 148 businesses and organizations in one school year. The next year, 157 more partnerships were established. Business partners are encouraged to select a community service activity once a year in which students can participate alongside the business' employees. This type of side-by-side activity boosts the image of both the businesses and the district. For example, a local restaurant provides coupons, discounts, and fundraisers, and, in exchange, the district advertises the restaurant in school newspapers. A business advisory group, composed of community leaders from both the public and private sectors, meets regularly to allow members to learn about district initiatives and to advise the district.

The Texas Association of Partners in Education (TAPE) offers leadership and expertise for schools, families, businesses, and communities to build partnerships that enhance student success. The intent of the association is to strengthen student success through volunteer, community, and business/school partnerships. TAPE also travels

throughout Texas to provide workshops, retreats, and professional development. In addition, *Education Week* provides a step-by-step process that school districts can take to set up an effective program for businesses and schools to work together.

The district should establish relationships with local business and community organizations to gain support for the district and provide new opportunities for students. When schools regard their relationship with the community as a partnership in which school and community share responsibility for student achievement, students have more opportunities for meaningful, engaged learning. Often, partnerships help students see connections between the curriculum in the school and skills that are required in the real world. Students are also able to have a better understanding of what type of vocational training or higher education is required to work in different professions, enabling them to set postsecondary goals. Quality partnerships also provide models of effective civic and community engagement.

By working closely with schools, businesses can ensure that future members of the workforce are well-prepared to function in high-performance workplaces. The relationships Freer ISD has with local businesses should be expanded to more than just donations or participation on occasional advisory committees. Some examples of ways businesses can work directly with students at Freer ISD include career talks, job shadowing, mentoring, and apprenticeship programs. Elementary and secondary students participating in these types of activities would be exposed to a variety of careers and the education and training. This exposure would be particularly beneficial for students in Freer ISD, as school staff reported, the majority of its high school graduates seek local employment rather than pursue higher education.

Local businesses can also support the work of teachers through advisement in a variety of areas, such as technology and industry standards, curriculum development efforts, and working directly with teachers as mentors and consultants. For example, business-education partnerships are ideal for supporting project-based learning projects that promote meaningful real-world application of learning.

Freer ISD should reach out to local businesses to form partnerships that can provide support to the schools and students.

The first step in this process is to include training for new teachers that will help them understand the community. This training could include a community tour, where teachers are

shown areas of town that students frequent and local businesses. Freer ISD should also consider holding a community fair at the beginning of the school year to introduce local organizations and businesses to school and district staff, parents, and students. By inviting the organizations and businesses to this event, the district gives them a venue to promote their products and services as well as cultivating a culture of community involvement.

Step two is to create an action team consisting of stakeholders (district staff, campus staff, and students). Putting an action team in place alleviates district and campus administrators from spending much of their own time contacting businesses individually. The action team could engage in the following activities:

- Conduct a needs assessment to determine the needs of the district and match the needs of the district with the services available in the community.
- Develop goal statements to ensure activities are meeting the prioritized needs of the district.
- Identify strategies to support collaboration and information sharing where staff, business, and community members share information about their initiatives and needs, develop collegial strategies, determine project services, and develop plans to meet student needs.
- Develop implementation plans, ensuring all participants understand their roles and responsibilities, providing ongoing support for participants involved in the partnership, integrating goals with the responsibilities of the administering organization, and addressing issues identified as real problems.
- Use evaluation tools to determine progress towards meeting goals at predetermined intervals.
- Provide continual support to ensure the success of the partnership program.

The Texas Association of Partners in Education is a free, local resource that Freer ISD can use to assist in creating successful partnerships with local community organizations and businesses.

This recommendation can be implemented using existing resources.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL	ONE-TIME
						5-YEAR (COSTS) SAVINGS	(COSTS) SAVINGS
<b>CHAPTER 3: COMMUNITY INVOLVEMENT</b>							
13. Develop and implement a plan to maximize parental involvement related to the federally required parent involvement activities.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14. Develop and implement a communication plan for disseminating information to the public and seeking community and parent input.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15. Establish relationships with local business and community organizations to gain support for the district and provide new opportunities for students.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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# **CHAPTER 4**

## **ASSET AND RISK MANAGEMENT**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 4. ASSET AND RISK MANAGEMENT

An independent school district's asset and risk management function controls costs by ensuring that the district is adequately protected against significant losses at the lowest possible cost. This protection includes the identification of risks and methods to minimize their impact. Areas where districts need to manage risk include investments, revenue/cash flow, capital assets, and insurance.

Managing assets and risks is dependent on the organizational structure of the district. Larger districts typically have staff dedicated to asset and risk management, while smaller districts assign staff these responsibilities as a secondary assignment. Managing investments includes identifying those with maximum interest-earning potential while safeguarding funds and ensuring liquidity to meet fluctuating cash flow demands. Forecasting and managing revenue includes efficient tax collections to allow a district to meet its cash flow needs, earn the highest possible interest, and estimate state and federal funding. Capital asset management should identify a district's property (e.g., buildings, vehicles, equipment) and protect it from theft and obsolescence. Insurance programs cover employees' health, workers' compensation, and district liability.

In the Freer Independent School District (ISD), the business director works with the accounts payable clerk to manage the district's assets and risks and reports to the superintendent. It is the responsibility of the business director to maintain the fixed asset records and the cash management program and to monitor insurance policies and claims. Freer ISD is also responsible for six residential units used to provide housing for staff members who are required to reside within the district. These staff members include the superintendent, the three school principals, the athletic director and the band director.

Figure 4-1 shows that the district's net assets decreased more than \$600,000 from the period ending August 31, 2011 to August 31, 2012. Figure 4-1 shows information for all governmental activities accounted for using the economic resources measurement focus which includes certain non-cash items. This is different than the individual fund statements which reflect the flow of financial resources but excludes certain non-cash accruals. Non-cash expense accruals include depreciation (\$1,551,550) and the amortization of bond issuance costs (\$14,463). Excluded are certain expenses included in the fund accounts such as capital outlays (\$38,880) and repayment of bond principal (\$440,000).

**FIGURE 4-1  
FREER ISD CHANGE IN NET ASSETS  
FISCAL YEARS 2011 TO 2012**

REVENUES	AUGUST 2011	AUGUST 2012	TOTAL DOLLAR CHANGE 2011-2012
<b>Program Revenues</b>			
Charges for Services	\$201,866	\$161,766	(\$40,100)
Operating Grants and Contributions	\$1,938,673	\$1,661,898	(\$276,775)
<b>Total program revenues</b>	<b>\$2,140,539</b>	<b>\$1,823,664</b>	<b>(\$316,875)</b>
<b>General Revenues</b>			
Property taxes for general operations	\$4,374,689	\$3,586,278	(\$788,411)
Property taxes for debt service	\$1,540,338	\$1,469,774	(\$70,564)
State aid and formula grants	\$3,504,341	\$3,684,577	\$180,236
Investment earnings	\$13,398	\$9,224	(\$4,174)
Miscellaneous	\$126,633	\$261,817	\$135,184
Extraordinary item outflow	(\$41,572)	\$0	\$41,572
	\$9,517,827	\$9,011,670	(\$506,157)
<b>Total Revenue</b>	<b>\$11,658,366</b>	<b>\$10,835,334</b>	<b>(\$823,032)</b>

**FIGURE 4–1 (CONTINUED)**  
**FREER ISD CHANGE IN NET ASSETS**  
**FISCAL YEARS 2011 TO 2012**

EXPENSES	AUGUST 2011	AUGUST 2012	TOTAL DOLLAR CHANGE 2011–2012
Instruction	\$5,289,056	\$5,085,986	(\$203,070)
Instructional resources	\$110,616	\$74,327	(\$36,289)
Curriculum and staff development	\$441,934	\$393,863	(\$48,071)
Instructional leadership	\$254,130	\$191,278	(\$62,852)
School leadership	\$451,067	\$462,469	\$11,402
Guidance, counseling, & evaluation services	\$270,407	\$246,484	(\$23,923)
Social work services	\$0	\$31,027	\$31,027
Health services	\$89,235	\$110,906	\$21,671
Student transportation	\$227,430	\$125,935	(\$101,495)
Food services	\$539,638	\$539,825	\$187
Curricular/extracurricular activities	\$624,674	\$574,358	(\$50,316)
General administration	\$578,874	\$551,902	(\$26,972)
Plant, maintenance and operations	\$1,805,040	\$1,622,048	(\$182,992)
Security and monitoring services	\$15,045	\$14,184	(\$861)
Data processing services	\$34,620	\$49,916	\$15,296
Community services	\$103,411	86,223	(\$17,188)
Interest on long-term debt	\$1,036,224	\$1,018,401	(\$17,823)
Bond issuance costs and fees	\$14,765	\$14,864	\$99
Payments related to shared services	\$94,635	\$114,662	\$20,027
Other governmental charges	\$162,461	\$166,598	\$4,137
Total Expenses	\$12,143,262	\$11,475,256	(\$668,006)
Changes in net assets	(\$484,896)	(\$639,922)	(\$155,026)
Beginning net assets	\$8,641,293	\$8,132,678	(\$508,615)
Prior period adjustment	(\$23,719)	\$0	\$23,719
Net assets beginning as restated	\$8,617,574	\$8,132,678	(\$484,896)
Ending net assets	\$8,132,678	\$7,492,756	(\$639,922)

SOURCE: Freer ISD, Annual Financial Reports, October 2013.

The decrease in property tax revenue shown in **Figure 4–1** is the result of a reduction in the assessed property value of the district. The overall value of district fixed assets also decreased due to the recording of approximately \$1.5 million in depreciation. Recording depreciation will reduce net assets for most districts unless there is an active construction program.

Freer ISD assets include facilities, technology, equipment, school buses, and support vehicles. **Figure 4–2** shows the original asset cost, the accumulated depreciation and the net carrying value (original cost minus accumulated depreciation) of the capitalized fixed assets with an original value over

\$5,000 as of August 31, 2012. These assets are managed in the departments and campuses where various services are provided on a daily basis. Freer ISD manages major risks through the purchase of property and liability insurance, participates in a self-insurance workers' compensation pool with the Joint Self-Insurance Fund, and provides unemployment compensation coverage through participation in the Texas Association of School Boards (TASB) Risk Management Fund.

**FIGURE 4–2  
FREER ISD GOVERNMENTAL ACTIVITIES FIXED ASSETS  
AUGUST 31, 2012**

<b>FIXED ASSETS</b>	<b>ORIGINAL ASSET VALUE</b>	<b>ACCUMULATED DEPRECIATION</b>	<b>NET CARRYING VALUE</b>
Land	\$72,958	\$0	\$72,958
<b>Capital Assets Being Depreciated</b>			
Buildings and Improvements	\$33,463,791	(\$9,050,983)	\$24,412,808
Equipment	\$590,647	(\$342,855)	\$247,792
Vehicles	\$111,761	(\$94,889)	\$16,872
	\$34,166,199	(\$9,488,727)	\$24,677,472
<b>Net Capital Assets</b>	<b>\$34,239,157</b>	<b>(\$9,488,727)</b>	<b>\$24,750,430</b>

SOURCE: Freer ISD, Annual Financial Report, October 2013.

**FINDINGS**

- ◆ Freer ISD does not have an effective system for identifying and tracking fixed assets potentially increasing the risk of error and theft.
- ◆ Freer ISD lacks written administrative procedures and an effective system of controls to guide the management of the district’s residential properties.
- ◆ Freer ISD has not instituted a cash management program and, as a result, is missing opportunities to maximize the return on their investments.

**RECOMMENDATIONS**

- ◆ **Recommendation 16: Establish a process to manage and maintain an effective fixed assets inventory using existing capacity in the district’s financial recordkeeping system for the capitalized fixed assets and the district’s network management software system for the non-capitalized technology assets.**
- ◆ **Recommendation 17: Develop property management guidelines to manage and operate the six residential properties and create an enterprise fund to manage the financial activities associated with these properties.**
- ◆ **Recommendation 18: Institute a cash flow forecast and use this information to create a more aggressive cash management program.**

**DETAILED FINDINGS**

**FIXED ASSET INVENTORY (REC. 16)**

Freer ISD does not have an effective system for identifying and tracking fixed assets potentially increasing the risk of error and theft.

Freer ISD has two types of assets:

- Capitalized tangible capital assets—These are assets reported on the Statement of Net Assets in the Annual Financial Report (AFR). Included are land, buildings, building improvements, vehicles, machinery, equipment, and infrastructure that have estimated useful lives beyond a single reporting period. The Government Finance Officers Association (GFOA) recommends that “the capitalization threshold for capitalized tangible assets be no less than \$5,000 for any individual item.”
- Non-capitalized assets—These are assets identified by GFOA as those assets that may not meet the \$5,000 capitalization threshold but would include items that “require special attention to compensate for a heightened risk of theft (‘walk away’ items).” For Freer ISD, this category includes technology components such as computers and peripheral equipment.

Board Policy CFB (LOCAL) states that the capitalization threshold for purposes of classifying capital assets is \$5,000. Thus, the district is responsible for maintaining and updating the capital asset inventory for items costing \$5,000 or more as assets are acquired or disposed of. This policy addresses only the capitalized fixed assets of the district. There is no policy identifying the need for maintaining an inventory of non-capitalized assets.

The district has an arrangement with an accounting firm, John Womack & Co., to identify depreciable fixed assets and maintain and update the depreciation schedule to support the preparation of the AFR. The accounting firm receives a report each month of transactions coded to Object Code 6600, the code for capital assets. The accounting firm also reviews repairs and maintenance items to determine if any items should have been coded as capital assets. These records have been maintained by the firm and are used as the basis for additions in the fixed assets and for the depreciation recorded for presenting the net depreciated value in the AFR. The records are maintained on a spreadsheet, and there appears to be no process to determine if any of these fixed assets may no longer be in use by the district. The records provided to the review team included depreciation through August 31, 2011. The depreciation schedule for fiscal 2012 was not provided. Although the district has an arrangement with the accounting firm to track the capital assets, the district’s financial accounting system has a module that the district does not use to track these assets in-house.

A number of the assets on the fixed asset list provided are identified as being fully depreciated. The 2012 publication *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR) notes that “because depreciation is intended to allocate the cost of a capital asset over its entire life, it normally is not appropriate to report assets still in service as fully depreciated. Instead, the annual amount of depreciation should be reduced prospectively as soon as it becomes clear that an asset’s useful life will be longer than originally estimated.” Assets recorded as fully depreciated for Freer ISD include the six residential units as well as six other buildings, 13 pieces of equipment, and two tractors. The number of fully depreciated assets still in use has the effect of understating the overall net assets of the district.

The capitalized fixed asset records for Freer ISD are incomplete as all but one of the inventory items lacks a purchase order number or the vendor name, and, with a few exceptions, there are no serial numbers identified. Descriptions are inconsistent and hard to follow, and there is a high probability that some items on the list will not be located if a formal inventory is taken. For example, one description of an item includes the purchase order (P.O.), a purchase date of 1997, a cost of \$24,975, and a carrying value of \$6,244. It is unknown what this asset, which is listed on the buildings inventory list, represents.

Another example involves the acquisition of seven computers on wheels (COWs). The fixed asset inventory identifies the aggregate cost for each COW. The COW is recorded as a single inventory item with a value of more than \$5,000, but it is a combination of a cart and 18 computers with a unit cost of less than \$5,000. During the onsite visit in October 2013, the review team located only five COWs of the 7 COWs on the district’s fixed inventory list, and the computers on the carts were deemed to be in bad condition. **Figure 4–3** shows the information for the COWs from the fixed asset inventory. The net carrying value for the COWs represents the original cost less accumulated depreciation.

Board Policy CFB (LOCAL) is consistent with the standard approach used by governmental organizations to capitalize higher-cost assets. However, Freer ISD also has a number of assets that fall into the non-capitalized assets category, especially those related to technology such as computers and peripheral devices that have a value of less than \$5,000, but represent a significant dollar value in the aggregate and meet the GFOA definition as “walk away” items.

Freer ISD’s technology assets inventory processes result in inaccurate and incomplete assessments of technology inventory and potential exposure to loss and theft. For example, classroom inventories were not completed at the

**FIGURE 4–3**  
**FREER ISD INVENTORY OF COMPUTERS ON WHEELS**  
**AUGUST 31, 2011**

DATE ACQUIRED	ASSETS	ESTIMATED USEFUL LIFE	NUMBER OF UNITS	ORIGINAL COST	UNIT COST	NET CARRYING VALUE
July 2009	Computer on Wheels	7	4	\$174,755	\$2,427	\$120,664
March 2011	Computer on Wheels	5	1	\$25,330	\$1,407	\$23,219
February 2011	Computer on Wheels	5	1	\$24,947	\$1,386	\$22,452
February 2011	Computer on Wheels	5	1	\$24,947	\$1,386	\$22,452
<b>TOTAL</b>			<b>7</b>	<b>\$249,979</b>	<b>-</b>	<b>\$188,787</b>

SOURCE: Freer ISD, Fixed asset records, John Womack and Co, October 2013.

end of school year 2012–13 or the beginning of school year 2013–14. In addition, the Technology Department could only account for the 20 Microsoft Office 2010 licenses that are used in a lab at the high school. This does not represent the total number of licenses in use by the district; the total is unknown because of the lack of a process to record and coordinate these licenses. A lack of software license counts and valid install codes leaves the district open to licensing violations set forth in each software license agreement.

During the onsite review, the review team observed that asset tags on the technology assets were not consistently applied, and they were in varying locations on the units, if tagged at all. The district uses at least three different types of technology asset tags, with no procedure to ascertain asset tag number, purchase date, cost of asset, funding code, and if the asset is on an inventory list. A records retention company was the last company to complete an inventory in 2010. The district indicated that the records retention company has the entire inventory list on file but the district did not use it as part of the inventory process. Current asset tagging is manual and unsupported by an automated system. None of the inventories reviewed had an asset tag number assigned to items.

The inconsistent manner of identifying the capitalized fixed assets and the lack of a scheduled physical inventory increases the risk of overstating the value of fixed assets reported in the AFR. Although the value of these assets is primarily a financial reporting issue based on rulings of the Governmental Accounting Standards Board (GASB), without an accurate record of the original and the depreciated value of these assets, a district may not accurately validate the existence or condition of its capitalized fixed assets for estimating replacement requirements.

Regarding the non-capitalized assets, the technology inventory listings provided during the onsite visit do not provide enough detail to develop a standard inventory document. The inventory information provided lacks information such as the vendor name, the serial number of the unit, acquisition cost and the date of purchase. The lack of this information generates inaccurate counts or assignment of value for the district technology assets. Districts that maintain adequate inventory documents at a minimum include information about the location of the asset, date received, make, model, vendor, funding code, cost of item, date removed from inventory, and reason for removal. Freer ISD's existing inventories include only the make and model and, in some cases, location and purchase year. The original

cost, funding code, serial number and the vendor name are not included. The district currently uses the Spiceworks free network management software tool to support its Help Desk function. This software system has the capacity to automatically inventory network devices (desktop computers, laptop computers, routers, switches, and printers) and assist in validating the latest inventory. However, the district is not currently taking advantage of this feature. This software is also capable of supporting a barcoded asset inventory; however, the district currently has no barcode reader.

During the onsite review, the review team observed that numerous printers, laptops, desktops, and other peripherals were stacked in classroom closets, on classroom floors, in a portable building at the elementary campus, and in the Main Distribution Frame (MDF) and Independent Distribution Frame (IDF) closets awaiting pick-up and possible disposal. The MDF is the main computer room where servers, hubs, routers, and DSLs reside. The IDF is a remote room or closet connected to the MDF by fiber optic cable. A number of these technology items, especially the printers, appeared to be usable. Staff reported that the excessive number of stored printers was related to a district decision in school year 2012–13 to acquire network copier/printers for each campus and administrative use to limit the cost of print cartridges. Teachers are allowed printers in their classroom if they pay for the ink cartridges. As a result, stand-alone printers were then removed from most classrooms and offices and stored in various locations throughout the district. Staff reported that the Maintenance Department is assigned to remove obsolete technology items from the district periodically; however, the disposal of the surplus items has yet to take place.

The district has a responsibility to comply with software licensing requirements and document software license management. A lack of software license counts and valid install key codes leaves the district open to licensing violations set forth in each software license agreement. Finally, without a process for technology asset disposal, the district experiences storage issues and the risk of disposing of potentially usable equipment.

GFOA recommends that periodic inventories of tangible capital assets occur at least on a five-year basis. This recommendation applies to organizations that have effective perpetual inventory systems. GFOA also addresses the issue of estimated useful lives for assets. "Generally accepted accounting principles (GAAP) require, in most cases, that capital assets be depreciated. Depreciation is the systematic and rational allocation of the historical cost of a capital asset

over its useful life. The estimated useful life assigned to a capital asset will directly affect the amount of depreciation expense reported each period in an accrual-based operating statement. Therefore, it is important to the quality of financial reporting that governments establish reasonable estimates of the useful lives of all of their depreciable assets.”

GFOA references a number of factors to be considered when establishing useful lives for capital assets to include the quality of the asset, the intended use of the asset, and the environment in which the asset is operated.

GFOA also notes that when potentially capitalizable items are not, in fact, capitalized, care must be taken to ensure that adequate control is maintained over any such items that fall in the following categories:

- Items that require special attention to ensure legal compliance;
- Items that require special attention to protect public safety and avoid potential liability; and
- Items that require special attention to compensate for heightened risk of theft.

GFOA recommends that every government undertake a systematic effort to identify all of its controlled capital-type items. For Freer ISD, the majority of these types of items are related to technology-related activities.

Not conducting regular comprehensive inventory procedures for technology components increases the risk that the district will lose assets. An example asset management resource that districts use to develop their own internal processes and procedures is *Information Technology Systems Asset Management Guideline* (2009) developed by Virginia Information Technologies Agency. These guidelines provide guidance in the development and implementation of IT system asset management. IT asset management is an important business practice that involves maintaining an accurate inventory, licensing information, maintenance, and protection of hardware and software assets.

The *Information Technology Systems Asset Management Guideline* outlines common elements used in inventory management elements:

- asset number;
- asset description;
- location of asset;
- purchase order number;

- funding code;
- ordering department;
- received date;
- manufacturer;
- model;
- serial number;
- quantity; and
- unit or total cost.

Effective districts annually inventory computers and verify their use. In addition, effective districts maintain a detailed inventory of computer equipment. This inventory tracks selected information for each piece of computer equipment, including campus number, room number, equipment type, manufacturer, model, serial number, barcode number, and replacement cost. Annually, staff in effective districts conduct a clean sweep of all computers on the inventory. During this process, staff verifies the information on the inventory and removed any unauthorized software programs and data from the computers. Any problems or exceptions were reported to the superintendent. These type of inventory programs are often effective in verifying asset records and ensuring appropriate use of technology.

Freer ISD should establish a process to manage and maintain an effective fixed assets inventory using existing capacity in the district’s financial recordkeeping system for the capitalized fixed assets and the district’s network management software system for the non-capitalized technology assets.

The financial accounting software system used by Freer ISD has a module for capitalized fixed asset reporting that is currently not being used by the district. The business director should work with the appropriate representative of Regional Education Service Center II (Region 2) to activate and transfer the existing inventory to this system. Once the conversion has occurred, a complete inventory of the existing list should be conducted followed by identification of any additional assets that may not have been included on the existing inventory. Once all of the inventory items have been identified, the records should be reviewed and appropriate adjustments made to ensure that the records in the new system contain all necessary information and represent an accurate starting point for the management of the capitalized inventory.

The responsibility for maintaining this inventory should be transferred from the external firm to the business director as it will be easier for district staff to identify and ensure the accurate accounting for these assets.

For non-capitalized technology assets, Freer ISD should formalize an inventory process districtwide and ensure proper disposal of obsolete technology assets. The district can implement the following steps to formalize the technology inventory process:

- purchase a barcode and label system that includes barcode reader and label printing software;
- tag and inventory all technology assets by classroom, office, main distribution frame (MDF), intermediate distribution frame (IDF) and storage area;
- identify the funds used to purchase technology assets;
- identify operable technology assets;
- identify usable technology assets;
- identify obsolete technology assets;
- identify and account for all software licenses districtwide by classroom, office, MDF, and IDF;
- keep all licenses in one (locked cabinet) secure along with install key codes;
- implement proper disposal procedures of obsolete assets; and
- create a form to track “take home” equipment.

The technology director should coordinate the removal of the surplus technology equipment to a central location where the usable units can be separated from those that are no longer operating effectively. All of the items should be inventoried and the business director should solicit bids for the disposal of unusable units.

The capitalized fixed asset issues can be implemented using existing resources and the technology component will require a one-time cost of \$2,500 for the technology fixed asset/inventory software with barcode reader, and label system. The district has indicated that they have purchased an asset management system with scanner capabilities and bar codes since the time of the review.

### **REAL ESTATE MANAGEMENT (REC. 17)**

Freer ISD lacks written administrative procedures and an effective system of controls to guide the management of the district’s residential properties.

Freer ISD owns six residential properties obtained to aid in the recruitment of personnel for positions that are required to live within the district. The capitalized fixed asset records for Freer ISD indicate that five of the houses were purchased in 1970, and one was acquired in 1982. The houses are listed on the district’s capitalized fixed assets records as follows:

- 1970 – Junior High Principal’s House
- 1970 – Athletic Director’s House
- 1970 – High School Principal’s House
- 1970 – Coaches House
- 1970 – Teacherage
- 1982 – Coach House

It is assumed that the “coach house” represents the purchase of the sixth house as there is no other reference to a house in the fixed asset records.

According to Board Policy DB (LOCAL) Employment Requirements, residency requirements apply to the following positions:

- superintendent;
- principal (three positions);
- athletic director; and
- band director.

The policy states that “an employee promoted to an administrative position shall be provided a grace period of 180 days, or 90 days if District housing is offered to the employee, within which to become a District resident.” This policy does not specifically address the management of district housing, nor does it identify how decisions will be made regarding the assignment of personnel to these facilities if one or more is not required for the six positions identified in the policy.

A copy of an untitled separate one page document provided by Freer ISD staff, with a handwritten date of June 10, 2008, states the following:

Administrators should be assigned a home first.

1. superintendent

2. high school principal, junior high principal and elementary principal (designated by seniority and need\*)
3. athletic director and head coach
4. band director

\*Size of family: living conditions

Other housing will be assigned, when available, on the basis of seniority and/or need, by the superintendent, with final approval by the board.

When an extra house is available, it should be advertised, giving administrators and professionals in Freer ISD the opportunity to apply.

This document has no heading and is not a formal district administrative policy, but it is apparently used to aid in determining who will be offered district housing. Board Policy DB (LOCAL) and the referenced document dated June 10, 2008 represent the only written materials relating to the management of these district-owned houses.

At the time of the review in October 2013, the superintendent, the three school principals, and the athletic director resided in five of the residential properties. A married couple both of whom are teachers and one of whom is also a coach resides in the sixth property. The residents of each house pay \$400 per month in rent via payroll deduction, and Freer ISD is responsible for all operating costs such as utilities, repairs, and facilities upgrades.

The district's approach to managing what is, in effect, a property management business within the district, has no formal documentation such as lease agreements with the tenants or separate accounting records for the individual units or the overall program. Thus, Freer ISD does not have a clear understanding of the actual fiscal impact of managing these facilities. In addition, the district had not identified the cost of the residential units as employee allowances.

There is no documented process regarding how the district addresses the long- or short-term capital improvement needs of these facilities. Staff reported that the tenants meet with the superintendent to discuss building needs, and the superintendent makes the final decision on what should be done. Then the superintendent notifies the Maintenance director that the work should commence. There are no written procedures to document this process.

All of the maintenance and renovation work, with the few exceptions when an outside contractor is retained to undertake specialized work, is accomplished by the district maintenance staff. The majority of the work appears not to involve repairs but rather renovations or upgrades to the buildings. One of the buildings is currently undergoing a major renovation along with the installation of a new roof. Since the time of the onsite review, the district indicated that the installation of the new roof has been completed. All of the costs for the work involving these renovations are accounted for as current expenditures in Function Code 51, Plant, Maintenance and Operations. These costs are combined with expenditures involving the maintenance of schools and other district support facilities.

Because of the comingling of the funds with the maintenance of schools and other district facilities, it is difficult to determine the direct financial impact of the costs associated with these properties. **Figure 4-4** shows a comparison of the plant maintenance/operations (function code 51) budget for Freer ISD with those of the peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes for this review. **Figure 4-4** shows that Freer ISD has budgeted \$421 per student more than the peer districts for maintenance and operations. This variation could be in part due to the additional costs of renovating and maintaining the district owned residential units.

By reporting the cost for capital improvements within Function 51, plant maintenance and operations, Freer ISD may not be reporting these costs in a manner consistent with the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG). FASRG describes the rules for financial accounting for school districts. Module 8 – Management identifies the following requirements for recording maintenance activities:

- provides complete cost data on labor and material costs for each job;
- reports all time of each employee, including unassigned time and travel time;
- defines initiators of work orders and provides instructions on requests for service; and
- includes a clear definition of capital outlay expenses versus normal operating expenses.

The utilities and any other costs associated with these buildings are recorded as expenditures in facilities maintenance/operations (function code 51). This function

**FIGURE 4–4  
PEER DISTRICT BUDGET COMPARISONS PLANT MAINTENANCE/OPERATIONS (FUNCTION CODE 51)  
SCHOOL YEAR 2012–13**

DISTRICT	MEMBERSHIP	BUDGETED EXPENDITURES	COST PER STUDENT	% OF BUDGET
<b>Freer ISD</b>	<b>803</b>	<b>\$1,431,599</b>	<b>\$1,783</b>	<b>17.85%</b>
Anthony ISD	855	\$936,007	\$1,095	11.69%
Bloomington ISD	905	\$1,219,125	\$1,347	17.44%
Floydada ISD	806	\$1,133,983	\$1,407	14.66%
Morton ISD	422	\$674,808	\$1,599	15.13%
Peer District Average	747	\$990,981	\$1,362	14.73%
Freer ISD Over (Under) Average Peer Districts	56	\$440,618	\$421	3.12%

NOTE: Membership counts show the number of students receiving at least 2 to 4 hours of instruction per day.  
SOURCE: Texas Education Agency, Budgeted Financial Data, October 2013.

code is described in FASRG as follows. “This function is used for expenditures/expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair and insured. This function is used to record expenditures/expenses for the maintenance and operation of physical facilities and grounds. This function also includes expenditures/expenses associated with warehousing and receiving services.”

Items to exclude from this function include:

- acquisition or purchase of land and or buildings;
- remodeling or construction of buildings;
- major improvements to sites;
- initial installation or extension of service systems or other equipment; and
- security and monitoring expenditures.

The district may consider the costs associated with these properties as part of function code 51 since the houses represent physical facilities and grounds owned by the district. However, there is risk in not accounting for the expenditures associated with these properties separately from other district property. For example, without separate accounting, the district may be unable to determine the actual costs involved in managing these properties.

For the onsite review, the business director gathered cost information associated with these houses for fiscal year 2013, from the financial records. This process required reviewing each transaction in the Function Code 51 category to determine those expenditures attributable to the residential units. **Figure 4–5** shows the costs associated with these houses.

**FIGURE 4–5  
HOUSING UNITS COST SUMMARY, FISCAL YEAR 2013**

COST CATEGORY	EXPENDITURE
Supplies and Materials	\$17,665
Utilities	\$31,571
Salaries and Benefits	\$38,499
<i>Subtotal</i>	<i>\$87,725</i>
Rent	(\$28,800)
<b>Total Cost</b>	<b>\$59,925</b>

SOURCE: Freer ISD Business Office, October 2013.

As shown, the business director identified four cost categories associated with the six residential units—supplies and materials, utilities, salaries and benefits, and rent.

The supplies and materials category identifies only the direct cost for supplies, materials, and professional services incurred by the district. For the house with the remodeling and roof projects, this process identified 149 purchase transactions ranging from \$3.78 for PVC to \$263.95 for a toilet. The total supplies and materials expenditures for this house were \$15,857.79. Additional expenditures for the five other houses resulted in the total estimated supply and materials expenditures for the fiscal year 2013 of \$17,655 for the six houses.

The salaries and benefits category identifies labor costs attributable to district maintenance employees. As reported by district staff, one employee appears to have done most of the work with the maintenance and transportation supervisor functioned as project manager. Assuming no other employees were involved and the district employee spent 75 percent of his time on the project and the maintenance and transportation supervisor spent a quarter of his time

supervising the remodeling, the salary and benefits costs would be approximately \$38,499. This cost is an estimate as the actual time worked by district employees on these projects is unknown because there has been no tracking of the labor hours for the activities of the maintenance staff.

Information provided by the business director identified the total utility costs for school year 2012–13 for the six houses to be \$31,571, bringing the total estimated costs associated with these houses for utilities and capital improvements to \$87,725. When annual rent of \$28,800 is deducted from this total (assuming 100 percent occupancy during the year), the net direct cost to the district associated with the six houses for school year 2012–13 is estimated to be \$58,925 as shown in **Figure 4–5**.

An additional issue involves the decision to establish the rent at \$400 per month. This appears to have occurred in the absence of any determination of how this rent compares to that of similar rental units in Freer, especially when the cost of utilities are also paid by the district. There is also a question regarding the rental rate for the house currently housing the teachers. These positions are not required to live in Freer.

Freer ISD has not identified the cost of the residential units as employee allowances. FASRG does not appear to specifically address non-market rate employee paid housing. FASRG does identify accounting code 6139 – Employee allowances as follows:

- This code is to be used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting.
- In-kind payments such as rent-free housing or employer-furnished automobiles are to be debited to this account and credited to the appropriate revenue account, 5743 Rent or 5749, Other Revenue from Local Sources.

All of the costs associated with the employee housing program are accounted for as a cost to district maintenance and operations.

The current approach for managing the residential properties has resulted in a situation where comprehensive records related to these houses are nonexistent; thus, there is no way to know the actual costs or the effectiveness of the maintenance staff in the existing circumstances.

There is also an issue regarding the accounting for capital improvements. Because the work has been accomplished in-

house and non-salary costs have generally included a number of smaller individual expenditure items, the aggregate value of these improvements have not been recorded as an increase in the asset value for these facilities. This process may have resulted in the underreporting of the value of the district capitalized assets contained on the asset inventory as the improvements have been recorded as expenditures rather than as capital improvements.

Since there is no way to determine what has been expended on these houses during previous fiscal years, it is not possible to know the long-term operating cost for these facilities. There is no structure in place regarding the management of these facilities, and decisions are made annually based on discussions with the superintendent. By including the costs for the houses with the other facilities' maintenance and operations expenditures, it is not possible to ascertain the true cost of managing these facilities or to understand the maintenance cost for the school buildings and district support facilities.

If it is assumed that the \$60,000 spent in school year 2012–13 is representative of the annual costs associated with these houses, both for operating and capital improvements, it is possible that Freer ISD has expended in excess of \$600,000 to upgrade and operate these facilities over the past decade. All of these expenditures have occurred within the plant maintenance and operations accounts (Function code 51), obscuring the actual costs associated with these facilities and skewing the maintenance costs for traditional district facilities being reported by the district.

Governmental accounting has recognized the need to account for businesslike activities of an entity through use of a separate enterprise fund. An enterprise fund as defined in FASRG is used to account for a school district's ongoing organization and activities where net income and capital maintenance are measured. FASRG notes that "expenses of an enterprise operation, including depreciation, are generally intended to be financed or recovered primarily through user charges rather than from government grants or subsidies."

Fund numbers 711 through 748 are reserved in the TEA chart of accounts to be used at the option of school districts to account for enterprise funds.

The publication *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR) notes that an enterprise fund *may* be used to report any activity for which a fee is charged to external users for goods or services. GAAFR states that:

In practice, enterprise funds frequently are used to account for activities whose costs are only partially funded by fees and charges. For example, transit districts commonly are reported in enterprise funds, even though their primary source of financing often comes from subsidies rather than fare box revenues. Enterprise funds are considered useful in such cases because they focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers.

The GAAFR example is similar to the situation with the Freer ISD residential units. A portion of the costs are recovered through the rent paid by the tenants, and the remainder is subsidized by the district.

Freer ISD should develop property management guidelines to manage and operate the six residential properties and create an enterprise fund to manage the financial activities associated with these properties.

The use of an enterprise fund to account for these assets will provide a mechanism for Freer ISD to understand the fiscal impact of operating these facilities as well as provide a basis for more effective management of the program. Freer ISD is engaged in the property management business but is managing the properties in an informal, incremental, and disorganized fashion. This program should be managed in a professional manner, and the facilities should be comparable in quality to other rental housing units in Freer. To establish an enterprise fund, the district should consider the following actions:

The business director should develop additional policies and administrative procedures that will:

- establish a Property Management Enterprise Fund and identify that it is being established to operate on a break-even basis to include the proper accounting for the acquisition of assets and the recording of depreciation;
- assign the business director as the property manager; This position's duties should include:
  - review in detail the existing fixed assets records and update and transfer the records associated with the six residential units to the new fund and establish a depreciation schedule as appropriate;
  - assign a separate sub-object code for each residential unit, and account for all expenses by unit or general overhead; and

- create and enter into a standard lease agreement with each tenant
- establish a written rental rate schedule;
- establish written procedures regarding the selection of tenants;
- establish written procedures to determine required capital improvements;
- provide the proper identification of and accounting for the employee allowances; and
- evaluate the use of maintenance and improvements being completed by the district's maintenance staff to determine if this is the most appropriate use of their time, in comparison to externally contracting for the maintenance and improvements.

In addition the district should do the following:

- A portion of the salary and benefits for the business director should be allocated to the Property Management Enterprise Fund.
- The cost for landscape services provided by the grounds staff should be billed monthly to the enterprise fund.
- The property manager should evaluate the use of a building inspector to inspect each housing unit and provide a report for the repair and/or upgrade schedule for any critical maintenance needs.
- The business director should develop a working capital policy for the enterprise fund that will involve a relationship between current assets less current liabilities.
- Until the actual working capital needs can be determined, the board should transfer \$200,000 from the General Fund to the Property Management Enterprise Fund to provide the necessary start-up working capital for the new fund.

The district should also consult with their tax advisor regarding the tax implications for the employees who receive the housing benefit.

No fiscal impact is assumed in this recommendation. The cost of establishing the enterprise fund will require an initial transfer from the General Fund of \$200,000 to the Real Estate Enterprise Fund. This transfer will provide adequate

working capital for start-up costs and for the anticipated capital improvements.

**CASH MANAGEMENT (REC. 18)**

Freer ISD has not instituted a cash management program and, as a result, is missing opportunities to maximize the return on their investments.

The district does not have a cash management program resulting in the possible loss of interest income. For example, the \$100,000 certificate of deposit (CD), which has been in place since 1997 with funds from the sale of a district property and rolled over annually, is based on the concept that because the \$100,000 is in a separate CD, it is available for a future capital purchase. The \$100,000 is not identified as a reservation of fund balance; thus, it is part of the overall cash available to Freer ISD. To use any district resource for the acquisition of property would require the proposed expenditure be included in a future budget.

At the time of the onsite review, the interest rates earned by Freer ISD were 0.30 percent for the money market account and 0.20 percent for the other bank accounts. The International Bank of Commerce (IBC) bank provides certificate of deposit rates for Freer ISD at the U.S. Treasury Bill (T-bill) rate plus 25 basis points. The 52-week T-bill rate on November 18, 2013 was 0.13 percent. For a 52-week CD on that date, the rate provided by the International Bank of Commerce (IBC) bank would be 0.38 percent, only slightly higher than the 0.30 percent being earned by the district for

the money market account. With the current low interest rates, there appears to have been little interest on the part of Freer ISD to maintain a cash management program.

**Figure 4–6** shows the various bank accounts for Freer ISD as of August 31, 2013.

Board Policy CDA (LEGAL) Other Revenues and Investments identifies numerous requirements relating to cash management, to include the need for:

- Written policies;
- Annual review by the board;
- Annual compliance audit;
- A board policy identifying written investment strategy for various funds;
- Identification of an investment officer;
- Investment officer should attend at least one training session;
- Investment officer should attend an investment training session not less than once in a two-year period;
- Establish standards of care that include safety of principal, liquidity, and yield;
- Definition of conflict of interest for an investment officer;

**FIGURE 4–6  
FREER ISD BANK ACCOUNTS  
AS OF AUGUST 31, 2013**

ACCOUNT	ACCOUNT TYPE	INTEREST RATE	BALANCE 8/31/2013	PURPOSE OF ACCOUNT
General Fund Operating (1)	Checking	0.2%	\$732,511	Receipts and disbursements of operations
Money Market	Money Market	0.3%	\$1,663,877	Investment account
Tax Office Collections (2)	Checking	0.2%	(\$85)	Deposit account for tax collections
Tax Office Refund	Checking	0.2%	\$9,097	For processing refunds to taxpayers
Debt Service Fund (3)	Checking	0.2%	\$17,348	Deposits and payments for debt service
Superintendent’s Activity	Checking	0.2%	\$18,150	Scholarships for Freer High School seniors
Certificate of Deposit (4)	Investment	Variable	\$100,000	Investment
<b>Total Bank Balances</b>			<b>\$2,540,898</b>	

NOTE:

- (1) The General Fund Operating account is the main operating account for the district where all general fund revenues and payments from the state of Texas are deposited. All general operating disbursements are made from this account.
- (2) The Tax Office Collections account is used to deposit tax collections. The receipts are then transferred to the general operating fund.
- (3) The Debt Service Fund Account is used to receive deposits from the tax office for the debt service portion of tax collections and to pay the required principal and interest on Freer ISD general obligation bonds.
- (4) The Certificate of Deposit (CD) has been maintained at the same principal amount since 1997 and is renewed annually.

SOURCE: Freer ISD, General Ledger, International Bank of Commerce (IBC) Bank Statements, October 2013.

- Provision of quarterly reports to the board;
- Selection of brokers; and
- Authorized investments.

Board Policy CDA (LOCAL) Other Revenues and Investments follows up on the state requirements by identifying the superintendent or other person designated by board resolution to serve as the investment officer of the district. Based on information provided to the review team, the business director has been identified as the investment officer. This policy discusses the need for liquidity and diversity, requiring investment strategies for operating funds to have the primary objective of safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The investment strategy for debt service funds shall have sufficient liquidity to meet debt service payment obligations.

Although the district policies require a number of formal actions, Freer ISD has not adhered to its policies in this area; no cash management program is currently functioning in the district, and as a result, the board has no direct knowledge of the existing cash management activities.

There has been no review of long-term cash flow requirements. The most recent activity observed by the review team was a transfer in August 2013 of \$500,000 from the money market account to the general operating account. It does not appear this transfer was based on any formal cash flow plan, but was a transfer made to ensure adequate cash in the general operating account to handle disbursements for the September/October period.

The Government Finance Officers Association (GFOA) describes the issue of cash flow as follows:

A cash forecast is an estimate of cash receipts and cash disbursements during a given period. When used as a cash management guide, it can lead to optimized use of funds as well as insure sufficient liquidity. When used for investment purposes it also helps identify maximum maturity limits and weighted average maturity limits that establish potential benchmarks. Cash flow forecasting can determine what dollar amount of the portfolio needs to remain liquid to meet disbursement obligations, generally on a monthly basis. Also, it can identify core funds, or those funds available, for longer-term investing, which allows a longer maximum maturity.

Freer ISD should institute a cash flow forecast and use this information to create a more aggressive cash management program. As the district's investment officer, the business director should oversee the establishment of the cash management process. In order to establish a cash management program, the business director should consider the follow activities:

- develop a schedule of the cash flow activities for the past three years and use this information as the starting point for a cash flow forecast;
- identify unusual and one-time cash transactions that have occurred over the three-year period and adjust the amount to provide what would be considered a cash flow for routine district obligations over this period;
- using the three-year data, and adjusting for potential changes in district cash receipts and payment obligations (e.g., fewer students, salary adjustments), estimate a two-year cash flow projection for normal transactions;
- identify any known unusual cash-related circumstances that will occur within the two-year projection period and make the necessary adjustments in the projections;
- treat the \$100,000 CD as part of the available cash.
- work with representatives of IBC bank to gain professional advice regarding the potential for future market conditions;
- consider seeking bids for certificates of deposit from multiple banking institutions such as banks in Corpus Christi or other locations in Texas;
- based on the cash flow estimates and information regarding future market conditions, decisions can be made regarding the short- and long-term cash requirements of the district, providing a basis for cash and investment decisions; and
- provide appropriate reports to the board as required by Policy CDA (LOCAL).

The fiscal impact of this recommendation will vary depending upon interest and T-bill rates and the cash available for investment purposes. At the time of the onsite review, rates of return were low and the benefit from an active cash management program would be less than a period when

interest rates are higher. For example, the 26-week T-Bill rate on November 18, 2013 was 0.10 percent while a similar rate for the same date in 2004 was 2.28 percent and on November 17, 2006, the rate was 4.95 percent.

A cash management program is necessary, regardless of the current level of investment return, as accurate cash flow projections would position the district to adjust the investment strategy as interest rates change. The cash flow projections become the foundation of a long term plan for decisions regarding the use of different investments whether establishing a desired balance in the operating account, establishing a certain level of liquidity in the money market account, or investing in longer term investments such as CDs.

It appears that Freer ISD has adequate liquidity in the money market account as the year end balance was \$1.6 million. The district could expand interest earnings to a modest degree in

the current low interest rate environment by reducing the money market account by \$1,000,000 and investing this amount in a 52-week certificate of deposit. Using the current rates being quoted by IBC, this would generate increased annual interest earnings of \$800 based on rates quoted on November 18, 2013. This amount is determined by comparing the current rate for the money market account (0.30 percent) with the return on a 52-week CD (0.13 percent plus the 25 basis points offered by IBC for a total of 0.38 percent), This represents a 0.08 percent increase in the rate of return for the \$1,000,000. It is possible this rate could be exceeded if bids were solicited from a number of additional banks. A rate of 0.08 percent is calculated using  $0.01(1 \text{ percent}) \times 0.08 = 0.0008$ .  $\$1,000,000 \times 0.0008$  equals \$800.

The fiscal impact assumes an annual revenue increase of \$800 with a five-year impact of \$4,000 in additional revenue.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL	ONE TIME
						5-YEAR (COSTS) OR SAVINGS	(COSTS) OR SAVINGS
<b>CHAPTER 4: ASSET AND RISK MANAGEMENT</b>							
16. Establish a process to manage and maintain an effective fixed assets inventory using existing capacity in the district's financial recordkeeping system for the capitalized fixed assets and the district's network management software system for the non-capitalized technology assets.	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,500)
17. Develop property management guidelines to manage and operate the six residential properties and create an enterprise fund to manage the financial activities associated with these properties.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18. Institute a cash flow forecast and use this information to create a more aggressive cash management program.	\$800	\$800	\$800	\$800	\$800	\$4,000	\$0
<b>TOTAL</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$4,000</b>	<b>(\$2,500)</b>

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# **CHAPTER 5**

# **FINANCIAL MANAGEMENT**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 5. FINANCIAL MANAGEMENT

An independent school district's financial management function administers the district's financial resources and plans for its priorities. Administration may include budget preparation, accounting and payroll, administrative technology, tax appraisal and collection, and auditing. Planning may include aligning a district's budget with its district and campus priorities, allocating resources, and developing a schedule with milestones.

Financial management is dependent on a district's organizational structure. Larger districts typically have staff dedicated to financial functions, while smaller districts have staff with multiple responsibilities. Budget preparation and administration are critical to overall district operations. Financial functions include budget development and adoption, oversight of expenditure of funds, and involvement of campus and community stakeholders in the budget process. Managing accounting and payroll includes developing internal controls and safeguards, reporting account balances, and scheduling disbursements to maximize funds. Management of this area includes segregation of duties, use of school administration software systems, and providing staff training. Texas state law requires all school districts to have an external auditor review the district's compliance with established standards and practices. The 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 financial management activities for Freer Independent School District (ISD) are the responsibility of the business director who is supported by a single staff member.

The management of financial resources in Texas is supported by the Texas Education Agency (TEA), which has established administrative regulations contained in the Financial Accountability System Resource Guide (FASRG). TEA has also developed PEIMS, which provides a mechanism to gather financial and student data from all districts throughout the state.

TEA uses the PEIMS data to assign a financial management rating using the Financial Integrity Rating System of Texas (FIRST). The FIRST program is designed to hold school districts accountable for the quality of their financial performance practices and improve performance in the management of their financial resources. The most recent rating (school year 2011–12) for Freer ISD was 60, resulting

in an *Above Standard Achievement* rating from TEA. This is a decrease from the school year 2010–11 score of 65, which resulted in a *Superior* rating.

In 2012, Freer ISD's preliminary property wealth per student was \$432,043. This placed the district below, and thus not subject to, the state's primary equalized wealth level (EWL) of \$476,500, which is the property wealth level above which the state "recaptures" a portion of wealthy school districts' local tax revenue to assist in financing public education in other districts. This primary EWL applies to a district's tax rates up to \$1.00 per \$100 of valuation. The state's school finance system has a secondary EWL that applies to certain enrichment tax effort above \$1.00.

In fiscal year 2012, Freer ISD's total actual expenditures were approximately \$7.5 million. Freer ISD's per pupil actual operating expenditures in school year 2011–12 was \$9,994 compared to the state average of \$8,276. In fiscal year 2012, Freer ISD spent approximately 50 percent of total actual operating expenditures on instruction compared to the state average of approximately 58 percent. The instructional expenditures percentage was calculated using the district's total actual operating expenditures that funded direct instructional activities including Function 11 (Instruction), Function 12 (Instructional Resources and Media Sources), Function 13 (Curriculum Development and Instructional Staff Development), and Function 31 (Guidance, Counseling, and Evaluation Services).

**Figure 5–1** shows a five year summary of the Freer ISD General Fund financial activities. The figure shows that Freer ISD's fund balance has increased nearly every year.

The Financial Allocation Study for Texas (FAST) examines both academic progress and spending for Texas school districts. A district receives from one to five stars indicating its success in combining cost-effective spending with the achievement of measureable student academic progress. **Figure 5–2** shows Freer ISD FAST ratings compared to peer districts, as well as two other school districts located in Duval County. Peer districts are districts similar to Freer ISD that are used for comparison purposes for this review. The two districts in Duval County have been included to provide comparisons with the neighboring districts. As **Figure 5–2** shows, Freer ISD has a high spending index and low performance relative to its peers.

**FIGURE 5-1**  
**FREER ISD SUMMARY OF GENERAL FUND FINANCIAL ACTIVITY**  
**FISCAL YEARS 2010 TO 2014**

	2010 (1)	2011 (1)	2012 (1)	2013 (2)	2014 (3)
<b>Revenues</b>					
Local and Intermediate Sources	\$5,056,553	\$4,569,760	\$3,800,475	\$4,049,887	\$3,699,626
State Program Revenues	2,747,120	3,760,056	3,945,028	3,515,151	3,939,207
<b>Total Revenues</b>	<b>\$7,803,673</b>	<b>\$8,329,816</b>	<b>\$7,745,503</b>	<b>\$7,565,038</b>	<b>\$7,638,833</b>
<b>Expenditures</b>					
Instruction	\$3,824,912	\$3,557,917	\$3,408,197	\$3,345,037	\$3,296,393
Instructional Resources	76,820	82,649	62,232	77,115	80,030
Curriculum & Staff Development	291,343	225,320	260,021	310,903	266,155
Instructional Leadership	193,080	184,981	116,931	142,416	122,090
School Leadership	387,037	385,251	389,295	378,013	364,694
Guidance & Counseling	236,306	232,793	209,507	220,274	231,210
Social Work Services	8,651	0	26,372	31,623	31,719
Health Services	71,786	76,822	94,159	70,542	84,143
Student Transportation	193,741	176,100	164,518	178,918	96,481
Curricular/Extracurricular	569,060	526,451	468,335	530,451	66,300
General Administration	521,649	504,298	469,057	537,493	584,837
Plant Maintenance & Operations	1,540,840	1,537,202	1,376,696	1,368,057	1,411,348
Security & Monitoring	43,302	12,952	12,056	12,887	17,615
Data Processing	22,031	29,804	42,428	47,708	42,000
Community Services	106,816	73,456	67,678	101,045	122,397
Debt Service	17,109	18,509	19,908	11,613	20,000
Shared Service Arrangements	55,243	94,635	114,662	85,586	75,500
Other Intergovernmental Charges	169,297	162,461	166,598	116,927	120,000
<b>Total Expenditures</b>	<b>\$8,329,023</b>	<b>\$7,881,601</b>	<b>\$7,468,650</b>	<b>\$7,566,608</b>	<b>\$7,032,912</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$525,350)</b>	<b>\$448,215</b>	<b>\$276,853</b>	<b>(\$1,570)</b>	<b>\$605,921</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from capital lease	\$18,694	\$8,683	\$0	\$0	\$0
Transfers in	589,023	383,121	348,803	0	0
Transfers out	(664,529)	(394,119)	(352,564)	0	(378,364)
Extraordinary item	0	(41,572)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(\$56,812)</b>	<b>(\$43,887)</b>	<b>(\$3,761)</b>	<b>\$0</b>	<b>(\$378,364)</b>
<b>Net Change in Fund Balance</b>	<b>(\$582,162)</b>	<b>\$404,328</b>	<b>\$273,092</b>	<b>(\$1,570)</b>	<b>\$227,557</b>
<b>Beginning Fund Balance</b>	<b>\$2,445,109</b>	<b>\$1,862,947</b>	<b>\$2,267,275</b>	<b>\$2,540,367</b>	<b>\$2,538,797</b>
<b>Ending Fund Balance</b>	<b>\$1,862,947</b>	<b>\$2,267,275</b>	<b>\$2,540,367</b>	<b>\$2,538,797</b>	<b>\$2,766,354</b>

## NOTES:

(1) Annual Financial Reports for Years Ended August 31, 2010, 2011, and 2012.

(2) Unaudited statement of revenues and expenditures provided by Womack & Co., the most recent data available at the time of the review.

(3) Freer ISD 2013-14 General Fund Budget.

SOURCE: Freer ISD Annual Financial Reports, October 2013.

**FIGURE 5–2**  
**FREER ISD SUMMARY FAST RATINGS COMPARED TO PEER DISTRICTS AND OTHER DUVAL COUNTY DISTRICTS**  
**2012**

DISTRICT	SPENDING INDEX	ACCOUNTABILITY RATING	COMPOSITE PROGRESS SCORE	FAST RATING NUMBER OF STARS OF 5
<b>Peer Districts</b>				
Anthony ISD	High	Academically Acceptable	3	3
Bloomington ISD	Low	Academically Acceptable	1	2.5
Floydada ISD	High	Academically Acceptable	2	2
Morton ISD	High	Academically Acceptable	1	1.5
<b>Duval County Districts</b>				
Benavides ISD	High	Academically Acceptable	2	2
San Diego ISD	Average	Academically Acceptable	1	2
<b>Freer ISD</b>	<b>High</b>	<b>Academically Unacceptable</b>	<b>1</b>	<b>1</b>

SOURCE: Texas Comptroller of Public Accounts, Financial Allocation Study for Texas 2012, Texas Education Agency, Academic Excellence Indicator System reports, School Year 2011-12.

Each year, all school districts in Texas are required to engage an external auditor to audit the district’s financial records. The role of the auditor is to provide an opinion on the Annual Financial Report (AFR) of the district. An unqualified opinion indicates the financial statements in the report are presented fairly in all material respects. The district auditors provided Freer ISD with an unqualified opinion for fiscal years 2010, 2011, and 2012. The auditors are also required to provide a report that Freer ISD is in compliance with requirements described in OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations. This circular requires that the auditor obtain a reasonable assurance about whether noncompliance with requirements could have a material effect on a major federal program. This involves a review of compliance with major federal programs. The AFR for the period ending June 30, 2010, resulted in a qualified opinion in this area. Subsequent audit periods ending June 30, 2011, and June 30, 2012, have resulted in unqualified opinions associated with the OMB Circular 133 requirements.

**FINDINGS**

- ◆ Freer ISD has not established a policy or guidelines for managing and controlling its fund balance.
- ◆ Freer ISD has not developed a budgeting process that considers the district’s priorities or includes stakeholder involvement.
- ◆ Freer ISD does not have a practice in place for budget managers to regularly receive training on district business procedures, nor have they received copies of the *Business Office Policy and Procedures Manual*.
- ◆ Freer ISD’s process for managing and monitoring its financial operations does not provide budget managers or the board of trustees adequate information to make effective financial decisions.
- ◆ Freer ISD’s establishment of a Tax Office is an inefficient use of taxpayer resources.
- ◆ Freer ISD has not evaluated the fiscal or programmatic implications of offering the maximum optional homestead exemption.
- ◆ Freer ISD has not articulated and examined the full benefits and costs of providing both day care and prekindergarten programs to the community and district employees.

**RECOMMENDATIONS**

- ◆ **Recommendation 19:** Establish a board policy to identify the level of fund balance to be maintained in the General Fund.
- ◆ **Recommendation 20:** Develop a budgeting process that includes all stakeholders and incorporates district goals and plans.
- ◆ **Recommendation 21:** Provide regular training for district staff on procedures in the *Business Office Policy and Procedures Manual*, and require that it be used in the day to day business activities under their authority.
- ◆ **Recommendation 22:** Establish a process to provide regular communication regarding the district’s financial operations to the budget managers and board of trustees.
- ◆ **Recommendation 23:** Eliminate the Tax Office and contract with Duval County to collect property taxes for the district.
- ◆ **Recommendation 24:** Evaluate the factors that affect how the local homestead optional exemption impacts the district.
- ◆ **Recommendation 25:** Conduct a cost benefit analysis of the reduced-price day care and prekindergarten programs offered to district staff and examine the cost-service delivery model used for program operations.

**DETAILED FINDINGS**

**FUND BALANCE POLICY (REC. 19)**

Freer ISD has not established a policy or guidelines for managing and controlling its fund balance.

Freer ISD does not have a board policy regarding the fund balance in the General Fund. Although the level of undesignated fund balance for Freer ISD increased during fiscal years 2010, 2011, and 2012 and is anticipated to remain relatively stable through fiscal year 2014, the level of fund balance has not been referenced in the district’s budget documents and receives limited attention in the AFR.

**Figure 5–3** shows a review of the changes in fund balance beginning in fiscal year 2010.

School districts’ general fund balances have received more scrutiny since the issuance of Governmental Accounting Standards Board (GASB) statement 54 and TEA’s Module 1, Financial Accounting and Reporting (FASRG).

GASB issued GASB 54 effective in 2011 to enhance the usefulness of fund balance information. This pronouncement identified the following fund balance categories:

- Non-spendable fund balance—a category that includes reserves for inventory, long-term receivables, endowment principal, and endowment items;
- Restricted fund balance—general fund obligations associated with federal programs, retirement of long-term debt, and construction;
- Committed by board action—construction, claims and judgments, retirement of loans/notes payable/ capital expenditures, and self-insurance;

**FIGURE 5–3  
FREER ISD GENERAL FUND - FUND BALANCE  
FISCAL YEARS 2010 TO 2014**

	2010	2011	2012	2013(1)	2014 (2)
Beginning fund balance	\$2,445,109	\$1,862,947	\$2,267,275	\$2,540,367	\$2,538,797
Revenues	\$7,803,673	\$8,329,816	\$7,745,503	\$7,565,038	\$7,638,833
Expenditures and transfers	\$8,385,835	\$7,925,488	\$7,472,411	\$7,566,608	\$7,411,276
Ending fund balance	\$1,862,947	\$2,267,275	\$2,540,367	\$2,538,797	\$2,766,353

NOTES:

(1) Unaudited financial records provided by Womack & Co., the most recent data available at the time of the review.

(2) School year 2013-14 Adopted Budget

SOURCE: Freer ISD Annual Financial Reports, October 2013.

- Assigned—By designee action construction, claims and judgments, retirement of loans/notes payable, capital expenditures, and self-insurance; and
- Unassigned—available for any legal expenditure.

Freer ISD has no limitations on the fund balance of the general fund, thus, the entire fund balance is unassigned and available to the district for any legal expenditure. Since the time of the review, the district indicated that the board adopted a policy requiring board approval to spend the fund balance.

FASRG provides information on the reporting of fund balances and states that “prudent financial management requires accumulating undesignated unreserved fund balance in the General Fund in an amount that is adequate to cover net cash outflows that occur in virtually all schools during most of the fiscal year.” TEA has also identified a benchmark for identifying the optimum unassigned fund balance in the financial management section of FASRG. This measure is designed “to equal the estimated amount to cover cash flow deficits in the General Fund for the fall period in the following fiscal year plus estimated average monthly cash disbursements of General Fund for the following fiscal year.” An appendix to FASRG includes a worksheet that can be used by school districts to calculate the optimum unassigned fund balance for the general fund.

Both of these documents provide guidance on fund balances, but neither recommends a specific fund balance level nor requires a school district to have a fund balance policy. FASRG states that a “minimum fund balance policy if a school district has a formal policy” should be included in the notes to the AFR. The optimum fund balance schedule provided by TEA does not constitute the school district’s minimum fund balance policy. The worksheet also notes that an explanation is needed for the plans or need for any net positive undesignated fund balance in the general fund. Since the time of the onsite review, the district indicated that they follow FASRG fund balance requirements, but no additional information was provided to the review team.

Current fund balance information is not posted on the district’s website. The official budget postings for fiscal years 2010, 2011, and 2012 identified only the budgeted revenues and expenditures and the net difference between current revenues and current expenditures; there was no reference to the fund balance or the impact the current budget estimates would have on the fund balance. The only information pertaining to fund balance included on the district website is

the Statement of Revenues, Expenditures, and Changes in Fund Balance from the AFRs for the fiscal years 2008 and 2010.

Although the fund balance has increased incrementally during the fiscal years 2010, 2011, and 2012 and is projected to be stable through fiscal year 2014, this has occurred without any policy direction. The district administration and board of trustees has not determined a reasonable level of fund balance for Freer ISD.

The fund balance information included in the AFR is minimal and has not been used as a tool to discuss the overall financial position of the district. The Management Discussion and Analysis (MD&A) in the AFR is designed to provide users of the financial statements with a narrative introduction, overview, and analysis of the statements. The issue of fund balance receives a brief reference in a sentence at the very end of the MD&A in each AFR indicating it is expected to remain the same in the following fiscal year.

Fund balance is not referenced in board financial reports or budget materials. The fund balance amounts are in the general fund financial statements in the AFR, however, the only discussion in board material is a note to the financial statements addressing the issue of deficit fund balances in district funds. This is a brief note indicating there has been no deficit fund balances noted for Freer ISD during fiscal years 2010, 2011, and 2012. The AFRs include an exhibit in the supplementary information section which contains the completed TEA worksheet. This exhibit is not referenced or discussed in any other materials provided by Freer ISD.

The Government Finance Officers Association (GFOA) recommends that governments establish a formal policy on the level of unassigned fund balance that should be maintained in the general fund. GFOA notes that the adequacy of unassigned fund balance in the general fund should be assessed based upon a government’s own specific circumstances. GFOA also recommends at a minimum, that general purpose governments, regardless of size, maintain unassigned fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

The GFOA recommendation references the factors that should be considered when establishing a policy. These factors include the following:

- predictability of revenues and volatility of expenditures;

- perceived exposure to possible one-time outlays for things such as disasters or state budget reductions; and
- liquidity, the disparity between when financial resources become available to make payments.

The publication *Governmental Accounting, Auditing, and Financial Reporting (GAAFR)* notes that “in addition to providing an analysis of the overall government, Management Discussion and Analysis also should analyze significant balances and operations of individual major funds, focusing on reasons for significant changes in fund balances.”

Freer ISD should establish a board policy to identify the level of fund balance to be maintained in the General Fund. The business director should review the fund balance levels by month for the most recent three fiscal years and determine the necessary level of fund balance to meet the needs of the district. This process should also include a review of the TEA optimum fund balance worksheets for the same period to determine if the data contained in these worksheets are pertinent to Freer ISD fund balance requirements. Based on this review, the business director should develop a proposed policy for the level of fund balance to be maintained by Freer ISD. This recommended policy should also address acceptable uses of any unassigned fund balance in excess of the minimum included in the policy. This policy should also include a plan to restore the fund balance if it decreases below the identified level.

This recommendation can be implemented using existing resources.

#### **BUDGET DEVELOPMENT AND MANAGEMENT (REC. 20)**

Freer ISD has not developed a budgeting process that considers the district’s priorities or includes stakeholder involvement.

The current budget development process fails to meet the planning guidelines included in Board Policy CE (LOCAL) Annual Operating Budget, which states the following:

Budget planning shall be an integral part of overall program planning so the budget effectively reflects the district’s programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District and campus-level planning decision-making committees.

Budget planning and evaluation are continuous processes and shall be part of each month’s activities.

During onsite interviews with staff and board members, the review team learned that there is no formal budget development process in place at Freer ISD. There is no budget calendar, no guidelines and instructions for the district’s budget managers, no formal process for coordinating the preparation or review of the budget, and limited opportunities for stakeholders to provide input to the process. Budget managers include principals and department managers with fiscal responsibilities

The budget process for non-salary resources to be provided to the campuses and departments for fiscal year 2014 consisted of individual meetings with the superintendent and the various budget managers. At these meetings, the superintendent identified the total dollars available for each school or department and told the budget managers where reductions would take place in their budgets. The information developed by the superintendent was reviewed with the business director who prepared the proposed budget materials. This process provided no reference to the District Improvement Plan (DIP) or individual school improvement plans. Historically, the focus of budget development has been oriented to line-item expenditures with no reference to the goals of the organization or how the allocation of resources can help to improve the education for Freer ISD students or the overall management of the organization. It is a budget balancing exercise focused on accounting information rather than a decision-making process based on district goals. The budget development process as described by all of the stakeholders interviewed represents a centrally controlled, detailed, line-item oriented approach.

The public portion of school year 2013–14 budget process involving the board of trustees began later than usual as the new business director, who was hired in November 2012, needed to get oriented not only with the budget process but with the management of day-to-day district activities. School board members stated that the information provided for school year 2013–14 budget was in a different format than in previous years, and concerns about the changes were expressed by the board. The budget information included reports generated by the budget module from the district financial system. The materials provided for the budget review meetings would not be clear to a third party unfamiliar with the district chart of accounts as there was a great deal of information by function number, but with no department or program description. An additional issue involved the fiscal

year 2013 financial information. A column in one report labeled as 2012–13 actual revenues and expenditures identified only the actual revenues and expenditures through July. Additionally, there was no information on the estimated total revenues and expenditures for the fiscal year 2013 which normally represent the starting point for the development of the following year’s budget. It is difficult to know the details of the board discussions as the board minutes provide no information regarding the discussions that took place beyond indicating that the board reviewed the budget.

The materials provided at the board meeting to adopt the budget were more concise and represented an effort to summarize the various budgets. Additionally, these materials provided salary and benefits information for each employee by name. Neither district policy nor administrative procedures identify a process for estimating enrollment to form a basis for revenue projections. Thus, information from the previous year’s enrollment is used as basis for the original revenue estimates.

The focus on “balancing the budget” by examining aggregate line-item accounts and employee salaries is an accounting exercise and does not function as a decision-making process for the allocation of resources in a fashion that will meet the educational goals of the district. The lack of close review of the activities of the various function categories resulted in some unusual situations during fiscal year 2013. **Figure 5–4**

shows expenditures compared to the budget for Freer ISD’s transportation and co-curricular functions as of August 2013.

**Figure 5–4** shows two extremes of the ineffective budget process occurring in Freer ISD. The pupil transportation function is under budget, however, the line item categories have not been closely reviewed during the year. The Co-Curricular function, which shows expenditures for school-sponsored activities outside of the school day, is over budget by a significant amount, and it is unclear of the reasons for the increase. The information in **Figure 5–5** shows an example of how the adopted amounts in the fiscal year 2013 budget were not consistent with the financial realities associated with the management of these two programs.

The budgeting approach used by Freer ISD results in a budget that meets legal requirements, but lacks ownership within the organization. Consequently, in practice, decisions made when the budget is adopted, are not always adhered to.

The FASRG budgeting module provides detailed information on different budgeting approaches as well as specific information on budgeting for Texas school districts. The FASRG includes the following in the section providing an overview of the budget process:

The budgetary process begins with sound planning. Planning defines the goals and objectives of campuses and the school district and develops programs to attain

**FIGURE 5–4  
FREER ISD SELECTED FUNCTION EXPENDITURE REPORTS BOARD OF TRUSTEES MONTHLY REPORT  
AUGUST 2013**

	BUDGET	EXPENDITURES	BALANCE	PERCENT EXPENDED
<b>Pupil Transportation-Regular</b>				
Payroll Costs	\$282,028	\$118,363	\$163,665	41.97
Contracted Services	\$20,000	\$60,351	(\$40,351)	301.76
Supplies and Materials	\$100,000	\$0	\$100,000	0.00
Other Operating Expenses	\$21,500	\$204	\$21,296	0.95
Capital Outlay-Land Building	\$36,000	\$0	\$36,000	0.00
<b>Total</b>	<b>\$459,528</b>	<b>\$178,918</b>	<b>\$280,610</b>	<b>38.94</b>
<b>Co-Curricular Activities</b>				
Payroll Costs	\$49,000	\$53,870	(\$4,870)	109.94
Contracted Services	\$5,770	\$30,148	(\$24,378)	522.50
Supplies and Materials	\$9,070	\$11,023	(\$1,953)	121.53
Other Operating Expenses	\$25,900	\$18,354	\$7,546	70.86
<b>Total</b>	<b>\$89,740</b>	<b>\$113,395</b>	<b>(\$23,655)</b>	<b>126.36</b>

SOURCE: Freer ISD, Board of Trustee meeting minutes, August 2013.

**FIGURE 5–5  
FREER ISD PROPERTY TAX OFFICE COMPARISON OF BUDGET TO ACTUAL  
FISCAL YEAR 2013**

EXPENDITURE LINE ITEM ACCOUNTS	2013 BUDGET	ACTUAL EXPENDITURES	VARIANCE
Salaries (two positions)	\$59,357	\$58,882	\$475
Employee Benefits	\$11,871	\$3,656	\$8,215
TRS On Behalf Benefit		\$4,107	(\$4,107)
Total Salaries and Benefits	\$71,228	\$66,645	\$4,583
Consultants	\$110,000	\$36,174	\$73,826
Other Professional Services	\$7,200	\$10,671	(\$3,471)
Contracted Maintenance and Repair	\$500	\$0	\$500
Reading Material	\$100	\$0	\$100
General Supplies	\$2,250	\$1,247	\$1,003
Travel and Subsistence	\$1,500	\$3,455	(\$1,955)
Insurance and Bonding Cost	\$900	\$900	\$0
Miscellaneous Operating Expenses	\$2,300	\$851	\$1,449
<b>Total Expenditures</b>	<b>\$195,978</b>	<b>\$119,943</b>	<b>\$76,035</b>

SOURCE: Freer ISD, General Ledger Report, October 2013.

those goals and objectives. Once these programs and plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocations are the preparation phase of budgeting. The allocation cannot be made, however, until plans and programs have been established.

This FASRG module for budgeting provides a detailed review of the budget process even including sample worksheets to be used by budget managers.

Another credible source for governmental budgeting information is provided by the National Advisory Council on State and Local Budgeting (NACSLB). These materials were developed by a group representing eight state and local government associations charged with identifying a set of recommended budget practices for state and local governmental entities. This resulted in publication of a document entitled *Best Practices in Public Budgeting*. This document includes the following:

- Definition of the Budget Process—The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.
- Mission of the Budget Process—The mission helps decision-makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

- Key characteristics of the budget process are identified as follows:
  - incorporates a long term perspective;
  - establishes linkages to broad organizational goals;
  - focuses budget decisions on results and outcomes;
  - involves and promotes effective communication with stakeholders; and
  - provides incentives to government management and employees.

The NACSLB also states the following:

The key characteristics of good budgeting make it clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but it is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency.

In addition, there are numerous examples of exemplary budget documents based on effective processes within the state of Texas. For example, though Arlington ISD is a larger district than Freer ISD, its budget provides some helpful

perspectives relating to the planning and the basic development of a budget. This budget document has received the Association of School Business Officials (ASBO) Meritorious Budget Award and the GFOA Distinguished Budget Presentation Award. The Executive summary includes the following:

- Budget Overview and Highlights;
- Strategic Plan;
- Budget process and timeline;
- Budget calendar; and
- Budget parameters.

Freer ISD should develop a budgeting process that includes all stakeholders and incorporates district goals and plans. The district should consider the following steps as part of developing a budgeting process:

The business director should design a process that begins with the identification of the goals and objectives identified for the district in the DIP. This process should include a budget calendar and a mechanism for budget managers to prepare budget requests. Budget managers should be provided worksheets and instructions on how to provide individual budget requests.

In developing a proposed budget for the board of trustees, the superintendent should prepare a cover letter identifying the key elements of the budget to include comments as to how the budget will meet district goals as identified in the DIP, as well as any adjustments that have been accomplished through improved efficiencies. Supporting materials should be prepared in a manner that can be easily understood not only by the board but also by interested citizens and staff members.

The business director should develop a formal budget document that will clearly identify the budget for each function/department and consider providing space for written information addressing district goals or operating changes in the function. This should allow the board to discuss district-wide goals and expectations with the ultimate result being the adoption of a budget that addresses these goals.

This recommendation can be implemented using existing resources.

### **BUSINESS OFFICE POLICY AND PROCEDURES MANUAL (REC. 21)**

Freer ISD does not have a practice in place for budget managers to regularly receive training on district business procedures, nor have they received copies of the *Business Office Policy and Procedures Manual*.

The district's *Business Office Policy and Procedure Manual*, is a document that provides guidance on the following topics:

- purchasing sources;
- purchasing guidelines;
- Parent Teacher Organization and Booster Club;
- fundraising;
- reimbursements;
- credit card procedures;
- purchase requisitions;
- payment processes;
- travel procedures and guidelines;
- payroll procedures; and
- activity fund procedures.

Staff interviewed reported they were not familiar with the document. When they have questions about purchasing or accounting practices, they typically call the Business Office to determine how to proceed.

In the AFR for the period ending August 31, 2011, the auditors noted "the district does not have clear and comprehensive written policies and procedures for fiscal controls in effect for federal awards." This was accompanied by a recommendation that "the district should prepare an accounting manual with clear and comprehensive policies and procedures." This topic was revisited in the August 31, 2012 AFR which states "the district implemented an accounting manual in 2011 that needs to be strictly followed." The August 31, 2012 comment seems to indicate that even with the creation of a manual, the current manual has been either ignored or not distributed to staff members.

The existing manual provides procedural direction consistent with district practices, however, there is no table of contents and the pages are not numbered, thus, it requires readers to search through the document to find the appropriate topic.

The business director has developed an updated section of the manual for activity funds which provides more extensive information on this topic than the current document, however, these materials have not been reviewed with the school-based staff. The basic information is consistent with the existing manual, however, the information provided is more extensive.

New procedures for activity funds using the Quicken Books financial system have been developed. The new system has been established at the elementary and high schools, the staff has been trained and they have implemented the new system. Both school staff members using this system indicate it is effective, and they feel they have received excellent training. The middle school secretary to the principal still uses the older activity fund system and indicates she is comfortable with the existing system. These are stand-alone accounting systems that are managed within each school and do not interface with the district financial system.

Although the Quicken Books system is mentioned in the new activity funds materials, neither document provides detailed instructions for use of the activity fund financial system. They both identify similar information pertaining to rules and processes to be used such as recording of cash receipts, banking practices and disbursements. The materials required to support the use of the Quicken Books have been provided to the two staff members using the new system.

The frequent calls to the Business Office seeking basic instructions for administrative procedures disrupts the daily operations of the department and indicates the lack of training on district procedures and inadequate distribution of key procedural documents. Staff reported that the current manual is being updated to align with new documentation of procedures, however, thus far, the only updates involve the activity funds and travel procedures, and these have not been shared with the district staff members responsible for these activities in the schools and departments. There does not appear to be a scheduled plan to update the manual and to establish an ongoing process for training existing and new staff members.

GFOA recommends “every government should document its accounting policies and procedures.” GFOA further notes that “the documentation of accounting policies and procedures should be readily available to all employees who need it. It should delineate the authority and responsibility of all employees, especially the authority to authorize

transactions and the responsibility for the safekeeping of assets and records.”

Freer ISD’s business director should provide regular training for district staff on procedures in the *Business Office Policy and Procedures Manual*, and require that it be used in the day to day business activities under their authority. The business director should develop a plan to train relevant staff on the procedures in the existing *Business Office Policy and Procedures Manual*. To make the existing manual easier to use, a table of contents should be added along with page numbers and the manual should be provided in a three ring binder. When new sections of the document are developed, they should be distributed to the necessary staff with instructions to remove the existing materials and insert the new section into the manual. Any procedural changes should be reviewed with the staff when new sections are introduced. The district may want to also consider making the manual available to all staff electronically so they always have access to the most current version. It may also be helpful to develop a Frequently Asked Questions section for the document based on historical data and previous phone calls. The director should also ensure that updated copies of all manuals and documents are distributed to relevant staff. If staff continues to call the office, Business Office staff can refer them to the appropriate section of the manual or document to assist them in developing familiarity with the manual.

The district can implement this recommendation with existing resources.

#### **FINANCIAL MONITORING AND MANAGEMENT (REC. 22)**

Freer ISD’s process for managing and monitoring its financial operations does not provide budget managers or the board of trustees adequate information to make effective financial decisions.

The district’s budget managers all stated they had to ask for interim financial reports, and that there is no process in place to provide financial reports on a scheduled basis to the schools and departments. Budget managers did not know what was in their department’s budget. Some budget managers have developed their own method of tracking their budgets by creating spreadsheets.

Freer ISD uses a financial software system that has the capability to provide online financial information to budget managers whenever they wish to access the system. However, this capability has yet to be implemented. The fact that financial information is often provided in a timely manner to

budget managers after it has been requested indicates the information is readily available but is not provided to school or department decision makers on a regular basis.

The district has gone through some personnel changes, and some staff are not clear about their roles in the district and the budget process. When budget managers are not clear of their roles and responsibilities, it can be difficult for them to determine how to manage and monitor the budgets for their area.

The board of trustees is provided a monthly financial report that includes the following information:

- Athletics - Revenue budget to actual;
- Athletics - Expenditure budget to actual;
- Local Maintenance Fund - Revenue budget to actual;
- Local Maintenance Fund - Budget to actual summary by function and general expenditure categories (payroll, contracted services, supplies and materials, and other operating expenses);
- Cafeteria Fund - Revenue budget to actual;
- Cafeteria Fund - Expenditure budget to actual;
- Three Fund Recap (athletics, local maintenance, and cafeteria) Comparison of revenue to budget; and
- Three Fund Recap of expenditures and encumbrances to budget.

As previously mentioned, the sequence of reporting in the board reports begins with the athletics fund, then the local maintenance (general) fund, and then the cafeteria fund. There is no financial information pertaining to the debt service. Since the time of the onsite review, the business director stated that debt service is not reported to the board because the board adopted the debt service budget at the beginning of the school year, with two annual payments, and that they have authority over grant funds.

The limited availability of interim financial information for budget managers indicates that Freer ISD is not closely monitoring its financial activities on a regular schedule. The current process of interim financial reporting leads to situations where the school or department budgets are not actually the responsibility of the individual budget managers. This leads to incremental decisions to address budget issues during the school year. Budget management is typically one of the core responsibilities of each principal and departmental

supervisor or director, and this is one of the areas in which administrators are evaluated.

The review team determined that the monthly report provided to the board contains numerous unusual circumstances that seem to indicate the budgeted amounts for each function are not properly established in the budget. When variances begin to surface in the board financial reports, there appears to be no method of evaluating the status of or communicating the reasons for variances.

FASRG indicates that financial accounting is essential to the successful operation of schools and school districts. The objective of financial accounting as defined in FASRG is to provide accurate and useful information that can be used in decision making. Objectives of financial accounting are to:

- provide financial information useful for determining and forecasting the inflows and outflows of short-term financial resources and track account balances;
- provide financial information useful for determining and forecasting financial conditions and changes therein;
- provide financial information useful for monitoring performance under terms of legal, contractual, and fiduciary requirements;
- provide information useful for planning, budgeting, and 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 that best facilitates its use.

Freer ISD should establish a process to provide regular communication regarding the district's financial operations to the budget managers and board of trustees. The district should also use the school and department administrative financial software system to its fullest extent to monitor and manage district finances efficiently and effectively. The business director should ensure that current financial information is provided to district administrators with budgetary responsibilities in a timely manner.

To accomplish this recommendation, the business director should contact Region 2 who supports the district's financial software system to assist with this process. The district should

request Region 2 help activate the real-time option of the system that will allow budget managers to access the system at any time to see the status of their budgets. This process should be accompanied by formal training for the users of this system. Since the time of the review, the district indicated that they have been in contact with Region 2.

The business director should also create a monthly financial reporting structure for the board that will include an overall summary of revenues, expenditures, and the impacts on fund balances for each fund, to include all funds, not just the funds required by statute to be in the budget. This report should be preceded by a cover memo that identifies significant activities that may have occurred during the month, and, if necessary, provide recommendations on how to address these issues. Since the time of the onsite review, the district indicated that revenues and expenditures are provided at monthly board meetings.

This recommendation can be implemented using existing resources.

#### **TAX OFFICE (REC. 23)**

Freer ISD's establishment of a Tax Office is an inefficient use of taxpayer resources.

Freer ISD has elected to collect ad valorem taxes with an in-house Tax Office since 1977. The office is managed by two employees, the Tax Collector and the Tax Office clerk. These district employees deal with the Duval County Appraisal District regarding the assessed value for Freer ISD taxable property and update property owner address changes and changes associated with the sale of property. The Tax Office coordinates with the district's Business Office regarding employee deductions for property taxes and other administrative issues such as the reconciling of Tax Office bank accounts.

The office sent out 12,693 tax notices for tax year 2013 and collects property tax revenues throughout the year. Freer ISD has experienced a collection rate of 95 percent for the most recent fiscal years of 2011, 2012, and 2013. The office also deals with delinquent taxes, an often prolonged process requiring legal assistance to collect. When collection of the delinquent tax occurs, the legal fees which are paid by taxpayers and received by the district are recorded as revenue in the General Fund, and when the law firm receives payment, it is recorded as an expenditure of the Tax Office budget in the "consultants" expenditure account. The method of accounting for these legal fees is not consistent

with the requirements of the FASRG, which addresses the accounting for attorney fees associated with the recovery of delinquent property taxes as follows:

Object Code 5719 Penalties, Interest and Other Tax Revenues: Delinquent tax collection fees that are charged as "costs" to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, and not classified as revenues.

Expenditure Code 6213 Tax Appraisal and Collection: This code is used to classify fees, associated travel, and other related costs for the appraisal of property and the collection of taxes, including attorney fees directly related to the collection of taxes. Delinquent tax collection fees that are charged as "costs" to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, accounts payable, not as an expenditure.

The office's reporting of the attorney fees results in an overstatement of both district revenues and expenditures and leads to confusion when attempting to understand the overall costs associated with the Tax Office. If accounted for properly as required by FASRG, the attorney fees and related revenues are offset in balance sheet accounts and have no impact on the Freer ISD tax revenues or the direct costs incurred by the Tax Office. Since the time of the onsite review, the business director indicated that a correcting end of year journal entry was prepared.

The fiscal year 2013 budget for the Tax Office was \$195,978. **Figure 5-5** compares the office's budget to actual expenses for fiscal year 2013.

**Figure 5-5** shows the Tax Office was significantly over budgeted in the consultant account, which is used to account for the attorney fees. This occurred because the amount to pay attorney fees can fluctuate depending upon the volume of delinquencies and timing of collections. The other professional services account pays for the services provided by Appraisal & Collection Technologies (ACT), the firm that prints and mails the Freer ISD tax notices.

The improper accounting of attorney fees makes it difficult to understand the actual cost of running the Tax Office. Because the attorney fees are offset with revenue, the attorney fees are not a direct cost of the Tax Office. This is also true for the "TRS on behalf benefit," which is reimbursed by the state. **Figure 5-6** shows the actual direct cost of the Tax Office with the adjustments for the attorney fees and the TRS on behalf account.

**FIGURE 5–6  
FREER ISD PROPERTY TAX OFFICE EXPENDITURES  
FISCAL YEAR 2013**

EXPENDITURE LINE ITEM ACCOUNTS	PER GENERAL LEDGER	ADJUSTMENTS	FINAL EXPENDITURES
Salaries (two positions)	\$58,882	\$0	\$58,882
Employee Benefits	\$3,656	\$0	\$3,656
TRS On Behalf Benefit	\$4,107	(\$4,107)	\$0
Total Salaries and Benefits	\$66,645	(\$4,107)	\$62,538
Consultants	\$36,174	(\$36,174)	\$0
Other Professional Services	\$10,671	\$0	\$10,671
General Supplies	\$1,247	\$0	\$1,247
Travel and Subsistence	\$3,455	\$0	\$3,455
Insurance and Bonding Cost	\$900	\$0	\$900
Miscellaneous Operating Expenses	\$851	\$0	\$851
<b>Total Expenditures</b>	<b>\$119,943</b>	<b>(\$40,281)</b>	<b>\$79,662</b>

SOURCE: Freer ISD, General Ledger Report, October 2013.

Figure 5–6 shows the direct cost for operating the tax office is \$79,662. However, there are additional factors that must be considered in analyzing the office’s finances. One additional cost associated with this office is the office’s share of the cost incurred by Freer ISD who contracts with Womack to reconcile the district checking accounts, including the office’s accounts. The Tax Office has two checking accounts, the account where property tax receipts are deposited and a refund account maintained to make payment for activities such as title work, legal fees, and district clerk services; activities where the proceeds belong to others and not Freer ISD. The two Tax Office checking accounts are reconciled by Womack. These expenditures are recorded in the accounts of the Business Office and based on information provided by Womack. The annual costs for the Tax Office reconciliations are approximately \$6,000.

The Tax Office also collects property taxes for the Duval County Emergency Services District Number One (ESD Number 1) which has a tax base similar to Freer ISD. The Duval County ESD Number 1 is a political subdivision of the State of Texas that provides local emergency services such as fire protection and emergency medical services to the citizens in the City of Freer. Freer ISD assesses a 2.5 percent fee for the services provided to the Duval County ESD Number 1, which would result in \$9,447 in revenue to the district if 100 percent of the ESD taxes were collected. This estimated revenue is based on the 2012 taxable value for the ESD of \$377,924,087 with an ESD tax rate of .001 times the 2.5 percent fee.

Freer ISD has two board policies that address ad valorem taxes, but there is no policy identifying the Freer ISD Tax Office as the official tax collection agency for the district. Board Policy CCG (LEGAL), Local Revenue Sources Ad Valorem Taxes, addresses all of the issues related to property tax, including providing the board with the option to allow discounts for early payment of taxes or providing for split payment of taxes. Board Policy CCG (LOCAL) Local Revenue Sources Ad Valorem Taxes states that Freer ISD will not provide discounts or split payments.

The tax process begins when the appraisal district provides the Tax Office with the total appraised value for the district by July 26 of each year. Using the services of ACT, all tax statements are mailed on October 1 of each year. An integral part of this process is the need to update the files regarding address changes and any other changes involving the sale of property. Taxes are due to be paid no later than January 31 of the following year with taxes becoming delinquent after this date.

Taxpayers remit their property taxes directly to the Freer ISD Tax Office with most payments being in the form of a check or money order. There are also occasional payments in cash or on a credit card. District employees who live in the district are offered the opportunity to have their property taxes deducted from their pay. This results in a process whereby the district provides a check for 100 percent of the amount withheld to the Tax Office, and the Tax Office deducts the amount due to ESD Number 1 and writes a separate check to the district for the amount of the Freer ISD property taxes.

Duval County provides the services being performed by the Freer ISD Tax Office to the other two school districts in the county, Benavides ISD and San Diego ISD. Duval County also provides similar services for the Duval County Emergency Service District No. 2 and the City of San Diego. Duval County charges \$1.75 per parcel to collect the taxes for Benavides ISD and San Diego ISD.

The use of in-house services for property tax collections and the related volume of activities require that the district process numerous checks and manage associated accounting activities among a variety of other tasks.

The current Freer ISD tax collection process results in residents within Freer ISD receiving at least two tax bills, one from the Freer ISD Tax Office for the school taxes and the Duval County ESD Number 1 and a second from Duval County for the property taxes for Duval County.

Many school districts outsource tax collection services. The National Institute of Governmental Purchasing (NIGP) identifies the following benefits of outsourcing:

- expertise – the level of service may be substantially better than that previously provided;
- resources – the contractor has probably been providing the service over a period of years, which means they are likely to have expertise and experience beyond that of an in-house unit;
- compliance with standards – compliance to, and knowledge of, industry standards may be improved when outsourcing;
- transference of responsibility – responsibility for work progress and quality, with proper controls, can be handed over to the contractor, thereby giving the organization greater freedom to concentrate on core internal processes; and
- cost savings – a specialist contractor should be able to more readily provide the benefits of economies of scale and the lessons learned through experience of how to produce more cost effective performance of the work.

Freer ISD should eliminate the Tax Office and contract with Duval County to collect property taxes for the district. Duval County can provide services similar to those being provided by the Tax Office. These services include maintaining an updated record of property owners, mailing of tax notices,

collection of property taxes, and the administration of delinquent property taxes.

The district should also evaluate the impact of the elimination of the current employee payroll deduction program as the payment method for the employees’ district and ESD Number 1 taxes since the district would no longer be collecting the taxes. The district should determine if the program could continue as a component of Duval County collecting the taxes.

The district should take the necessary steps to close the Freer ISD Tax Office. In concert with this activity, Freer ISD should contact representatives from the Duval County ESD Number 1 and Duval County to initiate the necessary steps to transfer the responsibility for property tax collections from Freer ISD to the Duval County Tax Assessor and Collector. This would include negotiating a rate to be paid by the district that should be less than or equal to that assessed to the other school districts in Duval County.

**Figure 5–7** shows a comparison of costs for the in-house tax collection services provided by the Tax Office and contracting for property tax services with the Duval County Tax Assessor and Collector. **Figure 5–7** shows the elimination of the district’s Tax Office would provide a cost saving to the district of \$54,002 annually, resulting in \$270,010 savings over a five year period (\$54,002 x 5).

**FIGURE 5–7  
FISCAL IMPACT OF RECOMMENDATIONS**

	<b>ADJUSTED EXPENDITURES</b>
<b>Current Cost for in-house tax collections</b>	
Tax Office 2012–13 Expenditures	\$79,662
Less: Estimated ESD Revenue	(\$9,447)
Net cost with current program	\$70,215
<b>Estimated Reduction in Business Office Operating Costs</b>	
Estimated Cost for Check Reconciliations	\$6,000
Total Cost for In-House Tax Office	\$76,215
<b>Cost for Contract with Duval County</b>	
Freer ISD No. of Parcels	12,693
Rate per Parcel	X \$1.75
<b>Estimated Cost for Duval County program</b>	<b>(\$22,213)</b>
<b>Estimated Savings</b>	<b>\$54,002</b>

SOURCE: Legislative Budget Board, School Review Team, Freer ISD Business Office, December 2013.

**Figure 5–7** does not include the time district staff spend addressing the day-to-day accounting issues such as recording the daily deposits, reconciling the receipts and disbursements for attorney fees, maintaining a separate employee bond, managing the contract with ACT, and dealing with the additional payroll deductions. Implementing this recommendation would free up staff time to devote to other district activities. The fee shown in **Figure 5–7** for Duval County would be all inclusive as it would handle all of the daily administrative activities currently occurring in the Tax Office and Business Office such as updating the taxpayer records, mailing out tax statements, and managing the Tax Office bank accounts.

**LOCAL OPTIONAL HOMESTEAD EXEMPTION (REC. 24)**

Freer ISD has not evaluated the fiscal or programmatic implications of offering the maximum local optional homestead exemption.

The Texas Tax Code, Section 11.13, authorizes the governing body of a school district to provide a maximum twenty percent exemption of the appraised value for an adult’s residence homestead. Freer ISD provides the maximum optional exemption of 20 percent. District staff interviewed did not know what year Freer ISD first adopted the optional homestead exemption or how long this exemption has been in effect. Some staff indicated that the exemption has been in place as long as they could remember while others indicated they were unaware of the exemption at all. Staff was also unaware of any evaluation or examination of the exemption and its effects on the district. This included no analysis of the financial cost of offering the exemption or the benefits the exemption offers taxpayers.

Based on information published by the Texas Comptroller of Public Accounts for the 2012 tax year (Freer ISD fiscal year 2013) the exemption reduced the taxable value for Freer ISD by \$6.1 million. Data from the Texas Comptroller of Public Accounts also indicates there were 1,022 school districts with taxing authority in the state of Texas in 2012. Of this number, 210, or 20.5 percent granted a local optional homestead exemption. The percentage of value exempted varied from one percent to a maximum of twenty percent. Among school districts in Duval County, only Freer ISD and Ramirez Common School District provided this exemption in school year 2012–13. None of the four peer districts used in this review authorized an optional homestead exemption that year.

As previously noted, the optional exemption reduced the taxable value of residential property in Freer ISD by approximately \$6.1 million in tax year 2012. In that year, 928 property owners benefitted from the Freer ISD homestead exemption, representing an average reduction in assessed value per property owner of \$6,543. **Figure 5–8** shows that the annual loss of local maintenance and operations tax revenue for tax year 2012 due to the provision of the homestead exemption, assuming a 95 percent collection rate, equals \$59,989.

Because the total taxable value used by TEA to calculate state aid for school districts includes a portion of residential value exempted by Freer ISD’s optional 20 percent, the optional homestead exemption results in reduced state aid as well as reduced local tax revenue. Of the \$59,989 in lost local revenue, the portion attributed to \$0.04 of the \$1.04 maintenance and operations rate in school year 2012–13 (about \$2,307) would have generated about \$2,927 of additional Tier 2 state aid that year.

In addition to the rate of \$1.04 levied for maintenance and operations, Freer ISD also levied a rate of \$0.3489 in school year 2012–13 for the purpose of paying debt service on outstanding bonds, the interest and sinking tax rate. The optional exemption on residential property also affects this type of local revenue. School districts are authorized to levy an interest and sinking rate that produces only the amount needed to service outstanding debt. Under a local optional exemption a higher interest and sinking rate is required to produce the needed amount of revenue. In the absence of the local optional exemption Freer ISD might have levied a lower rate, about \$0.3432 under these assumptions, to produce the

**FIGURE 5–8  
FREER ISD FISCAL IMPACT OF HOMESTEAD EXEMPTION -  
MAINTENANCE AND OPERATIONS COLLECTIONS  
TAX YEAR 2012**

Value Lost to Local Optional Homestead Exemption	\$6,071,715
Maintenance and Operations Property Tax Rate (\$1.04 per \$100 of Taxable Value)	0.0104
Assumed 95 Percent Collection Rate	0.95
Lost Local Maintenance and Operations Revenue due to Optional Homestead Exemption	\$59,989

SOURCE: Texas Comptroller of Public Accounts, Homestead Exemption Listing by District for 2012 tax year, Freer ISD Business Office, October 2013.

same level of revenue as the adopted rate of \$0.3489. **Figure 5-9** shows the impact of the optional homestead exemption on the interest and sinking rate.

The district’s decision to offer the maximum 20 percent optional homestead exemption provides a direct financial benefit to Freer ISD taxpayers.

Freer ISD should evaluate the factors that affect how the local homestead optional exemption impacts the district. This includes determining the impact of maintaining the homestead exemption on district revenue as well as analyzing the benefits to the taxpayers. Once this information has been analyzed, the superintendent and board should decide whether the district should continue to offer the homestead exemption.

No fiscal impact is assumed for this recommendation.

**FIGURE 5-9  
FREER ISD IMPACT OF HOMESTEAD EXEMPTION –  
INTEREST AND SINKING COLLECTIONS  
TAX YEAR 2012**

Total Taxable Value	371,125,196
Value Lost to Local Optional Homestead Exemption	(\$6,071,715)
Interest and Sinking Property Tax Rate per \$100 Taxable Value	0.003489
Assumed 95 Percent Collection Rate	0.95
Lost Local Interest and Sinking Revenue (Recovered with Tax Rate Increase)	\$20,125
Property Tax Rate without Exemption	0.00343192

SOURCE: Texas Comptroller of Public Accounts, Homestead Exemption Listing by District for 2012 tax year, Freer ISD Business Office, October 2013.

**DAY CARE AND PREKINDERGARTEN PROGRAMS (REC. 25)**

Freer ISD has not articulated and examined the full benefits and costs of providing both day care and prekindergarten programs to the community and district employees.

TEC Section 29.1531, requires a district to offer pre-K classes if it identifies 15 or more eligible children who are at least four years of age and may offer a similar program if it identifies 15 or more eligible children who are at least three years of age. Eligibility includes students identified as follows:

- Limited English proficiency—unable to speak and comprehend the English language;

- Educationally disadvantaged—qualify for free or reduced lunch program,
- Homeless—child who lacks a regular, fixed, or adequate nighttime residence or who has a primary nighttime residence that is supervised, a temporary residence for individuals, or a location not designed as a regular sleeping accommodation for human beings; and
- Child of an individual serving in the military—those on active duty, activated/mobilized uniformed members of the Texas National Guard, or uniformed service members who are missing in action (MIA).

TEC Section 29.1531, authorizes a free half-day pre-K program for those meeting the eligibility requirements. Freer ISD’s Board Policy EHBG (LEGAL) is consistent with these statutory requirements.

Freer ISD offers a pre-K program that is available to the children of district staff and the community. The pre-K operates as a half day program for some students and a full day program for others. This program has increased from 35 students in school year 2012–13 to 71 students for school year 2013–14. This large increase occurred because of the cancellation of the Head Start program in the district. Freer ISD has four full-time teachers, and no paraprofessionals serving 71 pre-K students, resulting in class sizes in the range of 17 to 18 students per class.

The district receives state reimbursement for student who meet certain statutory requirements. These students are only eligible for state reimbursement for a half day pre-K program. Of the 71 pre-K students, 57 are eligible for state reimbursement for half-day services. Because the district receives reimbursement for the eligible students for only a half day, and 24 students are receiving full-day services at no cost, Freer ISD is absorbing a significant portion of the cost for the pre-K program. Of the 24 students ineligible for state funding, 9 are children of district employees with the remainder being residents within the Freer ISD service area.

Because ineligible pre-K students are not included in the district’s average daily attendance, the taxpayers of the district are providing the resources for this free service for all-day ineligible students and for the additional half-day of services provided for eligible students. Freer ISD is funding the pre-K program with only the revenue corresponding to the one-half day eligible students to offset the costs of the program. Understanding the actual costs and the overall fiscal impact

of this program does not appear to have been a factor in the decision to provide the existing level of services.

Freer ISD also offers a day care program at Norman Thomas Elementary School which was full with 36 students during school year 2012–13. Thirteen of these students were children of Freer ISD employees. The tuition rates were \$90 per week and \$65 per week for district employees. The business director indicated the revenues for school year 2012–13 were \$89,700 and expenditures were \$89,895.

Another consideration is that district employees have the opportunity to participate in the pre-K program at no cost and in the day care programs at a reduced tuition rate. These activities could be considered an employee benefit, especially if other students are turned away because the programs are full. In these situations, certain employees are receiving a benefit not identified in any district materials and there may be an issue involving total employee compensation. There may also be an issue if the Internal Revenue Service sees this as a taxable benefit.

By providing this service to employees, Freer ISD is providing assistance to employees with young children. This assistance likely improves staff recruitment and retention as well as improving staff morale. In addition, research has shown that children who attend pre-K programs are much more socially and academically prepared to eventually enter elementary school. Enrollment in pre-K programs has been shown to increase student's reading and mathematics test scores at fourth grade as well as the increasing the probability of students being on-grade level for their age.

In the best practice report, identified as *Measuring the Cost of Government Service*, GFOA notes the following:

Measuring the cost of government services is useful for a variety of purposes, including performance measurement and benchmarking; setting user fees and charges, privatization, competition initiatives or “managed competition”, and activity-based management. The full cost of a service encompasses all direct and indirect costs related to that service. Direct costs include salaries, wages, and benefits of employees while they are exclusively working on the delivery of the service, as well as materials and supplies, and other associated operating costs such as utilities and rent, training, and travel.

Many school districts offer a variety of options regarding pre-K and child care services. Some districts, such as Arlington ISD offer pre-K programs only to students that

meet the eligibility requirements. Others, like Austin ISD and Plano ISD provide pre-K programs for ineligible students for a fee. Plano ISD and Denton ISD both offer day care services for district employees. The provision of pre-K and day care services all appear to be based on specific circumstances in the various districts, however, regardless of the policies in place, it is important for a district to understand the fiscal impact of the policy decisions in these areas.

Freer ISD should conduct a cost benefit analysis of the reduced-price day care and prekindergarten programs offered to the community and district employees and examine the cost-service delivery model used for program operations. The district should perform a cost-benefit analysis for both the day care program and the pre-K program, including both an assessment of the impact of the reduced-price for district employees in the pre-K program, as well as the significant and direct educational benefits to the children. These reviews should take into consideration all of the costs related to the programs to include:

- Employee salaries and benefits, directly supporting the programs;
- Supplies, materials and any professional services required to support the programs;
- The restricted indirect cost rate used by Freer ISD for federal grant programs—This rate is designed to reimburse the district for general administrative costs such as accounting, budgeting, payroll, human resources, purchasing, and employee relations. The TEA approved indirect cost rate for Freer ISD for school year 2013–14 is 2.073 percent; and
- Rent—This may not be perceived as a cost since the space is available and owned by the district, however, this space represents an “opportunity cost.” Opportunity costs are those costs which preclude the use of similar resources for a different purpose. In the case of Freer ISD, the day care and pre-K programs use space that may be needed for another purpose within the district. If these programs were not providing services beyond the required pre-K level, the district may be able to use this space more effectively to support other K-12 educational programs. By using space for these two programs, the district has made a decision not to use the space for another purpose; a potential lost opportunity.

The pre-K analysis should evaluate all possible service options including maintaining the current pre-K program, charging

tuition for ineligible students, allowing only eligible students in the program, and reducing the program to a half day. The review of both pre-K and the child care programs should consider the costs of any preferences provided for district employees. Beyond the costs, it should be determined if the employee preferences preclude other students in the district from participating in the program.

Based upon the results of the cost-benefit analysis, the superintendent should prepare a report identifying the results and make a recommendation to the board regarding the most appropriate approach for managing and financing the day care and the pre-K programs. Subsequently, the administration should develop and the board should approve a local policy that reflects the decision of the board.

If the district elects to establish a tuition rate, there would be an increase in revenue to the district. The school finance division of TEA annually calculates and provides to districts the maximum amount they may charge for ineligible pre-K students. The upper limit authorized for Freer ISD is \$1,031 per month or \$9,278 annually for all-day services. If Freer ISD were to charge the upper limit of tuition authorized, Freer ISD could receive additional revenue for ineligible all day students in the amount of \$222,672 ( $\$9,278 \times 24$  students) annually if parents were willing to pay these tuition rates. These amounts, however, could not be achieved because the TEC, Section 29.1531, and Board Policy EHBG (LEGAL) indicate a district may not adopt a tuition rate that is higher than necessary to cover the added costs of the program. Any tuition must be submitted to the Commissioner of Education for approval.

If the district offers the pre-K program only to eligible students on a half-day basis, there would be a need for one and a half to two teachers or a single teacher with appropriate paraprofessional support, resulting in lower costs for the district. The average teacher salary and benefits for Norman M. Thomas Elementary School is \$47,734.

No fiscal impact is assumed for this recommendation until the district decides the most appropriate model for providing the day care and prekindergarten programs.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practice, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

<b>RECOMMENDATION</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>TOTAL 5-YEAR (COSTS) OR SAVINGS</b>	<b>ONE TIME (COSTS) OR SAVINGS</b>
<b>CHAPTER 5: FINANCIAL MANAGEMENT</b>							
19. Establish a board policy to identify the level of fund balance to be maintained in the General Fund.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20. Develop a budgeting process that includes all stakeholders and incorporates district goals and plans.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21. Provide regular training for district staff on procedures in the Business Office Policy and Procedures Manual, and require that it be used in the day to day business activities under their authority.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22. Establish a process to provide regular communication regarding the district's financial operations to the budget managers and board of trustees.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23. Eliminate the Tax Office and contract with Duval County to collect property taxes for the district.	\$54,002	\$54,002	\$54,002	\$54,002	\$54,002	\$270,010	\$0
24. Evaluate the factors that affect how the local optional homestead exemption impacts the district.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Conduct a cost benefit analysis of the reduced-price day care and prekindergarten programs offered to community and district employees and examine the cost-service delivery model used for program operations.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$54,002</b>	<b>\$54,002</b>	<b>\$54,002</b>	<b>\$54,002</b>	<b>\$54,002</b>	<b>\$270,010</b>	<b>\$0</b>



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# **CHAPTER 6**

# **PURCHASING**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 6. PURCHASING

An independent school district's purchasing function is responsible for providing quality materials, supplies, and equipment in a timely, cost-effective manner. Purchasing includes identification and purchase of supplies, equipment, and services needed by the district, as well as the receipt and distribution of goods.

School districts in Texas are required to follow federal and state laws and procedures applicable to purchasing. The purpose of competitive bidding requirements found in the Texas Education Code (TEC), Section 44.031, is to stimulate competition, prevent favoritism, and secure the best goods and services needed for district operations at the lowest possible price. The process must have provided a fair opportunity to all participating vendors in compliance with regulations of the Texas Education Agency (TEA) and school board policies. TEA has developed a comprehensive purchasing module in the Financial Accountability System Resource Guide (FASRG), which prescribes the purchasing rules for districts in the state of Texas.

Freer Independent School District (ISD) Board Policy CH (LOCAL) provides the foundation for the purchasing activities of the district. This policy includes the assignment of purchasing authority, addresses competitive bidding and the use of competitive sealed bids, and requires that any transaction in excess of \$10,000 be approved by the board of trustees (board). The policy states that these criteria should be met for each purchase without sacrificing quality and timeliness of delivery.

In Freer ISD, the purchasing function is the responsibility of the business director with assistance from the accounts payable clerk. At the campus level, the principals or principals' secretaries are typically involved in the purchasing process. At the departmental level, this function is usually handled by the managers assigned to the various functions.

Purchasing procedures are outlined in the district's *Business Office Policy and Procedures Manual*. This document contains detailed instructions regarding various purchasing issues, including bids and sole-source contracts and use of district credit cards.

The district is a member of two cooperative purchasing programs: the Texas Association of School Boards (TASB) Buy Board and the Goodbuy program sponsored by Regional Education Service Center II (Region 2). Participation in a purchasing cooperative typically provides lower prices

because the cooperative is bidding for a number of school districts, allowing smaller districts such as Freer ISD to benefit from the economies of scale by joining with other districts. The purchasing cooperative issues and awards competitive bids, thus Freer ISD is not required to issue separate bids for products identified on the purchasing cooperative product list.

Freer ISD currently has no formal warehouse operation. Purchased items typically housed in a central warehouse, such as paper goods, cleaning materials and supplies, and office supplies are stored in various departments and in the schools.

### FINDINGS

- ◆ Freer ISD lacks a documented process for the management of contracted services, resulting in fragmented contract management throughout several departments in the district.
- ◆ Freer ISD's existing purchase order requisition process is not fully automated and is inefficient.
- ◆ Freer ISD lacks a process for expediting purchases from established vendors for materials and goods and services such as repairs to district systems and equipment.
- ◆ Freer ISD's practice of paying vendors monthly after each board meeting is inefficient and can have a negative impact on vendor relations.
- ◆ Freer ISD lacks a process to monitor and control the use of high volume supply items leading to multiple orders and the inefficient management of use for some products.

### RECOMMENDATIONS

- ◆ **Recommendation 26: Develop a comprehensive process and written procedures for contract management.**
- ◆ **Recommendation 27: Implement an automated requisition process and revise existing procedures to identify efficient levels of approval authority for contracts and purchases.**
- ◆ **Recommendation 28: Create a blanket purchase order process for use with pre-approved vendors.**

- ◆ **Recommendation 29: Establish a procedure for paying vendors on a twice monthly schedule to ensure timely payments of invoices and to maintain vendor relationships and eliminate the practice of completing the accounts payable process pending board approval.**
- ◆ **Recommendation 30: Implement a process to manage and account for high volume supplies and materials.**

## DETAILED FINDINGS

### CONTRACT MANAGEMENT (REC. 26)

Freer ISD lacks a documented process for the management of contracted services, resulting in fragmented contract management throughout several departments in the district.

The district provided the review team with copies of district contracts from multiple vendors, including the Regional Education Service Center II (Region 2). Many of the contracts were incomplete. For example, some contracts lacked signatures, contract amounts, or attachments. Additionally, some of the Region 2 contracts were not available either in the superintendent's office or the Business Office. **Figure 6–1** shows the status of the district's contracts during the onsite visit in October 2013.

As shown in **Figure 6–1**, Freer ISD has a number of contracts covering a wide range of services. Copies of the contracts identified as unknown are probably located in various district offices. The new support services director became aware of five technology-related contracts only when she received the annual renewal invoices. The maintenance and transportation supervisor (with newly assigned responsibilities for facility maintenance) indicated that there is a contract with a cleaning services supplier that makes weekly pickups and deliveries of mops, but the supervisor has never seen the contract for these services. This position also manages a maintenance contract for bus maintenance that is kept in the Transportation Department office. **Figure 6–1** does not include approved applications associated with federal grants such as Title I and IDEA, which obligate the district in various ways. District staff can access these grants online via TEA Secure Environment (TEASE) and TEA Login (TEAL) systems. However, printed documents are not maintained with other contracts so that the district staff has access to the obligations of the grant for both the district and the federal program provider to ensure compliance.

Without a structured process to effectively identify or manage the numerous contracts maintained by the district, the management of contracts is disorganized and unmonitored. The lack of a structured process can create difficulties when there has been turnover in administrative positions such as has occurred in Freer ISD, leaving new employees without a basis to comply or act on the implementation of contracts. This recently occurred in the Business Office when the contract with the Texas Association of School Boards (TASB) for the Buy Board service was not renewed. A similar situation occurred with the Goodbuy Purchasing Cooperative Region 2 contract. These contracts are usually renewed on September 1 of each school year; however, the contract was not renewed at the time of the review team's onsite visit. In addition to not renewing necessary contracts on time, the district may also be renewing contracts that are no longer needed or used. The existing practice also provides no process to evaluate the value or the level of services provided by the various contractors. Additionally, without a formal process, the district may not be able to provide an informed response to the board or the public if a contractual issue becomes a problem.

A critical function of the purchasing process is accurate contract documentation. Quality recordkeeping supports district purchasing decisions and provides a means for the effective management of various contracts and agreements. A structured process for management that monitors contracts minimizes problems and helps to ensure that contractual decision making adds value to the district.

The FASRG provides guidance in monitoring vendor performance during the term of the contract. It suggests the following:

- Document the problem in writing noting the date and an accurate description of the problem.
- Contact the vendor and communicate how the district wants the problem resolved.
- If the problem persists, contact the vendor in writing, restating the problem and solution desired and informing the vendor that failure to adequately respond will be considered a breach of the contract and may lead to cancellation.
- Consult with legal counsel if the problem is not solved.

The FASRG further recommends keeping an open and professional, yet independent and objective, relationship

**FIGURE 6–1  
FREER ISD CONTRACTS  
AUGUST 2012 TO AUGUST 2013**

CONTRACT	CONTRACTOR	LOCATION OF CONTRACT	CONTRACT DATE	CONTRACT AMOUNT
Advanced Academics Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
Bilingual Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
Center & Technology Education	Region 2 RESC	Unknown	Unknown	Unknown
Coastal Bend Application Tracking Consortium	Region 2 RESC	Supt. Ofc.	8/31/2013	\$1,573
Coastal Bend Network	Region 2 RESC	Supt. Ofc.	7/21/2012	No Cost
Curriculum Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
Distance Learning Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
Leadership Services Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
NCLB Support Cooperative	Region 2 RESC	Unknown	Unknown	Unknown
Technology Cooperative	Region 2 RESC	Supt. Ofc.	2/14/2013	\$27,561
Texas Computer Cooperative (TxEIS)	Region 2 RESC	Unknown	Unknown	Unknown
Emergency Access	American Red Cross	Supt. Ofc.	8/24/2012	No Cost
Workers' Compensation	Texas Educational Insurance Assn	Supt. Ofc.	No Date	\$12,367
Head Start Program	Comm Action Corp of South Texas	Supt. Ofc.	5/31/2013	Fed Funds
Race to the Top Consortium	Region 1 RESC	Supt. Ofc.	8/1/2012	Fed Funds
Bank Depository	IBC	Supt. Ofc.	6/13/2013	No Cost
Agreement with Law Firm	Linebarger Goggan Blair & Simpson LLC	Supt. Ofc.	7/16/2013	10% Fee
Agreement with Law Firm	Walsh, Anderson, Gallegos, Green & Trevino	Unknown	Unknown	Unknown
STAR Program	Serving Children and Adults in Need Inc.	Supt. Ofc.	9/23/2013	No Cost
Substance Awareness and Detection Services	Interquest Detection Canines	Supt. Ofc.	6/20/2013	\$225/visit
Accounting Services	John Womack & Co. P.C.	Bus. Ofc.	5/17/2013	Unknown
Additional Accounting Services	John Womack & Co. P.C.	No Contract	No Date	Unknown
Audit Services	Gowland, Streatly, Morales & Company	Bus. Ofc.	7/6/2013	\$12,000
Unemployment Insurance	TASB Risk Management Fund	Unknown	Unknown	Unknown
Shared Services Agreement for IDEA and ARRA	San Diego, Benavides, Ramirez ISDs	Unknown	Unknown	Unknown

NOTE: These dates represent the range of contracts that were dated.  
 SOURCES: Freer ISD, Superintendent's Office, Business Office, and Region 2, October 2013.

with vendors. The FASRG also recommends that districts evaluate all vendor services to ensure that vendors meet the terms and conditions of the contracts. It suggests that districts consider the following during a contract term and especially when closing out a contract:

- Timeliness of deliveries;
- Service availability;
- Completeness and accuracy of order; and
- Quality of products or services received.

Freer ISD should develop a comprehensive process and written procedures for contract management. The business director should be responsible for developing these procedures and providing regular training to staff responsible for carrying out these processes. The business director should consider the following activities as part of developing procedures for contract management:

- Develop a cover sheet to be attached to each district contract that includes the purchase order number; account code(s); purpose of the contract; financial arrangements (i.e., fees to be paid, due dates, and any

other pertinent information regarding the financial obligations of the district); and the individual responsible for managing the contract by name and title;

- Create a master list of all contracts, which includes the information on the cover sheet. This list should be maintained by the business director; and
- Obtain and store all original contracts in the office of the business director. The employee responsible for managing the contract should have a copy of the contract with the cover sheet on file.

The specific procedures associated with the management of contracts should be documented in the district's *Business Office Policy and Procedures Manual* and the business director should review these procedures with all staff members responsible for managing contracts.

This recommendation can be implemented using existing resources.

#### **PURCHASE REQUISITION PROCESS (REC. 27)**

Freer ISD's existing purchase order (PO) requisition process is not fully automated and is inefficient.

Review team interviews with staff indicate that to initiate a district purchase, the principal or department manager first prepares a paper purchase requisition, which is then sent to the business director for approval. Once approved by the business director, the requisition is then sent to the superintendent for further authorization. Once approved, information from the paper requisition is entered into the financial system where a PO is generated. During the onsite visit in October 2013, staff reported that this is a time consuming process that is especially problematic in emergencies or when there is an urgent need to expedite orders to meet educational or operational needs.

The review team was told of situations where the athletic director and the maintenance and transportation supervisor walked purchase requisitions through the approval process to ensure they could obtain products required to support their responsibilities. The review team also received comments regarding two circumstances where a manager was unable to determine the status of a purchase requisition from the Business Office.

A finding in the August 31, 2012 Annual Financial Report indicated that 23 of the 42 purchase transactions tested had

POs dated after the invoice. The report noted that although the district implemented an accounting manual during the year, the purchasing policies were not strictly followed.

Board Policy CH (LOCAL) Purchasing and Acquisition delegates to the superintendent or his/her designee the authority to make budgeted purchases for goods and services. However, any single budgeted purchase of goods or services that costs \$10,000 or more, regardless of whether the goods or services are competitively purchased, requires board approval before a transaction may take place. This policy does not address the approval levels for purchases less than \$10,000, leaving procedures in this area to the discretion of the superintendent.

The requirement for the superintendent to approve all purchase requisitions often delays the process, especially when a purchase has to be expedited, as the superintendent is not always available. The lack of a process for principals and department managers to effectively monitor the status of purchase requisitions results in a number of inquiries to the Business Office which can cause frustration for all parties and interfere with daily activities. During onsite interviews, district staff reported that it was likely the district will be working with Region 2 to implement automated capability for the purchase requisition component of its financial system before the end of school year 2013–14.

The National Institute of Governmental Purchasing (NIGP) identifies a number of benefits to be gained from using technology to support the purchasing process, including the following:

- reduction of time and costs associated with the process;
- improved management of existing contracts and suppliers (e.g., approval and release of orders in real time);
- integration of financial systems with procurement system to allow for verification of funds prior to order release; and
- automated process flows for approval.

Most automated financial systems include components that support the benefits identified by NIGP. Benavides ISD in Duval County uses all components of the purchasing software provided in the financial system. This system is similar to any number of automated purchasing systems, and the system used by Freer ISD, and includes the capability for entry of the purchase requisition at the school/department

location. The purchase requisition follows an approval path based on the policy of the district. Benavides ISD's business manager stated that this fully automated purchasing process supports effective internal controls and is very efficient as all of the approvals are accessed and approved on the system, thus they can be processed in a timely manner.

Freer ISD should implement an automated requisition process and revise existing procedures to identify efficient levels of approval authority for contracts and purchases.

Since the district is planning to work with Region 2 to implement the automated capabilities of the financial system, principals and department managers can prepare purchase requisitions online and send them to the Business Office electronically where they can also be approved electronically. Once the system is implemented, relevant staff should be trained in the required documentation and approval process for purchases and in how to access the system to review the status of individual POs.

The business director and the superintendent should modify existing purchasing approval requirements by establishing an upper limit on the dollar value of purchase requisitions that can be approved by principals or department heads without the superintendent's approval.

Freer ISD has the same financial system as Benavides ISD and can implement the purchase requisition component of the financial system at no additional cost as this component as well as the technical support for implementation of the system is included in the Freer ISD contract with Region 2.

#### **BLANKET PURCHASE ORDERS (REC. 28)**

Freer ISD lacks a process for expediting purchases from established vendors for materials and goods and services such as repairs to district systems and equipment.

Freer ISD has a contract for bus maintenance; however with no heating, ventilation, and air conditioning (HVAC) technician, plumber or electrician, the district must contract with licensed individuals to perform maintenance and repairs on this equipment on an as needed basis. (Since the time of the review, the district indicated that it has hired a certified HVAC technician.) The district process requires a separate purchase requisition for each transaction to be processed. The need for a separate purchase requisition for each transaction, even if the process were automated, results in inefficiencies and delays in areas of district functions that might require emergency purchases or services.

One example cited by the high school principal was a delay in the repair of the HVAC system at the high school. A purchase request had to be prepared by the maintenance and transportation supervisor and sent or hand-carried to the Business Office. After approval by the business director, the requisition then had to be approved by the superintendent. Once approved, a purchase order (PO) was prepared, and the vendor was authorized to undertake the repairs on the HVAC system.

Beyond emergencies, the district lacks a process for purchasing certain basic items which increase the time spent processing routine daily requirements.

This is a time-consuming activity often requiring the need to walk the purchase requisitions through the approval process delaying the provision of services or products that are required to ensure the smooth daily operations of the district and which sometimes may impact the health and safety of staff and students. This happens frequently in the Maintenance and Operations Department as it is often necessary to make a number of purchases from a local lumber/hardware store with each transaction requiring a separate purchase requisition. Vendors can also become frustrated with being on-call while still having to wait for the process to be completed and may take other jobs.

The purchasing module of FASRG addresses the use of blanket POs for use with a single vendor over time. The FASRG states:

A blanket purchase order is issued to a pre-approved vendor authorizing purchase from that vendor over a period of time. Blanket purchase orders are valuable because they allow the purchase of items quickly. Both paperwork and related processing cost usually are reduced by blanket purchase orders. However, blanket purchase orders must follow certain criteria: pre-qualification of vendors, limitation on the maximum amount of purchases (usually up to \$500 per month per vendor), a specific timeframe for purchases covered by the purchase order (usually one month), and identification of authorized purchasers.

Usually this type of purchase order remains in effect for only a specified amount of time and has a specified dollar limit. The advantage of blanket purchase orders is that merchandise is accessible to users with some flexibility and without the effort of processing purchase orders.

Certain controls, however, should be in place for the use of blanket purchase orders:

- The number of vendors to whom blanket purchase orders are issued should be limited.
- Those who can make purchases under blanket purchase orders should be clearly designated.
- Dollar limits should be carefully observed.

Freer ISD should create a blanket PO process for use with pre-approved vendors.

Although the FASRG focus is on the purchase of merchandise, the situation at Freer ISD lends itself to the use of blanket POs for both merchandise and contracted services, especially those situations involving the need for skilled professionals or products that are necessary to maintain the district's assets.

The business director should meet with principals and department managers as well as other district staff to review historical data and identify areas for which a blanket PO process would be appropriate and determine dollar limits and time frame criteria. The business director should also define a process for pre-qualification of vendors to assure they can provide the desired service or products.

Once the process is in place, the business director, working with the appropriate principal or department manager, should implement the pre-qualification process and select and notify the vendors to participate. If a blanket PO is established for an amount in excess of \$10,000, it should be approved by the board. Annual review of the process should be instituted.

This recommendation can be implemented using existing resources.

#### **VENDOR PAYMENT (REC. 29)**

Freer ISD's practice of paying vendors monthly after each board meeting is inefficient and can have a negative impact on vendor relations.

During the onsite review in October 2013, the district's procedure for payment of invoices required approval by the board at each monthly board meeting. As discussed previously, the purchasing process begins when the paper purchasing request is prepared by the principal or department director and submitted to the business director and then to the superintendent for approval. Once approved by the superintendent, the paper purchase request is entered into the purchasing system to create a purchase order (PO). The product is then ordered and, if required, a copy of the PO is

provided to the vendor. The school or the department also retains a copy of the PO. When the product is received at the Business Office, the receipt copy of the PO is signed by the receiver. The Business Office also receives the invoice. The Business Office staff is responsible for matching the receipt copy of the PO with the invoice and then creates a check. The business director keeps a copy of the check, PO and invoice until the next board meeting. The checks are retained in the Business Office until approved by the board. The business director prepares a list of accounts payable for the approval of the board and brings the documents authorizing payment to the meeting in case there is a question from the board. This appears to be done for all payments regardless of amount. Staff reported that the board rarely has questions. After the board approves the accounts payable, checks are mailed to the vendor.

No district board policy directly addresses the issue of the need for board approval for accounts payable transactions. Board Policy CHF (LEGAL), Purchasing and Acquisition Payment Procedures, identifies when payments are due and states that if the board meets only once a month, the payment is not overdue until the 45<sup>th</sup> day after the receipt of the goods. The policy references and restates much of what is in the Texas Government Code, Section 2251.021, however, no statute is identified that indicates the board must approve transactions prior to making the payment.

If a vendor provides a service, either just before or just after a board meeting, the vendor must wait for the next meeting and board approval of payment for the vendor's invoice. Although 30 days is a normal period for payment, district procedures or situations could delay payment beyond this period. When Freer ISD deals with a sole proprietor who may have unique cash flow requirements, this payment schedule could adversely affect vendors. In some cases vendors would prefer not to deal with the district or might schedule work differently to ensure prompt payment, or might not provide the district with their best price.

For example, staff reported that some vendors are reluctant to work for the district because of the time required to receive payment. During a recent emergency, a vendor agreed to provide the necessary services, but only because, staff reported, the vendor was "friends" with one of the district's employees. Emergencies that are remediated based on the friendship of the vendor with a district employee is not an efficient method of operations for the district. Further, the board approval process for payment of invoices is redundant as every payment approved involves a service that has already

been rendered via the existing purchasing process used in the district. The district is obligated to pay the vendor, regardless of the actions of the board.

Timely payment to vendors represents a vendor relationship issue. NIGP does not address the payment issue directly but does address this topic in guidance on Supplier Relationship Management (SRM). SRM, also called vendor relationship management, is a set of principles, processes, and tools that can assist organizations in maximizing relationship value with suppliers. The program is aimed at identifying suppliers that are strategic to the organization. Although this program is aimed at larger organizations, Freer ISD has a similar circumstance with the limited number of vendors in its small community where certain vendors would be deemed to be strategic to the district.

Freer ISD should establish a procedure for paying vendors on a twice monthly schedule to ensure timely payments of invoices and to maintain vendor relationships and eliminate the practice of completing the accounts payable process pending board approval.

The business director should establish an accounts payable schedule that accommodates twice-monthly processing for those payments that need to be expedited. These payments could include:

- situations where the payment to the vendor is delayed because of failure on the part of the district to accept or approve the completion of the project in a timely manner;
- unique circumstances involving local vendors reluctant to work with the district because of the timing of payments; and
- purchasing agreements that include a specified payment period.

Instead of waiting on the board to approve the list of accounts payables, the business director should prepare a list of paid invoices for the board to review and ask questions at the next board meeting. The district is responsible for paying for services and products that it receives through the purchasing process whether the board approves or not. Since the time of the onsite review, the district reported that the board has addressed the vendor payment process, but no additional information was provided.

This recommendation can be implemented using existing resources.

### **INVENTORY PROCESS (REC. 30)**

Freer ISD lacks a process to monitor and control the use of high volume supply items leading to multiple orders and the inefficient management of use for some products.

Freer ISD has no process to manage the distribution of certain high volume supplies and materials such as paper goods, office supplies, and custodial supplies. During the onsite review in October 2013, the review team noted that a pallet with approximately six to eight cases of copier paper was in the Maintenance Facility. The district indicated that paper is purchased twice per year for the entire district and is distributed as needed. There was also a pallet of corroded unused containers of a floor wax product that according to the maintenance and transportation supervisor had been located in the Maintenance Facility for at least five years.

The notes contained in the Annual Financial Report (AFR) state that Freer ISD uses the purchase method to record inventory. Specifically, the notes state: the district records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the resource guide.

FASRG identifies the two methods of accounting for inventories:

- Consumption method – The purchase transaction is charged to an inventory account which is carried on the balance sheet as an asset. When the inventory is issued (used), an entry is posted to the appropriate expenditure account to reflect the relief of inventory.
- Purchase Method – An inventory item is recorded as expenditure when purchased and then adjusted at the end of the period to reflect the value of inventory at period end.

Although the notes to the AFR state the purchase method is being used by Freer ISD, there is no recording of these purchases as inventory, and no end-of-year adjustment takes place. These purchases are treated as expenditures at the time of purchase. Items are purchased and stored at schools or in various support facilities and recorded as current expenditures at the time of purchase regardless of when, if ever, they are consumed. The lack of a structured inventory process leads to situations where excess materials can be purchased, and, in some cases, never used.

When a district has no structured process for managing routine supply materials, there is a tendency to adopt a “use it or lose it” approach to unit budgets, often resulting in the

purchase of items that appear to be of future value but that may never be used. This often leads to a potentially hazardous situation, such as the example provided of unused cleaning materials stored in the Maintenance Facility, which now represent a disposal problem.

The publication *Warehousing and Inventory Control* published by the National Institute of Governmental Purchasing (NIGP) notes that the objective of a sound inventory and warehouse management program is “to minimize the funds invested in inventory and to maximize operating costs while optimizing the amount of supplies available to the various service delivery systems of the organization.”

The 2012 publication *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR) discusses both methods of accounting for inventories in the context of financial reporting and notes that under the purchase method, “inventories are reported as expenditure when purchased rather than capitalized as an asset.” GAAFR also notes that the use of the purchase method may lead to a significant accumulation of inventory items not recorded on the financial records of the organization.

While larger organizations are closing warehouses and expanding the use of purchase cards and just-in-time deliveries, smaller school districts in remote locations often benefit from the use of modest inventory systems that can improve control over the management of district assets.

Freer ISD should implement a process to manage and account for high volume supplies and materials.

As part of implementation, the business director should consider the following steps:

- Meet with representatives of Region 2 to establish a schedule to implement the inventory module of the financial system.
- Set up the appropriate accounting records and procedures to manage the inventory.
- Talk with the various managers and principals in the district to identify products that would be appropriate for including in a central inventory.
- Assign a staff member to be responsible for the central inventory.
- Take steps to minimize the number of stock items to be maintained in the central inventory.

- Visit each district facility to identify existing materials that could be transferred to the central inventory.
- Determine if there are any items that could be declared surplus and disposed of.
- Establish appropriate inventory levels and order quantities for various inventory items.
- Select a location for the inventory based on the anticipated space needed for inventoried materials.
- Establish scheduled days or hours of operation for the central inventory.

Once the central inventory is established, journal entries should be made to credit the accounts of the schools/ departments that have provided items for the central inventory.

This recommendation can be implemented using existing resources as the inventory module and the related technical support required is included in the financial system provided by Region 2.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

<b>RECOMMENDATION</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>TOTAL 5-YEAR (COSTS) OR SAVINGS</b>	<b>ONE TIME (COSTS) OR SAVINGS</b>
<b>CHAPTER 6: PURCHASING</b>							
26. Develop a comprehensive process and written procedures for contract management.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Implement an automated requisition process and revise existing procedures to identify efficient levels of approval authority for contracts and purchases.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28. Create a blanket purchase order process for use with pre-approved vendors.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Establish a procedure for paying vendors on a twice monthly schedule to ensure timely payments of invoices and to maintain vendor relationships and eliminate the practice of completing the accounts payable process pending board approval.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30. Implement a process to manage and account for high volume supplies and materials.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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# **CHAPTER 7**

# **HUMAN RESOURCES MANAGEMENT**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 7. HUMAN RESOURCES MANAGEMENT

An independent school district's human resources function is responsible for the management of staff. This function is critical because salaries, wages and benefits account for approximately 80 percent of the average Texas school district's total budget. Human resource management is dependent on the organizational structure of the district. Larger districts may have staff dedicated to human resource management, while smaller districts assign staff these responsibilities as a secondary assignment.

Human resource management includes compensation and benefits; recruitment, hiring, and retention; administrative planning and duties; records management; staff relations and grievances; and staff evaluations. These functions are defined by either compliance-based or strategic-based responsibilities. Compliance-based responsibilities include assuring an organization is following federal, state, and local labor laws in areas such as benefits, compensation and hours worked, records management, mandatory leave, discrimination, medical privacy, safety, termination, and eligibility to work.

Strategic-based responsibilities include recruiting and retention, compensation and benefits, and staff relations.

Freer Independent School District (ISD) is a small school district with an enrollment of 859 students. The school district has 115.5 full time equivalents (FTE) of whom 62.8 FTEs are teachers who teach in the district's three schools.

According to the Texas Education Agency (TEA) Academic Excellence Indicator System (AEIS) school year 2011–12 report, Freer ISD's payroll expenditures (salaries, wages, and benefits) represent 74.9 percent of the general fund (actual expenditure information for school year 2010–11).

**Figure 7–1** shows Freer ISD's average salaries for school year 2012–13 for district staff in comparison with those of a group of peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes. Data indicates that Freer ISD, on average, has higher salaries compared to the peer districts, with the exception of Anthony ISD, which is located in close proximity to the El Paso metroplex.

**FIGURE 7–1**  
**FREER ISD AND PEER DISTRICT AVERAGE SALARIES FOR DISTRICT STAFF**  
**SCHOOL YEAR 2012–13**

EMPLOYEE TYPE	FREER	ANTHONY	BLOOMINGTON	FLOYDADA	MORTON
All Personnel	\$41,387	\$41,411	\$34,896	\$35,289	\$36,264
Teachers	\$46,696	\$49,955	\$42,738	\$40,896	\$42,609
Pre-K	\$54,513	\$51,925	\$49,730	\$45,857	\$40,415
Kindergarten	\$42,784	\$55,196	\$42,010	\$33,748	\$50,198
Elementary	\$43,748	\$49,368	\$40,473	\$41,346	\$41,669
Secondary	\$49,079	\$49,427	\$44,742	\$40,645	\$42,202
Support Staff	\$44,505	\$56,226	\$41,867	\$52,345	\$45,608
Librarians	\$49,665	\$57,666	\$42,970	\$46,512	\$35,323
Other Non-Instructional	\$35,793	\$48,760	\$42,330	\$82,744	\$47,100
Administrators	\$84,853	\$88,356	\$80,512	\$67,469	\$67,792
Principal	\$72,175	\$84,193	\$74,803	\$72,088	\$65,905
Superintendent	\$210,000	\$122,600	\$120,900	\$94,760	\$85,400
Total Professional	\$50,337	\$53,693	\$45,806	\$44,153	\$45,331
Educational Aides	\$14,967	\$22,791	\$19,278	\$16,942	\$14,113
Auxiliary Staff	\$21,933	\$24,819	\$20,038	\$25,800	\$22,352

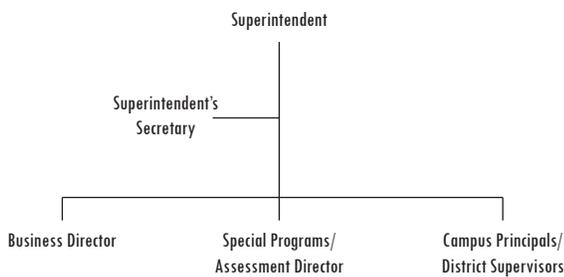
NOTE: After the onsite review the superintendent indicated that his salary was \$118,000 without medical benefits, however the district reported a salary of \$210,000 to PEIMS.

SOURCE: Texas Education Agency, Public Education Information Management System Standard Reports, school year 2012–13.

Figure 7–2 shows the Freer ISD staff who serve under the superintendent and who perform Human Resources (HR) duties. The superintendent’s secretary performs the majority of HR duties for the district. Campus principals and other supervisors manage the hiring process for vacancies under their supervision.

Freer ISD distributes its HR responsibilities among various central office and campus staff. The business director manages the HR duties related to substitute teacher pay and health benefits with assistance from the payroll clerk. The special programs/assessment director determines the highly qualified status of teachers and paraprofessionals according to federal regulations outlined in No Child Left Behind Act (NCLB) provisions.

**FIGURE 7–2  
FREER ISD HUMAN RESOURCES ORGANIZATION  
SCHOOL YEAR 2012–13**



Source: Legislative Budget Board, School Review Team; Freer ISD interviews, October 2013.

**FINDINGS**

- ◆ Freer ISD HR functions lack structured management, as well as written procedures and guidelines to guide the implementation of HR responsibilities in compliance with legal requirements and district policies.
- ◆ Freer ISD does not follow established procedures in managing their compensation plan to avoid pay inequities and salary compression.
- ◆ Freer ISD uses generic job descriptions that do not specifically identify job responsibilities and workplace expectations.
- ◆ Freer ISD’s management of personnel files is not guided by written procedures and guidelines to ensure compliance with legal requirements.

- ◆ Freer ISD does not have staffing guidelines to ensure that staffing allocations for each campus and for district offices are equitable, efficient, and based on industry standards.

**RECOMMENDATIONS**

- ◆ **Recommendation 31:** Assign responsibility for managing and coordinating human resources activities to a central office administrator who should attend human resources training, develop written procedures, and oversee all human resources functions.
- ◆ **Recommendation 32:** Use the compensation plan and procedures developed for the district to ensure wages and salaries are equitable throughout the district and aligned with area job markets.
- ◆ **Recommendation 33:** Revise existing position descriptions to specifically identify employee qualifications and responsibilities so that staff can comply with the district’s job performance expectations.
- ◆ **Recommendation 34:** Organize personnel records to ensure compliance with federal and state laws and district required records procedures.
- ◆ **Recommendation 35:** Develop and implement staffing formulas that will assist in staffing schools and departments equitably, efficiently, and based on state and federal regulations, best practice, and industry standards.

**DETAILED FINDINGS**

**HUMAN RESOURCE MANAGEMENT (REC. 31)**

Freer ISD HR functions lack structured management, as well as written procedures and guidelines to guide the implementation of HR responsibilities in compliance with legal requirements and district policies.

Several district staff members are assigned various HR duties without the benefit of training. The superintendent reported that he has received some HR training at various conferences but has not attended specific HR-focused professional development. Additionally, a review of staff development records shows that none of the staff or principals who assist with HR duties have had any training in this area.

**FIGURE 7–3  
FREER ISD HUMAN RESOURCE TASK DISTRIBUTION BY POSITION,  
OCTOBER 2013**

POSITION	PRIMARY HR RESPONSIBILITY
Superintendent	<ul style="list-style-type: none"> <li>• Reviews need to fill employee vacancies and approves job postings</li> <li>• Reviews need to add new, unbudgeted positions to district</li> <li>• Prepares recommendation to add a new, unbudgeted position to board of trustees (Board)</li> <li>• Recruits staff by attending university job fairs</li> <li>• Recommends candidates for hire to the board</li> <li>• Establishes procedures for hire</li> <li>• Establishes salaries based on board approved salary schedules.</li> </ul>
Superintendent's Secretary	<ul style="list-style-type: none"> <li>• Arranges for posting of positions</li> <li>• Oversees the hiring process</li> <li>• Receives recommendations for hire from district principals and supervisors</li> <li>• Forwards new hire recommendations to the special programs/assessment director to check for highly qualified status, if applicable</li> <li>• Checks criminal history of all applicants and informs superintendent</li> <li>• Prepares board agenda for approval of recommended candidates</li> <li>• Gathers applicant new hire paperwork to forward to business manager</li> <li>• Enters applicant information in the HR data management system</li> <li>• Prepares personnel file</li> <li>• Monitors expiration dates of teachers' standard certificates</li> <li>• Prepares teacher and administrator contracts with guidance from superintendent</li> <li>• Collects signed contracts for filing in personnel files</li> <li>• Collects employee appraisals at the end of the year</li> <li>• Oversees family medical leave requests and collects medical information</li> <li>• Oversees the sick leave bank</li> <li>• Oversees workers' compensation claims</li> <li>• Manages district records, including medical and service records</li> <li>• Oversees unemployment claims process</li> </ul>
Business Director	<ul style="list-style-type: none"> <li>• Establishes new employees on district's data management system for payroll purposes</li> <li>• Coordinates benefits program with all employees through shared paperwork</li> <li>• Gathers leave reports that are kept by district secretaries and enters them in the data management system</li> <li>• Collects absence forms from district personnel</li> <li>• Manages leave administration</li> <li>• Pays substitutes</li> <li>• Oversees business office records</li> </ul>

SOURCE: Legislative Budget Board, School Review Team; Freer ISD interviews with HR staff, October 2013.

The superintendent informally oversees staffing allocations, approves job postings, reviews criminal history reports, recommends new hires to the board of trustees, and establishes salaries. The superintendent's secretary, in addition to duties associated with school board business, oversees job postings and the application and hiring process, including collecting all new hire documents. The secretary also runs the criminal history background checks of recommended candidates, manages district records, and files job performance evaluations. This position is also charged with creating and updating personnel files.

Sharing other HR responsibilities are the business director and payroll clerk who handle benefits and leave administration, compensation, and substitute pay. The special programs/assessment director also assists by determining the highly qualified status of teachers and paraprofessionals in compliance with the NCLB act.

Principals request postings for their vacancies, review and screen applications, interview candidates, and recommend hires to the superintendent. District job postings are posted on the website, at Regional Education Service Center II (Region 2), and at various universities in the area. During the onsite review, principals oversaw campus leave data and

substitute teacher use and reported this data to the superintendent's secretary who updated this information in employees' service records. Since the time of the onsite review, the district indicated that it has established a centralized system for leave data and substitute use. **Figure 7-3** shows Freer ISD assigned HR tasks by position as of October 2013.

In addition to the lack of training necessary to carry out these responsibilities in alignment with standard practice, a staff member has not been assigned responsibility for HR management to provide coordination and oversight of critical HR functions, especially with regard to monitoring and compliance requirements. Some of these responsibilities are:

- running criminal history checks that are in compliance with the Texas Government Code Sections 411.097 and 411.085;
- posting jobs and hiring in compliance with Equal Employment Opportunity (EEO) Commission guidelines;
- determining work eligibility of newly hired employees governed by the Immigration Reform and Control Act (I-9);
- managing leave in compliance with the Family and Medical Leave Act;
- verifying the highly qualified status of teachers and paraprofessionals as outlined in the No Child Left Behind Act;
- managing government records in compliance with Texas Library and Archives Commission provisions;
- administering overtime of non-exempt employees in compliance with the federal Fair Labor Standards Act of 1934, as amended ; and
- protecting private health information as outlined in the federal Health Insurance Portability and Accountability Act (HIPPA) of 1996.

As a result, the district runs the risk of noncompliance. For example, the Office of Civil Rights (OCR) nondiscrimination notice requirements directs school districts that receive federal funding to include the required complete non-discrimination statement on job applications and other paperwork. Specifically, OCR directs districts to inform students, parents, employees, and other stakeholders that the district "does not discriminate on the basis of race, color,

national origin, sex, disability, or age in its programs and activities and provides equal access to the Boy Scouts and other designated youth groups." The requirement to use this exact statement is found in 34 C.F.R Sections 100.6(d), 106.9, 104.8, 110.25 and 108.9. Although district and campus letterhead paper include this statement, the district's practices are not consistent with this regulation as some district paperwork fails to display the full statement. Currently, Freer ISD documents merely state, "We Are An Equal Opportunity Employer" or simply "EOE."

**Figure 7-4** shows an analysis of the district's HR management practices compared to industry standards.

Not having a senior-level administrator to manage, coordinate, and oversee HR responsibilities exposes the district to increased risk of noncompliance with state and federal requirements and best practices. In addition, not having written procedures leads to confusion among staff, especially with turnover of critical personnel. As shown in **Figure 7-4**, there are multiple HR tasks where Freer ISD's practice is not consistent with industry standards or state or federal law.

The Texas Association of School Boards (TASB), the Texas Association of School Business Officials (TASBO), and the Texas Association of School Personnel Administrators (TASPA) provide extensive training in all areas of HR best practice and hold training workshops within a half-day's drive of the district. These organizations also provide monthly online updates to school districts regarding best HR practice in all HR functions.

In addition, a number of districts provide good models for HR functions. South San Antonio ISD has developed and uses a Human Resources Forms Reference Book to ensure forms are up to date, legally compliant, and easily accessible. To increase the effectiveness and efficiency of their application process, Irving ISD uses an online application system that external and internal applicants can access. San Elizario ISD cross-trains its staff who perform HR functions to improve their efficacy in performing their duties. San Elizario ISD also participates in monthly HR focus groups consisting of HR professionals from school districts in the Regional Education Service Center XIX (Region 19) area. The focus group shares HR best practice ideas with one another, thus, keeping HR departments in west Texas abreast of changing laws and policies.

Freer ISD should assign responsibility for managing and coordinating human resources activities to a central office

**FIGURE 7–4  
FREER ISD HUMAN RESOURCES ACTIVITIES GAP ANALYSIS BY TASK  
SCHOOL YEAR 2013-14**

TASK	INDUSTRY STANDARD	FREER ISD PRACTICE
Staffing	<ul style="list-style-type: none"> <li>Follows district staffing guidelines</li> </ul>	<ul style="list-style-type: none"> <li>No staffing guidelines exist</li> </ul>
Recruitment	<ul style="list-style-type: none"> <li>Job postings on district/professional websites</li> <li>Recruitment strategies/goals meet district needs as outlined in District Improvement Plan</li> </ul>	<ul style="list-style-type: none"> <li>District posts job</li> <li>Recruitment strategies are not fully developed in District Improvement Plan to increase staff diversity, to align with student demographics, and to ensure the hiring of highly qualified personnel</li> </ul>
Hiring Process	<ul style="list-style-type: none"> <li>District enters new hire information in district HR database</li> <li>Supervisors review and screen applicants following training guidelines and district procedures</li> <li>Supervisors interview candidates according to district policies and procedures</li> <li>All supervisors check the required number of references and provide proof checks were completed</li> </ul>	<ul style="list-style-type: none"> <li>District uses HR database to key in new hire information</li> <li>Supervisors are not trained and the district has no procedures to guide the screening process</li> <li>No procedures exist to guide supervisors in how to set up interviews and develop appropriate interview questions</li> <li>No guidelines exist as to how many references need to be checked</li> </ul>
District Documents Meet Office of Civil Rights Requirements	<ul style="list-style-type: none"> <li>Employment applications and other district documents all have required non-discriminatory language in footer information</li> </ul>	<ul style="list-style-type: none"> <li>Applications and other documents do not have the required notice of non-discrimination as required of schools receiving federal funds</li> </ul>
New Hire Process	<ul style="list-style-type: none"> <li>District collects all federal, state, and locally required documents</li> <li>Personnel file is created and maintained with required paperwork</li> </ul>	<ul style="list-style-type: none"> <li>New hire paperwork list exists but not all documents are collected such as official transcripts</li> <li>Federal and state required forms such as signed employment contract are missing</li> </ul>
Job Description Management	<ul style="list-style-type: none"> <li>District reviews job descriptions at the time of posting to ensure qualifications and job responsibilities are current</li> </ul>	<ul style="list-style-type: none"> <li>Job descriptions are generic and do not reflect actual job responsibilities</li> <li>Job descriptions are not signed; staff is often uncertain of their responsibilities</li> </ul>
Certification Verification	<ul style="list-style-type: none"> <li>District has a process to check that standard certificates are up to date</li> </ul>	<ul style="list-style-type: none"> <li>Responsibility of ensuring standard certificates is not assigned, resulting in staff teaching with expired certificates</li> </ul>
Employee Evaluations	<ul style="list-style-type: none"> <li>Supervisors evaluate all personnel according to district policy</li> <li>Personnel verify that all evaluations have been collected</li> </ul>	<ul style="list-style-type: none"> <li>Campus secretary receives but does not verify that all evaluations are collected</li> </ul>
Employee Benefits	<ul style="list-style-type: none"> <li>District identifies privacy officer and provides training according to HIPAA law</li> </ul>	<ul style="list-style-type: none"> <li>District does not formally identify privacy officer; no training provided</li> </ul>

SOURCE: Legislative Budget Board, School Review Team; Freer ISD interviews with HR staff, October 2013.

administrator who should attend human resources training, develop written procedures, and oversee all human resources functions. Written procedures and guidelines would provide existing and newly hired district personnel with guidance and consistency in HR daily practice. In implementing this recommendation, the district may want to consider assigning special programs/assessment duties to the curriculum director and assigning comprehensive HR duties to the special programs/assessment director.

As mentioned previously, TASB and TASP A regularly offer HR training. Freer ISD is a member of both organizations,

and many HR training webinars are available to the membership at no cost to the district.

The administrator who is assigned to oversee Freer ISD’s HR function should consider using these associations to begin HR training to help build understanding of critical HR responsibilities that require monitoring and compliance with federal and state laws and district policies. Both groups jointly sponsor a two-day seminar for new HR administrators entitled the Texas School HR Administrators Academy, which is held in Austin every fall within a half-day’s drive

from Freer, Texas. This academy has training sessions over a wide variety of HR topics.

Principals and other central office staff can also take advantage of HR training that these organizations and other organizations provide.

With the guidance and supervision of the superintendent, the HR administrator should consider the following implementation steps:

- Organize an HR team of central office administrators and other key staff who will assist in managing the HR function.
- Develop specific job descriptions for the HR team aligning their HR responsibilities with their other main responsibilities.
- Develop evaluation forms for these personnel.
- Share job descriptions and evaluation forms with the HR team and begin training the team who will be sharing HR responsibilities at the district.
- After training, the team can begin the process of organizing and coordinating the district's HR function by first reviewing and revising the job descriptions of all other district personnel who will be assisting with HR responsibilities. For example, handling family medical leave and medical information closely aligns with the benefits duties of staff in the business office. Currently, the superintendent's secretary manages this duty. Workers' compensation duties that the superintendent's secretary also manages align more closely to the business office staff duties as that office works closely with the district's workers' compensation vendor.
- Write procedures to guide HR practices throughout the district.

Training and resources from professional HR associations can also support the HR team in writing procedures that are legally compliant and follow best practice.

To uniformly institutionalize, organize and manage procedures, many districts write procedures that closely align with their local policies. Regulation models are available for all TASB members on its website at no cost to members. Electronic in-district publishing of these procedures will allow district-designated personnel access to the procedures,

as needed. **Figure 7–5** shows the HR areas that require written regulations/procedures.

Freer ISD is currently entering new hire and employee demographic information into the HR module of TxEIS, the state-sponsored K–12 student information system. It is prudent that the district continue this effort so that as many HR processes as possible are automated, allowing the district to efficiently run staffing, leave, and other HR reports that can be used for planning and analysis, including in the strategic planning process.

It is also essential that district officials promptly address and correct the non-discrimination statement on all district paperwork and forms to include the complete required version to ensure consistency with all federal requirements.

Costs associated with this recommendation are primarily related to training. Since Freer ISD is currently a member of TASB and TASPAA, the administrator in charge of HR management could secure memberships for designated district administrators providing unrestricted access to website resources. Individual membership to TASPAA costs \$100 per person. The one-time cost for registration for one person for the Texas School HR Administrators Academy is \$450. Other HR trainings are available from TASPAA and TASB at no or nominal cost to member districts.

Other training opportunities exist through TASPAA. Twice a year, TASPAA holds its Annual Law Conference for Administrators in Austin, Texas, followed by an HR conference at an additional cost of \$175. The legal conference provides training on a variety of topics ranging from legislative changes in the law to other legal issues related to HR responsibilities. If paid by credit card, the cost of attending the legal conference and the HR conference is \$350 per person.

The fiscal impact of this recommendation assumes the district provides an annual budget of \$450 (\$100 annual TASPAA membership+ [\$175x2 for HR trainings]). This is a five year total of \$2,250 (\$450 x 5 years). Additionally, there would be a one-time additional expenditure of \$450 for the Texas School HR Administrators Academy in school year 2014–15.

### **COMPENSATION PROCEDURES (REC. 32)**

Freer ISD does not follow established procedures in managing their compensation plan to avoid pay inequities and salary compression.

**FIGURE 7–5  
FREER ISD HR ACTIVITIES REQUIRING WRITTEN PROCEDURES  
SCHOOL YEAR 2013-14**

RESPONSIBILITY	PROBLEM	NEED
Job Descriptions	<ul style="list-style-type: none"> <li>Generic job description does not match actual employee's responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Review and create job descriptions pertinent to each district job type</li> <li>Develop procedures for reviewing and revising job descriptions at the time job is posted</li> </ul>
Personnel File Management	<ul style="list-style-type: none"> <li>Personnel files are not managed and lack required documents</li> </ul>	<ul style="list-style-type: none"> <li>Organize personnel files according to established district procedures</li> <li>Create checklists of required file contents</li> <li>Ensure files are in locked, fire-proof cabinets</li> </ul>
Interview Process	<ul style="list-style-type: none"> <li>District lacks a standard process</li> <li>Supervisors lack training in EEO guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Develop detailed procedures describing interview process and determine required number of references to call</li> <li>Develop interview packet and sample interview questions and district forms</li> </ul>
Hiring Procedure	<ul style="list-style-type: none"> <li>New hire paperwork is not always collected</li> <li>New hire orientation is not always held</li> </ul>	<ul style="list-style-type: none"> <li>Create detailed procedures with checklists of paperwork to collect</li> <li>Describe detailed paperwork workflow</li> <li>Include procedures and calendar for new hire orientation</li> </ul>
Job Performance Evaluations	<ul style="list-style-type: none"> <li>Not all employees evaluated or evaluations missing</li> </ul>	<ul style="list-style-type: none"> <li>Create timelines and procedures to ensure all personnel are evaluated and signed evaluations are collected</li> </ul>
Records Management	<ul style="list-style-type: none"> <li>Records not adequately managed</li> </ul>	<ul style="list-style-type: none"> <li>Formally name a district records manager</li> <li>Develop detailed procedures to manage and protect district records</li> <li>Create job description and performance evaluation that delineates records manager's duties and evaluates performance</li> </ul>
Staff Allocation Plan	<ul style="list-style-type: none"> <li>Guidelines do not exist to guide district staffing</li> </ul>	<ul style="list-style-type: none"> <li>Develop formulas to guide staffing decisions</li> <li>Create procedures to guide allocation of staff</li> </ul>

SOURCE: Legislative Budget Board School, School Review Team, December 2013.

During spring 2008, TASB completed a comprehensive compensation study for the district that included collecting district pay information, identifying key district concerns and priorities, defining competitive job markets using peer school districts, analyzing market data for pay levels, building salary ranges, developing administrative procedures, and presenting final recommendations to the district.

Once the board adopted the compensation plan, TASB provided administrative procedures to the district to assist in managing the new compensation plan. Compensation plan procedures specifically explain formulas to use in setting salaries for new hires, calculating promotion or demotion amounts, and steps to follow in administering pay increases.

During the onsite review in October 2013, the superintendent reported that he was not aware of the 2008 TASB compensation study. He also said he did not realize that TASB provided written procedures to assist the district in managing the compensation plan. Data from interviews with business office personnel indicate that these staff members

remember having the procedures but could not locate them in their files.

This situation is exacerbated by the high turnover rate for administrators in the district. For example, shortly after the Board of Trustees hired the current superintendent on June 30, 2011, the then business manager retired after 26 years in that position. (The position title has since been changed to business director because qualifications for the position now require a bachelor's degree.) The district replaced the business manager, but that person soon left the district. The district then hired the present business director in October 2012. In the last year alone, in addition to hiring a new superintendent's secretary, the district has replaced the Freer High School principal, the Norman Thomas Elementary principal, and the support services director.

Further, the district does not provide required compensation information to employees, and staff reported being unclear about their total compensation. Freer ISD's *Employee Handbook* for school year 2013–14 states that all employees

will receive written notice of their pay and work schedules before the start of each school year. Interview data collected from teachers and coaches during the onsite visit indicated that many staff could not determine their amounts of pay, especially the stipend amounts, when they received their first paychecks. The business office staff reported that the district had not yet sent out salary notices because staff was in the process of checking all compensation amounts.

Not providing information to employees about the district compensation at the start of each school year leads to confusion, frustration, and may affect staff morale. In addition, without written procedures and working knowledge of the district's compensation plan and its procedures, leadership lacks guidance to make compensation decisions. A review of the district salary scales shows that the district has gone back to using "steps" to pay employees in the various pay ranges rather than using established procedures as explained in the compensation plan's procedures. Traditionally, districts have used steps to determine salaries for teachers, full-time nurses, librarians, and counselors. The steps coincide with the years of service documented in the employee's service record.

Given existing practices, pay inequities may also exist at Freer ISD. For example, the junior high school principal job is indicated as a pay grade 4 position, and the high school principal position is at pay grade 5. The high school principal position is at a higher pay grade because the level of responsibility is greater than that of the other principals. However, assuming that the salary report is accurate, the junior high principal is earning a slightly higher salary than the high school principal.

Best practice standards from organizations such as TASB recommend that districts avoid using the "step" system to determine salaries for personnel that are classified in the administrative, clerical/paraprofessional, technology, or auxiliary pay classifications. Instead, districts should use documented job-specific experience to determine salary amounts. Salaries should be set as a percentage of mid-point using a formula that factors in years of specific experience. Following this practice, the district maintains control of payroll expenditures.

Canutillo ISD provides an example of a small school district that has implemented a best practice compensation program and procedures.

Freer ISD should use the compensation plan and procedures developed for the district to ensure wages and salaries are

equitable throughout the district and aligned with area job markets. Implementing these procedures would help the district avoid pay inequities and salary compression. The HR administrator, with approval from the superintendent, should contact TASB to obtain a copy of the Freer ISD compensation administrative procedures and begin a plan to establish the procedures as practice in the district. Given that the plan is from 2008, the HR administrator should determine if the plan is still valid and useful. When using compensation plans based on job market data, it is prudent to review the established compensation plan's minimum, midpoint, and maximum control points as well as pay grade classifications every five years. Such a review helps ensure district salaries remain equitable and aligned with the job market. TASB can provide ongoing guidance to support Freer ISD in implementing and maintaining its compensation programs according to industry standards.

In addition, the business director should develop a plan for sending out salary notices to all employees at the start of each year informing staff members of their salary, the type of stipend and amounts they may be earning, and their work calendar days in compliance with the employee handbook. The district could require employees to sign off on their annual salary notices to ensure employee agreement with the compensation amount. Staff should file the signed notices in the business office each school year.

There is no cost associated with obtaining a copy of the compensation administrative procedures from the vendor that performed the compensation study. In addition, the superintendent and the board should establish a regular schedule in which the district's compensation plan is updated to ensure it remains current. There are multiple organizations that can perform a compensation review for the district and the cost of these updates should be determined and placed into the appropriate year's budget.

This recommendation can be implemented using existing resources.

### **JOB DESCRIPTIONS (REC. 33)**

Freer ISD uses generic job descriptions that do not specifically identify job responsibilities and workplace expectations.

During the onsite review in October 2013, staff expressed that newly hired personnel do not have an opportunity to review their job descriptions, ask for clarification if needed, sign their job descriptions, and receive a copy as part of the district's onboarding procedure. Additionally, the district

does not maintain signed job descriptions in each employee's personnel file.

Several employees expressed frustration that their job descriptions do not describe regular work responsibilities that supervisors assign to them. For example, one employee reported that the district requires him to fix the electronic scoreboard when he does not hold an electrician's license. His regular duties, he says, is to work with "any technology that is plugged into the wall except thermostats and fire alarms." This is an example of supervisors assigning responsibilities to employees that do not match their qualifications. Additionally, titles in the district's organizational chart are not aligned with the generic job description titles assigned to staff adding to confusion. For example, the organizational chart includes a webmaster administrator position, but the district does not have a job description with that title. Job performance evaluation documents are also not aligned with actual positions.

The district's failure to establish appropriate job descriptions limits the district's ability to manage district operations and employee performance in a cohesive and organized manner. Further, the district may be liable if supervisors inappropriately assign job responsibilities to employees who do not possess the required workplace skills or licenses to complete the assignment. Fixing electrical problems may require specific licenses, for example.

When evaluations are not aligned with workplace expectations, district personnel do not receive necessary feedback concerning job performance and potentially miss opportunities for professional growth. The district cannot operate effectively when job responsibilities and job performance evaluations are vague and unclear.

Marlin ISD contracts with an external vendor to maintain the district's job descriptions and employee-related policies. Other districts, such as Socorro ISD, require that supervisors requesting position postings first review and revise the job description.

Freer ISD should revise existing position descriptions to specifically identify employee qualifications and responsibilities so that staff can comply with the district's job performance expectations. The HR administrator should perform this duty and also ensure job performance evaluations are aligned with specific job performance indicators that the district wants measured.

After completing HR training, the district's HR administrator should begin a review of current district job descriptions and performance evaluations with a goal of revising these resources before the start of the new school year. The job description and job performance evaluation revision process could begin by:

- Using model job descriptions as a starting point, and, with the superintendent's guidance, revise the job descriptions with input from assigned supervisors. The HR administrator should review that the job qualifications are up to date and accurate, that the assigned supervisor is correct, that the salary information is current, and that the assigned responsibilities and job conditions have been updated.
- Using model job performance evaluations, the administrator should revise and update them in alignment with the district's expectations. Revising job performance evaluations at the same time as position descriptions helps ensure that the documents are in alignment with the assigned responsibilities and expectations.
- Completing the job description and the performance evaluation revisions, the HR administrator should develop a plan for annual review and revision of these documents.

It is the HR administrator's responsibility to ensure that employee job descriptions are signed, dated, and filed in each employee's personnel file.

This recommendation can be implemented using existing resources.

#### **PERSONNEL FILES (REC. 34)**

Freer ISD's management of personnel files is not guided by written procedures and guidelines to ensure compliance with legal requirements.

The superintendent's secretary is responsible for creating and maintaining the district's personnel files. The secretary stores the personnel files in cabinets in the superintendent's office area. According to the superintendent's secretary, after an employee leaves the district, she keeps the personnel file in the office for one year and then seals the file and puts it in storage with other district records. The storage area for these files is in an old building the district owns near the high school.

According to onsite review team interviews and observations, many of the district's personnel files are poorly organized and not consistent with state and federal law. For example, federal law [Section 419 (c) of Public Law 108-203, the Social Security Protection Act of 2004] requires state and local government employers to inform employees that their payroll earnings are not covered under Social Security. The Texas Administrative Code, Section 153.1021(b), requires schools districts to keep signed employment contracts on file. Although the district has a checklist for the inclusion of documents such as these in the personnel file, the onsite review team found the following state-required documents were missing when they checked random files:

- signed employment contracts;
- certificates and licenses;
- teaching assignment records;
- absence from duty forms; and
- criminal history information receipts.

Federally required documents that were missing from the files include:

- social security statement signed by employees – Form SS-1945; and
- leave and absence information in regard to the Family and Medical Leave Act.

Other documents missing from the personnel files were:

- signed job descriptions;
- official transcripts;
- recommendations for hire; and
- criminal history check receipts.

The district keeps employment documentation, evaluations, and medical information in separate folders that the superintendent's secretary collects and keeps in her office. The file cabinets in this office are not locked or fireproof.

Collecting employee medical information requires strict confidentiality as outlined in the Health Insurance Portability and Accountability Act (HIPAA). HIPAA requires that the district protect employee medical information in a secure area ensuring confidentiality. A review of training records indicates that employees who have access to private employee/student health information have not received HIPAA training, and, consequently, may not understand their

HIPAA responsibilities and consequences if they divulge private health information.

The lack of district records management procedures and guidelines on maintaining employee personnel files, results in staff confusion and haphazard and incomplete records management, lost records, potential exposure to fines or legal risk. Lack of diligent records management procedures is not consistent with the legal requirements outlined by the Texas State Library and Archives Commission (TSLAC), the Open Records Act, and other federal and state laws. In addition, collecting medical records without proper training for staff about the importance of keeping private health information confidential is a risk to the employees themselves. **Figure 7–6** shows records management activities that represent best practice.

Several districts have best practices regarding personnel records management. South San Antonio ISD provides an example of best practice in developing personnel records checklists. San Elizario ISD has developed a process that ensures personnel records are complete. Culberson ISD also follows best practice in developing a well-organized system for filing and storing personnel records. Navasota ISD follows best practice in developing a records storage system that complies with TSLAC requirements. Resources and models from these districts could be used to support improvement in district records management processes.

Freer ISD should organize personnel records to ensure compliance with federal and state laws and district required records procedures. To organize the district's personnel files, the superintendent's secretary, under the supervision of the HR administrator, could use detailed personnel file checklists that are available from professional HR organizations. The HR administrator should ensure all file cabinets containing HR confidential documents are fireproof and locked.

The HR administrator should ensure that the building where district records are currently stored is secure, and documents are protected from damage or loss. If possible, the records management official may consider finding a new, secure location for the records.

The HR administrator should also promptly schedule HIPAA training for each staff member with access to employee private health information. Online training webinars are available at no cost to the district. In addition, the district should consider hiring a temporary worker to assist with the initial organization of the personnel records.

**FIGURE 7–6  
RECOMMENDED PRACTICES FOR ORGANIZING DISTRICT RECORDS**

ACTIVITY	RECOMMENDED RECORD MANAGEMENT PROCEDURES
Record Storage	<ul style="list-style-type: none"> <li>• Create procedures for storage and management of personnel and other district records</li> <li>• Ensure storage area is fireproof, and all records are protected from destruction by water damage, corruption, theft</li> <li>• Control access to records that may contain confidential information</li> <li>• Organize records so that district only stores records that correlate to TSLAC retention guidelines</li> </ul>
Manage Record Collection	<ul style="list-style-type: none"> <li>• Separate records that are permanent from records that have a retention date</li> <li>• Secure permanent records</li> <li>• Organize records by record type as outlined in the TSLAC schedule and clearly mark destruction date on box</li> <li>• Organize boxes by destruction dates</li> <li>• Annually schedule destruction of non-permanent records that have met their retention dates</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Train district employees on established records management procedures</li> <li>• Provide guidance on annual purging and organization of records</li> </ul>

SOURCE: Texas Association of School Boards, Organizing Personnel Records, September 15, 2010.

The fiscal impact assumes a one-time expenditure for school year 2014–15 of \$5,307 to hire a temporary worker. This estimate assumes that the temporary worker would work a maximum of 20 hours per week at a minimum wage of \$7.25 per hour for 183 days. Working four hours a day at \$7.25 per hour would equal \$29 per day for a base pay total of \$5,307.

**DISTRICT STAFFING CONTROLS (REC. 35)**

Freer ISD does not have staffing guidelines to ensure that staffing allocations for each campus and for district offices are equitable, efficient, and based on industry standards.

The superintendent reported that the district was adequately staffed for school year 2013–14 with the elementary class size averaging 18 students and the secondary school class size averaging 16 students. **Figure 7–7** shows class size averages for Freer ISD students compared to the state average for school year 2011–12, which closely align with K–4 state averages. The Texas Education Code (TEC), Section 25.112, provides school districts with specific guidance concerning class sizes for grades K–4. However, class size averages for Freer ISD’s sixth grade vary from state averages. The state does not provide guidelines for class size maximums for grades 5–12, so class sizes can vary significantly at these grade levels across the state.

Staff reported that it is common practice in the district that administrators or supervisors confer with the superintendent when they believe additional staff is needed. The superintendent may visit the campus or department to determine if the staffing request has merit; he also checks with the business director to determine if the budget can

support adding a new full-time-equivalent position (FTE). If the superintendent determines that additional staff is needed, he presents a recommendation to the board for approval of funding for the additional FTE.

**FIGURE 7–7  
FREER ISD CLASS SIZE COMPARED TO STATE AVERAGE,  
SCHOOL YEAR 2011–12**

SCHOOL LEVEL	GRADE/SUBJECT	FREER ISD CLASS SIZE AVERAGE	STATE AVERAGE
Elementary	Kindergarten	15.9	19.4
	Grade 1	20.0	19.4
	Grade 2	18.2	19.3
	Grade 3	19.3	19.4
	Grade 4	18.0	19.6
	Grade 5	22.4	21.8
	Grade 6	16.6	21.0
<b>Average</b>		<b>18.6</b>	<b>20</b>
Secondary	English/Language Arts	14.0	17.3
	Foreign Languages	13.5	19.0
	Mathematics	17.8	17.8
	Science	16.9	19.0
	Social Studies	16.8	19.5
	<b>Average</b>		<b>15.8</b>

SOURCE: Texas Education Agency, Academic Excellence Indicator System (AEIS) report, school year 2011–12.

**Figure 7–8** shows Freer ISD staffing by category compared to peer districts and the state average. The figure shows that Freer ISD employs fewer total staff than any of its peer districts except for Morton ISD, which has half the enrollment of students. Freer ISD has 115.5 full-time equivalents (FTE) in all categories, compared to 121.9 FTEs in Anthony ISD, 123.1 FTEs in Bloomington ISD, and 158.8 FTEs in Floydada ISD, although Freer ISD’s student enrollment is higher than all the peer districts except for Bloomington ISD.

Freer ISD’s percentage of campus administrative staff is higher than its peer districts, with the exception of Morton ISD. Also, the percentage of central administrative staff is higher than any of its peers. In contrast, the auxiliary staff percentage is the lowest of all its peer districts.

The number of leadership positions at campuses does not correlate to the number of students on each campus. Norman Thomas Elementary School has an enrollment of 428 students with one principal. Freer Junior High School has an enrollment of 175 students and one principal, while Freer High School has one principal with a student enrollment of

256 students. No campuses have assistant principals. Currently, the district has three counselors, one at each school serving a total of 859 students.

A review of the *2012–13 Highly Qualified (HQ) Teachers Summary Report* shows that the district reported that it is not in compliance with federal regulations that require 100 percent of classes taught in the core areas (English/reading/language arts, social studies, mathematics, science, arts) and special education be taught by teachers who are 100 percent highly qualified to teach those subjects. According to the report, Freer High School employed 14 teachers in the core areas and one special education teacher. The report shows that eight teachers were teaching in core subject areas for which they were not highly qualified. These core areas are: science, mathematics, Spanish, social studies, and theatre arts. Freer Junior High School employed 12 core-area teachers and one special education teacher. The HQ annual survey shows that two teachers teaching in the history, science, and foreign language subject areas were not highly qualified. It is not clear from district data if Freer ISD achieved Goal 3 of the District Improvement Plan. Goal 3

**FIGURE 7–8  
FREER ISD STAFFING BY CATEGORY COMPARED TO PEERS AND STATE  
SCHOOL YEAR 2011–12**

CATEGORY	FREER	ANTHONY	BLOOMINGTON	FLOYDADA	MORTON	STATE
Student Total	859	844	864	841	426	4,978,120
Teachers	62.8	53.9	53.7	75.8	48.9	324,144.6
Professional Support Staff	8.7	9.7	11.0	7.5	6.6	57,782.9
Campus Admin.	4.0	2.5	4.0	3.2	3.8	18,480.5
Central Admin.	4.0	3.0	2.0	4.0	2.1	6,546.3
Educational Aides	12.0	10.5	13.0	25.9	14.8	58,114.0
Auxiliary Staff	24.0	42.2	39.3	42.3	20.2	172,779.4
<b>Total Staff</b>	<b>115.5</b>	121.9	123.1	158.8	96.5	637,847.6
Teacher Percentage	54.4%	44.3%	43.7%	47.7%	50.7%	50.8%
Professional Support Staff Percentage	7.5%	8.0%	8.9%	4.7%	6.9%	9.1%
Campus Admin. Percentage	3.5%	2.0%	3.3%	2.0%	3.9%	2.9%
Central Admin. Percentage	3.5%	2.5%	1.6%	2.5%	2.2%	1.0%
Educational Aides Percentage	10.4%	8.7%	10.6%	16.3%	15.3%	9.1%
Auxiliary Staff Percentage	20.8%	34.6%	32.0%	26.7%	21.0%	27.1%

SOURCE: Texas Education Agency, AEIS reports, school year 2011–12.

states that the district will have 100 percent Highly Qualified teachers teaching in the core areas in school year 2013–14.

When school districts staff schools through a process of negotiation instead of relying on staffing guidelines derived from best practice staffing models, they run the risk of inadequate or inequitable school staffing, which can compromise efficient operations and quality organizational performance. According to best practice standards, the district's staffing may need adjustment. For example, assigning a full-time principal to a school with an enrollment of 175 students when another principal is leading a school of 428 students may not be equitable or an effective use of financial resources.

Staffing schools with teachers who have not yet met all state requirements to achieve certification in the subject areas they are teaching jeopardizes the district's ability to provide students with a quality education.

Many professional HR organizations offer staffing guidelines to school districts. AdvancED is an example of an organization that provides schools with staffing guidelines in the area of school administration and campus-based education specialists such as counselors and librarians. This organization also provides guidance in staffing schools with teachers and paraprofessionals. As schools continue to face diminishing state financial support, superintendents must staff schools as effectively as possible.

Many districts have benefited from comprehensive staffing reviews. TASB is one organization that can provide staffing reviews for school districts. By providing an unbiased analysis and employing best staffing practice, a staffing review can assist a school district in staffing schools and departmental offices equitably and efficiently. By appropriately staffing at the central office level, for example, administrative staff could provide needed cohesive and comprehensive support to the campuses. Canutillo ISD is an example of a public school district that has undertaken a staffing review to realize substantial cost savings by using cost avoidance measures, for example, not filling vacancies as they occur.

Freer ISD should develop and implement staffing formulas that will assist in staffing schools and departments equitably, efficiently, and based on state and federal regulations, best practice, and industry standards. The district should review current campus administrative staffing and its responsibility to determine if equity issues exist. For example, the total campus enrollment numbers of about 859 students suggest two principals and an assistant principal could serve as

instructional leaders of the three small campuses that are in close proximity to each other.

The campus enrollment numbers and staffing best practice suggests that three counselors serving a district with an enrollment of 859 students may not be cost effective. Best practice staffing models suggest that schools with enrollments of less than 500 students have one counselor. Inequities exist when the high school counselor serves 228 students, the junior high counselor serves 186 students, and the elementary counselor serves 445 students. The district should review counselor assignments to determine if inequities exist among the schools.

The HR administrator should assess the need for a comprehensive staffing review that will establish guidelines for the allocation and efficient staffing of the district. Further, district administration should monitor its HQ Continuous Improvement Plan to evaluate strategies for recruiting and retaining HQ teachers. Current teachers who did not meet HQ criteria in school year 2012–13 need to pass their respective TExES tests before the start of school year 2013–14.

This recommendation can be implemented using existing resources.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules, or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practice, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL 5-YEAR (COSTS OR SAVINGS)	ONE TIME (COSTS OR SAVINGS)
<b>CHAPTER 7: HUMAN RESOURCES MANAGEMENT</b>							
31. Assign responsibility for managing and coordinating human resources activities to a central office administrator who should attend human resources training, develop written procedures, and oversee all human resources functions.	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$2,250)	(\$450)
32. Use the compensation plan and procedures developed for the district to ensure wages and salaries are equitable throughout the district and aligned with area job markets.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33. Revise existing position descriptions to specifically identify employee qualifications and responsibilities so that staff can comply with the district's job performance expectations.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34. Organize personnel records to ensure compliance with federal and state laws and district required records procedures.	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,307)
35. Develop and implement staffing formulas that will assist in staffing schools and departments equitably, efficiently, and based on state and federal regulations, best practice, and industry standards.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>(\$450)</b>	<b>(\$450)</b>	<b>(\$450)</b>	<b>(\$450)</b>	<b>(\$450)</b>	<b>(\$2,250)</b>	<b>(\$5,757)</b>

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## **CHAPTER 8**

# **FACILITIES CONSTRUCTION, USE, AND MANAGEMENT**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 8. FACILITIES CONSTRUCTION, USE, AND MANAGEMENT

An independent school district's facilities program is responsible for providing safe and clean learning environments. A district's facilities include campuses, buildings, grounds, athletic facilities, portable buildings, and supplemental facilities (e.g., storage, warehouses). Facilities management includes planning for facilities use, construction of projects, and maintenance of infrastructure (e.g., electrical, plumbing, irrigation, heating and cooling).

How facilities are managed is dependent on a district's organizational structure. Larger districts typically have staff dedicated to support facilities management, while smaller districts may have staff with dual roles. For example, the same staff may be responsible for custodial and grounds-keeping tasks. Facilities planning establishes district priorities, allocates resources and funds, and identifies milestones. Planning is based on student enrollment, campus and building capacity, and condition of facilities, curriculum needs, and state regulations. Management of construction and maintenance projects should include contract management, cost control, and a project schedule with defined milestones. Facilities maintenance requires a program for planned maintenance of facilities and equipment, and routine cleaning of facilities to ensure a safe environment for students and staff.

All Freer Independent School District (ISD) educational and support facilities are located on approximately 14 blocks within the rural community of Freer, Texas. The district has three separate instructional facilities and an administration building located in close proximity to each other. While each of the instructional facilities is an independent building, Freer Junior High School and Freer High School are essentially on the same campus with Norman Thomas Elementary immediately adjacent. The junior high and high schools share a cafeteria that is centrally located as a wing of the district's administrative building.

Educational, athletic, and support facilities are also located on the junior high and high school campus. Additional educational facilities include the band room, the agricultural building, the unused former cafeteria, and the alternative education classrooms. Athletic facilities include the junior high and senior high field houses, the football stadium, a separate track facility, and an outdoor swimming pool. Support buildings located on the junior high and high school campus include the transportation facility, the maintenance shop, three storage buildings, and six district-owned

residential houses. The houses are intended for the superintendent, high school, middle school, and elementary principals, the athletic director/head coach, and the band director.

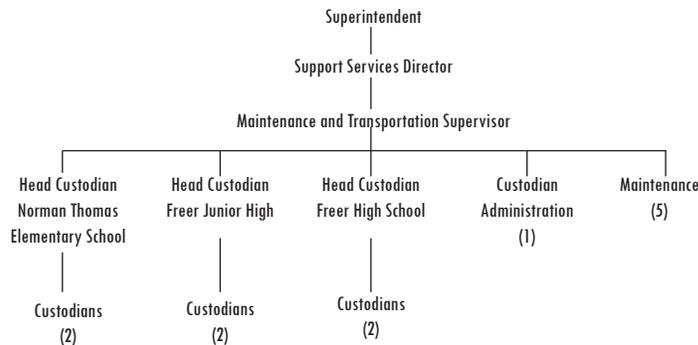
The combined square footage of the instructional facilities is approximately 185,090 square feet, although it is not clear if this estimate includes all educational, athletic, and support facilities. This estimate is based on the calculations of a cleaning chemical vendor and not based on actual construction documents. Additionally, there is no current estimate of the number of acres with turf to be maintained or of the paved surface areas such as parking lots or sidewalks requiring maintenance.

The district's maintenance and custodial functions are organized under the Maintenance and Operations Department. The department is managed by the maintenance and transportation supervisor. While the current supervisor has served the district in the Transportation Department as both a driver and as the transportation supervisor, this individual's supervisory responsibility for the maintenance and custodial functions is new as of July 2013. This placement was due to the reassignment of the former supervisor to a custodial position at the high school. The combined department is allocated 10 FTE custodial positions and five FTE maintenance positions as shown in **Figure 8-1**.

Maintenance employees perform a combination of grounds and building maintenance activities. Building maintenance duties include electrical and plumbing repairs, painting, carpentry, and general repairs. Grounds maintenance includes mowing of the site and athletic fields and weed and trash removal. While grounds maintenance appeared acceptable, the perennial lack of rain in the region impacts the district's ability to grow and maintain common turf grasses, leaving many areas of the site with bare ground.

The head custodians are responsible for the cleaning of assigned areas of the building and the custodial care of the building during the day. This care includes: removing trash; cleaning and servicing of restrooms; setting up of chairs or tables for the lunch or other programs; and responding to the general requests of the building principal or educational staff. The second shift custodians work from 2:00 PM to 10:00 PM and are responsible for cleaning classrooms, restrooms, hallways, responding to requests from after-school activities, and security. One of the second-shift custodians has part-time

**FIGURE 8–1**  
**FREER ISD MAINTENANCE AND OPERATIONS ORGANIZATION**  
**SCHOOL YEAR 2013–14**



SOURCE: Legislative Budget Board, School Review Team, Freer ISD Interviews, October 2013.

supervisory responsibilities, including maintaining building security and ensuring that lighting is turned off at the end of the work shifts. A cursory walk-through of the buildings indicated that in general the interior custodial care of the buildings is acceptable and, in some cases, above average.

The district does not have a dedicated manager or staff for the facilities construction and planning function of the department. Thus, all major renovations are conducted under the supervision of the superintendent’s office. The most recent district facilities improvements were funded under a 2009 bond issue and included the renovation of the high school and the construction of the administrative facility.

While there are no bonded projects currently under construction, the high school renovation project has proved problematic and has resulted in the district being in litigation with the construction management company. If Freer ISD prevails in the litigation, sections of the high school’s roofing system will be reconstructed. As currently constructed, a build-up of condensation occurs between the building’s roof system and the ceilings, which at times results in a flow of water into the building with damage to ceilings, lighting, and fixtures resulting in a need for reconstructing sections of the roofing system. While the extent of the damage cannot be fully determined until the reconstruction process begins, an additional concern is that the presence of water may have compromised the integrity of the building’s electrical system. To reduce the build-up of humidity and condensation, the building’s fan system runs constantly which results in higher utility costs.

**Figure 8–2** compares Freer ISD’s maintenance and operations cost to peer districts, and shows that Freer ISD’s

maintenance and operations costs are approximately 18.9 percent of the district’s total budget. This is 4.2 percent higher on average than maintenance and operations costs of peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes.

**FINDINGS**

- ◆ Freer ISD lacks a protocol to evaluate facilities initiatives and does not have a master plan for facilities management.
- ◆ Freer ISD is not using the full capabilities of the department’s work-order system to support cost analysis or employee performance measurement, which limits data-driven decision making.
- ◆ Freer ISD’s workplace safety standards are not fully enforced creating the potential for an unsafe work environment.
- ◆ Freer ISD has not developed a formal energy management program.
- ◆ Freer ISD has not established a post-construction facility evaluation and acceptance process that ensures compliance to design standards and operational expectations and that staff are properly trained.

**FIGURE 8–2  
FREER ISD AND PEER DISTRICT MAINTENANCE AND OPERATIONS COST COMPARISON  
SCHOOL YEAR 2012–13**

DISTRICT	GENERAL FUND	PLANT MAINTENANCE/ OPERATIONS	PERCENTAGE OF TOTAL BUDGET
Anthony ISD	\$7,526,606	\$936,007	12.4%
Bloomington ISD	\$7,162,729	\$1,219,125	17.0%
Floydada ISD	\$7,918,173	\$1,133,983	14.3%
Morton ISD	\$4,461,092	\$674,808	15.1%
Peer Average	\$6,767,150	\$990,981	14.6%
Peer Median	\$7,344,668	\$1,034,995	14.1%
<b>Freer ISD</b>	<b>\$7,571,331</b>	<b>\$1,431,592*</b>	<b>18.9%</b>
Freer ISD-Over (Under) Peer District Average	\$804,181	\$440,611	5.8%
Freer ISD-Over (Under) Peer District Median	\$226,663	\$396,597	5.2%

NOTE: The Budgeted Amount for School year 2013–14 is \$1,428,856.  
SOURCE: Texas Education Agency, Public Education Information Management System (PEIMS) data, School Year 2012–13.

**RECOMMENDATIONS**

- ◆ **Recommendation 36:** Develop a comprehensive long-range facility master plan and establish a committee of stakeholders to identify long-range needs.
- ◆ **Recommendation 37:** Enhance the work order system to document and track work requests, employee assignments, parts and supply costs, labor hours, and preventative maintenance activities, including the inspection of life safety devices such as fire extinguishers and emergency lights.
- ◆ **Recommendation 38:** Develop departmental safety standards and written policies to guide the use of personal protective equipment, initial and ongoing training requirements, and the monitoring processes to ensure compliance.
- ◆ **Recommendation 39:** Develop procedures and processes for the conservation of energy.
- ◆ **Recommendation 40:** Establish a formal process that includes an inspection and documented training on any installed building systems/equipment upon the completion of major renovations.

**DETAILED FINDINGS**

**FACILITIES AUDIT AND MASTER PLAN (REC. 36)**

Freer ISD lacks a protocol to evaluate facilities initiatives and does not have a master plan for facilities management.

Freer ISD has no annual facility audit or long-range facility plan. Maintenance is provided on a day-to-day basis based on requests entered into the recently implemented electronic work-order request system. There is also no long term planning for capital improvements. Any capital improvements made are the result of periodic discussions held between the superintendent, the building administrators, and the athletic director without the involvement of the maintenance and transportation supervisor. Based on these conversations and suggestions, improvements to the facilities are scheduled. Examples of recent capital improvements in the district include repairs to air conditioners and the water heater system in the athletic field house and repairs and renovations to district-owned housing units.

Also, as a result of a lack of a facilities master plan, Freer ISD facilities are not managed according to a centralized plan that lays out priorities, goals, and objectives based on building plans, anticipated needs, and timelines. For example, during the onsite visit, staff were unable to locate all necessary “as built” blueprints of their facilities. Since the time of the review, the superintendent indicated that the blueprints were with the district’s lawyer as a result of a construction lawsuit. In addition, Freer ISD does not know the actual square footage of the building space of its campuses. No staff person interviewed indicated that building plans and blueprints are

used as part of the facilities planning and maintenance process. Those interviewed indicated they had never seen building plans and had no idea where plans were kept or if they existed. The district is determining its building space based on an estimate calculated by a cleaning chemical supplier for the district. Since the onsite review, the district stated that obtaining building square footage from a chemical supplier is “sufficiently accurate for decision making, free and much easier to complete.” While the estimated square footages provide a starting point for staffing decisions and budget development, the lack of definitive measurements, specifications, use of building space, and exterior features requiring maintenance impedes data-driven decisions.

An additional issue that could present major cost or operational impacts is the pending re-construction of the high school roofing system. As mentioned previously, Freer ISD is currently involved in a lawsuit over repairs done to the roof of Freer High School. An alternative plan has not been developed to house students. The district indicated that they are waiting until the lawsuit is finalized to develop a plan to correct construction problems. This plan will require a myriad of steps and decisions including:

- acquisition of a sufficient number of portables to house the students;
- installation of portable classrooms;
- installation of utilities and life safety systems including fire alarms;
- development of supporting infrastructure such as sidewalks, ramps, and communications; and
- creation of an overall project management plan.

An annual facility audit and long-range facility plan are essential to protect a school district’s most costly assets and to ensure that the needs of the educational programs are met for the present and future years. Annual auditing and regular inspection of school facilities ensures that the current condition of district buildings, systems, and the site is clearly understood and documented. An annual audit provides multiple benefits, including the following:

- ensuring that failures or faults to a building’s components or systems are caught at a point in time that a repair in lieu of a total replacement is possible, serving to reduce or control maintenance costs;
- helping to establish preventive maintenance protocols and schedules; and

- providing the basis for long-range planning.

A well thought-out and developed master plan supports a highly effective educational system across many operational areas. Examples include:

- providing a baseline element for decision making across the district;
- ensuring that current and long-range educational programming needs are and will be met;
- providing a conduit for input from all stakeholders, including the community, parents, students, and staff;
- ensuring that the district’s requirements and goals are clearly communicated; and
- providing the starting point for the development of bond proposals needed to support facility improvements in support of educational initiatives.

Effective districts often use a guide, such as the 2003 *Planning Guide for Maintaining School Facilities*, to help them begin the process of developing an effective master plan.

Freer ISD should develop a comprehensive long-range facility master plan and establish a committee of stakeholders to identify long-range needs.

The first step in developing a facilities master plan is to adopt a formal master facility planning process. This process is necessary to ensure that the district is able to maintain its facilities within available funding and to a level that supports an effective educational program. Using input from the building principals, and the custodial and maintenance staff, the superintendent and the maintenance and transportation supervisor should begin the process of determining future improvements. Key steps and considerations include the following:

- involving of all stakeholders in the planning process, including the establishment of a facilities committee;
- reviewing and analyzing maintenance work that has been deferred to validate its current necessity;
- identifying current needs including safety, accessibility, and energy improvements;
- determine the training that is necessary to ensure that maintenance staff are able to support and implement planned improvements;

- establishing both facility and educational programming priorities;
- using data to inform decision making and to gain stakeholder support;
- identifying funding sources for the work; and
- implementing a process for the ongoing monitoring of the plan.

Additionally, another element of the facilities master plan should be to establish guidelines for collecting, auditing, and categorizing all existing building plans and specification documents. As an example, Freer ISD should reinforce the contractor's requirement to submit, "as-built" or final construction drawings with full detail for any major renovation and new construction. In addition to the requirement of submitting traditional blueprint documents, all plans and "as-built" documents for new construction should also be provided to the district in an electronic format for easy access and to provide an electronic back-up of building information and data.

This recommendation can be implemented using existing resources.

#### **WORK ORDER SYSTEM (REC. 37)**

Freer ISD is not using the full capabilities of the department's work-order system to support cost analysis or employee performance measurement, which limits data-driven decision making.

To assist in the monitoring and tracking of building maintenance requests, Freer ISD recently implemented SpiceWorks software, a web-based system primarily designed to assist IT departments' Help Desk and work request management systems. The district has adapted this software as a maintenance management system. Although the system was not designed specifically as a building maintenance information system, the adaption to tracking facility maintenance work requests is feasible and appropriate for a district the size of Freer ISD. The system as currently implemented creates a unique work ticket number for each request that includes the requester, the summary of the work needed, the date created or closed, its status and priority, and the number of days that the request has been open.

While the current system is useful and an improvement over a manual process for the tracking of work requests, the data captured is not detailed enough to analyze costs or for

performance measurement. The system does not track employee labor or the cost of parts and supplies. This lack of data precludes managers from being able to definitively determine and compare the cost of maintaining building systems. As an example, one type or brand of an air-conditioning unit may, over a period of time, require more maintenance including parts, supplies, and labor. Being able to analyze these metrics will better enable managers to make informed decisions on the type of equipment to be installed and to understand its implications on the budget required to support effective maintenance activities.

The National Center for Education Statistics' report, *Planning Guide for Maintaining School Facilities*, recommends the use of a computerized maintenance management system (CMMS) for districts with a combined square footage of around 500,000 square feet. While Freer ISD is under that amount of square footage, having the availability of a CMMS is a best practice by providing district management with repair histories and costs supporting data driven maintenance decisions.

As with any software solution, it is important to determine the fundamental expectations and outcomes expected of the system. Ideally, a maintenance management system is able to assist managers with the following:

- tracking and prioritizing work requests;
- scheduling and tracking preventive maintenance work such as filter changes, seasonal shut-down of systems (e.g., pool filtration units and irrigation systems) and the regular inspection of life safety systems and devices such as emergency lights and fire extinguishers;
- tracking of employee productivity; and
- analyzing costs to maintain budget integrity and for budget development.

Freer ISD should enhance the work-order system to document and track work requests, employee assignments, parts and supply costs, labor hours, and preventative maintenance activities, including the inspection of life safety devices such as fire extinguishers and emergency lights.

Working in conjunction with the Technology Department, the Maintenance and Operations Department should evaluate and revise the maintenance work-order system to ensure that it addresses the fundamental needs of the department in terms of data capture, analysis, and reporting. The performance and overall functionality of any maintenance

management system depends on the initial setup, user training, and a clear understanding of the capabilities of the system for both the management of the work and for data analysis and reporting. For a system to be most effective, the initial setup requirements include consideration of coding requirements, job tracking and process flow, reporting requirements, and work order opening and closing procedures. To reach the full potential of the system, the reimplementation of the system should address the following fundamental questions.

- How can the system be used to improve operations? Examples include:
  - tracking of employee productivity and efficiency;
  - prioritization of work orders;
  - improved communications; and
  - budget projections and long-range planning.
- Who will enter data into the system and at what level of detail, and who will have work order opening, closing, and updating authority? As an example of why this is important, allowing all teachers to enter requests absent an approval process may result in work being requested that is unnecessary, redundant, or not aligned with long-range plans for the building or program. Positions to consider including for data entry and approval authority include:
  - Maintenance Department managers and staff;
  - building administrators; and
  - school secretaries.
- What reporting and performance measurement efforts will be supported by system data? Examples include:
  - employee work proficiency calculations and monitoring;
  - cost performance measures;
  - number of requests received;
  - number and percentage of open requests; and
  - aged work request report.
- What level of training needs to be provided for each user group of the system? Examples include:
  - maintenance staff and

- building administrators and office staff.

This recommendation can be implemented using existing resources.

#### **WORKPLACE SAFETY (REC. 38)**

Freer ISD's workplace safety standards are not fully enforced creating the potential for an unsafe work environment.

Freer ISD is not enforcing a personal protective equipment (PPE) policy for its maintenance workers or other staff who may be exposed to workplace hazards. Without clear standards and work rules, employees may overlook the necessity of wearing personal protective equipment out of a lack of knowledge or out of haste in trying to accomplish a task.

While interviews and observation data indicate that hearing and eye protection equipment is available, the circumstances for its use are not well defined or documented. The storage and maintenance of equipment is also a concern. Observations in the maintenance shop indicated that while protective eyewear was available, the devices were not well maintained. For example, the dirty and scratched lenses on the current equipment may in themselves become a safety hazard by reducing the employee's vision while performing tasks involving powered or other potentially dangerous equipment. Another example of how safety equipment must be maintained is the use of respirators used while painting or spraying of chemicals. These devices must be inspected, cleaned, and have filter cartridges replaced as prescribed by the manufacturer to be fully effective and safe.

Freer policy CKB (LEGAL) establishes the guidelines for use of "eye and face" protection for all staff, students, and visitors per the Texas Department of State Health Services (TDSHS) recommendations. The lack of enforcement of workplace safety standards for custodial and maintenance employees places an undue risk on employee safety and well-being. In the event of an accident, a financial risk to the district exists and may include medical costs, worker's compensation payments, the loss of productivity, as well as substantial penalties and fines.

All employers are responsible for creating and maintaining a safe work environment. This responsibility includes determining when personal protective equipment should be required, providing the equipment and the training for its use, and ensuring compliance. The Occupational Safety and Health Administration (OSHA) was established to ensure employer compliance to OSHA requirements as established

within the Code of Federal Regulations and to also educate employers and employees on how to establish and support a safe work environment. The agency published a *Personal Protective Equipment* booklet in 2006 that includes information for establishing PPE policy and workplace safety standards. This publication is available on OSHA's website. The TDSHS recommends reviewing OSHA's "*Non-mandatory Compliance Guidelines for Hazard Assessment and Personal Protective Equipment Selection*," available at 29 CFR part 1210, subpart I, appendix B.

Freer ISD should develop departmental safety standards and written policies to guide the use of personal protective equipment, initial and ongoing training requirements, and the monitoring processes to ensure compliance.

A PPE policy for all employees in the district and, in particular, custodians, maintenance, grounds, and transportation staff who are required to use potentially dangerous equipment or chemicals in their occupational duties is required. As previously stated, the OSHA publication *Personal Protective Equipment* booklet provides information about establishing a district PPE program. The steps for implementation include the following:

- conducting a hazard assessment of the workplace;
- procuring the necessary equipment;
- training employees on equipment use;
- establishing a process for the cleaning, maintenance, and replacement of PPE; and
- documenting workplace rules and standards for monitoring and enforcement.

This recommendation can be implemented using existing resources.

### **ENERGY CONSERVATION (REC. 39)**

Freer ISD has not developed a formal energy management program.

Existing district energy conservation efforts at Freer ISD primarily consist of the manual turning off of room lights on a nightly basis. The custodial staff is responsible for turning off lights after they have completed cleaning their assigned areas. Additionally, one custodian with part-time supervisory duties is responsible for performing a security and light check across the district at the end of the work shift. Timers were installed on exterior lights at the high school. No other controls to reduce space lighting costs were observed.

Although the heating, ventilating, and air conditioning (HVAC) systems have thermostatic controls, the district does not have a centralized system for the management and monitoring of HVAC, electrical, and other utility systems.

Without an energy management system, efforts to save energy rely solely on the cooperation and diligence of staff to implement conservation efforts. While providing instructions to the custodial staff can have some impact on energy conservation, the district does not have automated system controls. As an example, while the custodians may be diligent in turning off lights at the end of their shifts, there will be many instances where room lights may have been left on after the end of the instructional day and remain on until the room is scheduled for cleaning. Also, while electric timers have been installed on exterior security lights for the high school, there is no process to reset the clocks based on the seasonal length of day.

The district is spending more on utilities than the industry average. Of the total Operations and Maintenance budget for school year 2013–14 of \$1,428,856, the budgeted amount for water and garbage disposal, electricity, and gas is \$465,000. This is almost 33 percent of the total operating budget. Based on the total estimated square footage of the district of 185,090 square feet, the energy and utility cost per square foot is approximately \$2.50 (\$465,000/185,090). The *38th Annual Maintenance and Operations Costs Study for Schools* conducted in 2009 by the American School and University Association reported that the average cost per square foot for energy and utility costs was \$1.43. Using this average as a baseline and estimating a three percent annual increase to 2013 dollars, the estimated current average cost per square foot would be \$1.61 compared to Freer ISD's estimate of \$2.50. The reason Freer ISD's costs are well above the estimated average may be due, in part, to the inaccuracy of the square footage calculation and that the major air handling fans in the high school must run 24 hours per day.

An effective energy management program develops strategies for using the minimum amount of energy while continuing to provide a desired level of comfort to building occupants. These strategies include the education of building staff, enhancements to or automation of building controls, the proper maintenance of existing equipment, and the installation of energy efficient equipment as systems are replaced.

Texas school districts are legislatively required to develop energy management strategies to reduce their overall

consumption of energy. Specifically, the Texas Education Code, Title 2. Public Education, Subtitle 1, Chapter 44, Subchapter A. – School District Fiscal Management, Section 44.902 states that “The board of trustees of a school district shall establish a long-range energy plan to reduce the district’s annual electric consumption by five percent beginning with the 2008 state fiscal year and consume electricity in subsequent fiscal years in accordance with the district’s energy plan”. In addition to this basic mandate, the plan must include:

- strategies for achieving energy efficiency that:
- result in net savings for the district; or
- can be achieved without financial cost to the district; and
- for each strategy identified under Subdivision (1), the initial, short-term capital costs and lifetime costs and savings that may result from implementation of the strategy.

A useful resource for managing energy costs is the 2004 guidebook, *School Operations and Maintenance: Best Practices for Controlling Energy Costs*, prepared by Princeton Energy Resources International, HPowell Energy Associates, and The Alliance to Save Energy. This resource describes the steps necessary to establish goals, funding sources, and implementation strategies along with establishing expected outcomes. Another source is *The Guide to Operating and Maintaining Energy Smart Schools*. This guide is published by the U.S Department of Energy and provides descriptions of systems and maintenance activities that can reduce energy consumption. The initial steps to improve energy conservation include:

- the installation of programmable thermostats to ensure that the energy consumption for HVAC systems is reduced during nights, weekends, and other unoccupied times;
- the performance of energy surveys to identify solutions for systems or operational practices that are wasting energy;
- the closing of windows and doors, and the controlling of exhaust fans to reduce the cost of heating and cooling; and
- regular cleaning, maintenance, and filter changes of HVAC equipment to ensure indoor air quality and extend the life of the equipment.

Freer ISD should develop procedures and processes for the conservation of energy.

A systematic approach to the management of energy usage in the district should be implemented. This approach includes developing an incremental plan to conserve energy, reduce costs, and to increase district awareness by seeking educational assistance for teachers. The district should seek the assistance of the State of Texas’ State Energy Conservation Office (SECO) to develop its plan. SECO offers support to local districts including:

- providing preliminary energy assessments;
- energy management training;
- technical support in designing energy efficient facilities; and
- student energy awareness projects.

Simultaneously, the evaluation of installed controls should be conducted to ensure that current systems are functioning correctly. This evaluation should include checking independent motion detectors for controlling lights and HVAC systems, night and weekend set-back controls, and conducting preventative maintenance tasks such as fixing leaks to reduce water consumption. Additional steps include the refinement of policies to develop standards for classroom temperatures, including communication and enforcement strategies. Lastly, standards for routine maintenance should be developed to include the use of energy efficient equipment. As an example, all re-lamping or fixture replacements should be based on efficient fluorescent or light emitting diode (LED) technology.

This recommendation can be implemented using existing resources.

#### **INSPECTION AND APPROVAL PROCESSES (REC. 40)**

Freer ISD has not established a post-construction facility evaluation and acceptance process that ensures compliance to design standards and operational expectations and that staff are properly trained.

Based on interviews with maintenance staff, no formal process either existed or was documented to record the internal inspection and approval of major building renovation or equipment upgrades. While interviews with staff indicated that some post-construction instruction to the maintenance staff was provided by the contractor at the conclusion of the high school renovation, no documentation of the process was

provided. While it is not likely that this process would have caught a design flaw of the magnitude of the high school roof system, it would help to ensure that staff understands how the building or system was designed to operate and that it was constructed within specifications. The example of the lighting timers that were not accurately set again provides an example of where properly trained staff can have a direct impact on the operational costs of a facility.

Without a formal evaluation and acceptance process for all major construction or renovation projects, a district cannot fully determine if the construction or the installed systems meet the design, installation, and operational specifications of the architect or engineer. Additionally, without a formal training program for district staff on the operation of newly installed or renovated systems, the district cannot ensure the optimal performance of the system. As an example, while an air handling unit may, upon observation, appear to be operating correctly, it may not be delivering the specified amount of fresh air to all the areas that it supplies. The evaluation of the system's performance using instruments that measure airflow is necessary to ensure that the system is operating as designed.

While architects, engineers, and construction managers all have legal and contractual responsibilities to ensure that renovations and projects are completed and equipment installed to meet all design, operational, and regulatory requirements, their evaluation is specific to their area of expertise and may not focus on the actual operation of all systems. To ensure the facility and its systems perform as intended requires a special type of inspection or evaluation of the structure or systems, which is known in the industry as commissioning. Commissioning is a performance-based or measuring process that is not solely focused on the construction details or how the system was installed but also includes the optimal performance of the systems within the facility. Having the evaluation completed by a third party with no connection to the design team or the contractors provides an independent confirmation that the construction or installed equipment is fully compliant with the specifications of the project. Post-construction or periodic commissioning or evaluations are also beneficial as systems are updated or new equipment is installed.

Freer ISD should establish a formal process that includes an inspection and documented training on any installed building systems/equipment upon the completion of major renovations.

For all future construction and major renovation projects, a documented acceptance or commissioning process should be included within the scope of the project. This not only ensures that design standards will be met upon completion of the project but serves to provide notice to the contractors at the commencement of the project that all work will be held to a high standard.

The district should begin by evaluating which of its current systems may benefit from a re-evaluation or retro-commissioning process in each of its facilities. The data from the maintenance management system can be very valuable and illustrative in determining which areas should be evaluated based on the number of issues being reported. For this recommendation to be the most successful and cost effective, having a basic understanding of the original design standards and expectation of the facility and its systems is necessary. The original building plans should be used to guide both district maintenance personnel and constructed service providers to ensure that repairs meet or exceed the original design or performance standards. The *Planning Guide for Maintaining School Facilities* provides additional information on the commissioning process.

No fiscal impact is assumed for this recommendation. However, an allocation of funds may become necessary as evaluations of the systems are conducted. The district should consider the additional costs as a component of the next budget cycle.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL	ONE
						5-YEAR	TIME
						(COSTS)	(COSTS)
						OR	OR
						SAVINGS	SAVINGS
<b>CHAPTER 8: FACILITIES CONSTRUCTION, USE, AND MANAGEMENT</b>							
36. Develop a comprehensive long-range facility master plan and establish a committee of stakeholders to identify long-range needs.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37. Enhance the work order system to document and track work requests, employee assignments, parts and supply costs, labor hours, and preventative maintenance activities, including the inspection of life safety devices such as fire extinguishers and emergency lights.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38. Review departmental safety standards and written policies to guide the use of personal protective equipment, initial and ongoing training requirements, and the monitoring processes to ensure compliance.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39. Develop procedures and processes for the conservation of energy.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40. Establish a formal process that includes an inspection and documented training on any installed building systems/equipment upon the completion of major renovations.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>						

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# **CHAPTER 9**

# **COMPUTERS AND TECHNOLOGY**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 9. COMPUTERS AND TECHNOLOGY

An independent school district's technology management affects the operational, instructional, and financial functions of a school district. Technology management requires planning and budgeting, inventory control, technical infrastructures, application support, and purchasing. Managing technology is dependent on a district's organizational structure. Larger districts typically have staff dedicated to administrative and to instructional technology responsibilities, while smaller districts may have staff responsible for both functions.

Administrative technology includes systems that support a district's operational, instructional, and financial functions (e.g., financial management, human resources, payroll, student attendance, grades, and Public Education Information Management System (PEIMS) reporting). Administrative technology improves a district's operational efficiency through faster processing, increased access to information, integrated systems, and communication networks. Instructional technology includes the use of technology as a part of the teaching and learning process (e.g. integration of technology in the classroom, virtual learning and electronic instructional materials). Instructional technology supports curriculum delivery, classroom instruction, and student learning.

Texas state law requires school districts to prepare improvement plans that include the integration of technology with administrative and instructional programs. A plan defines goals, objectives and actions for technology projects; assigns responsibility for implementation steps; and establishes deadlines. The state provides a tool for planning and assessing school technology and readiness, which identifies performance measures for teaching and learning,

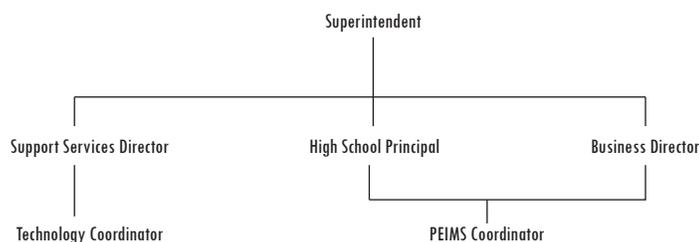
educator preparedness, administration, support services and infrastructure.

The Freer Independent School District (ISD) Technology Department is responsible for supporting instruction as well as district administrative tasks. The district uses the Texas Enterprise Information System (TxEIS) Plus, a state-sponsored student information system, for managing student services, business services, and PEIMS reporting. TxEIS is housed at Regional Education Service Centers XI (Region 11) and XX (Region 20) and supported through Regional Education Service Center II (Region 2) for the districts in its region. The Texas Education Agency (TEA) requires Texas public school districts and charter schools to submit a technology plan electronically through the ePlan system. The plan allows school districts to maintain eligibility for other state and federal programs, including the universal service Schools and Libraries Program commonly known as e-Rate.

The Technology Department is led by the support services director who reports to the superintendent. The support services director also oversees administration of the Transportation and Maintenance and Operations Departments. In addition, the support services director serves as the district webmaster. The support services director supervises a technology coordinator who provides information technology (IT) support districtwide. Freer ISD has a part-time PEIMS coordinator with responsibility to coordinate the submission of student-related data to TEA with the Business Office and also serves as the high school registrar. The coordinator/registrar reports to the business director and the high school principal. The district does not have a dedicated instructional technology position.

**Figure 9–1** shows the current Freer ISD Technology and PEIMS organization for school year 2013–14.

**FIGURE 9–1**  
**FREER ISD TECHNOLOGY AND PEIMS ORGANIZATION**  
**SCHOOL YEAR 2013–14**



SOURCE: Legislative Budget Board, School Review Team, Freer ISD Interviews, October 2013.

Freer ISD has a legacy wide-area network, BuckNet, an 802.11n wireless environment. The Main Distribution Frame (MDF) is located at the high school, with Intermediate Distribution Frames (IDF) at all buildings connected via fiber except the Disciplinary Alternative Education Program (DAEP)/Maintenance building, the Agricultural building, and the Transportation building, which are connected by copper. The MDF is the district’s main computer room, and it houses servers, hubs, routers, switches and DSL modems. The IDF contains a cable rack that interconnects and manages the telecommunications wiring between the MDF and workstation devices. Freer ISD libraries are equipped with a satellite service, which provides access to the Internet. The district’s server farm contains one primary domain name server (DNS), one secondary DNS, one Dynamic Host Configuration Protocol server, one print server, two file servers, one library server, and one application server. The district has three mobile Tandberg video conferencing units, one at each campus. The district’s telecommunication services are provided by AT&T Gigaman.

The district allocated \$22,500 for technology for school year 2013–14 as shown in **Figure 9–2**.

**FIGURE 9–2  
FREER ISD IT BUDGET  
SCHOOL YEAR 2013–14**

BUDGET CATEGORIES	AMOUNT
Contracted Services	\$5,000
Supplies	\$17,500
Computers	\$0
Total Budget	\$22,500

SOURCE: Freer ISD, Business Office, School Year 2013–14, October 2013.

The district’s current technology expenditures for school year 2013–14 are shown in **Figure 9–3**.

There were no IT expenses included in the budget in **Figure 9–2** at the time of the onsite review. Subsequently, there was a budget amendment presented at the Board of Trustees meeting on October 21, 2013 that allocated approximately \$13,000 in expenditures for teacher laptops for school year 2013–14.

**FIGURE 9–3  
FREER ISD IT EXPENDITURES  
SCHOOL YEAR 2013–14, AS OF 10/21/2013**

BUDGET CATEGORIES	AMOUNT
Current Technology Expenditures	\$13,000
Technology Plan Expenditures	\$0
Number of Students (2011-12)	859
Average per-student expenditure	\$15.13

NOTE: Anticipated laptop expenditure as of October 21, 2013.  
SOURCE: Freer ISD Board Agenda, October 21, 2013; Texas Education Agency, Academic Excellence Indicator System (AEIS) school year 2011–12.

**FINDINGS**

- ◆ Freer ISD’s Technology Department lacks the organizational structure to ensure a standard level of operational function and the provision of a technology-rich environment for students and staff.
- ◆ Freer ISD lacks a process to ensure the district regularly has an up-to-date, comprehensive technology plan that is based on identified needs and goals.
- ◆ Freer ISD’s website does not provide the up-to-date information necessary for effective communication and compliance with state statutory requirements.
- ◆ Freer ISD does not provide functional backup and network protection processes to safeguard district data, files, and equipment.
- ◆ Freer ISD’s student access to technology does not adequately support effective instruction, curriculum integration, and student achievement.

**RECOMMENDATIONS**

- ◆ **Recommendation 41: Reorganize the Technology Department and clearly define qualifications, roles, and responsibilities for staff members.**
- ◆ **Recommendation 42: Develop a process to regularly prepare and maintain an up-to-date technology plan aligned with identified district needs and goals and detailed budget requirements.**
- ◆ **Recommendation 43: Update the district website and standardize the process for maintaining the website in compliance with state statutory requirements.**

- ◆ **Recommendation 44: Develop and implement procedures to protect student, staff, and system files, and network equipment.**
- ◆ **Recommendation 45: Perform an assessment, including establishing goals, a timeline, and budget for how the district can achieve a 1:1 student to computer ratio.**

## DETAILED FINDINGS

### ORGANIZATIONAL STRUCTURE AND PROCEDURES (REC. 41)

Freer ISD's Technology Department lacks the organizational structure to ensure a standard level of operational function and the provision of a technology-rich environment for students and staff.

The department is staffed with two positions, the technology coordinator and the support services director. The district's support services director serves in multiple supervisory roles both within and outside the Technology Department. The district provides no internal training related to instructional technology.

The support services director and the technology coordinator perform a range of duties both within the department and for other departments. Some duties are supported by both staff. Current duties of the support services director include:

- administrative support for the Maintenance and Operations and Transportation Departments;
- administrative support for the Technology Department;
- pest control management for the district;
- district Webmaster (updating of district website);
- e-Rate bids;
- e-Rate preparation and submission;
- hardware and software acquisition;
- technology equipment maintenance and repair;
- network setups in classrooms; and
- technology training for Freer ISD staff.

Current duties of the technology coordinator include:

- network management;

- obtain prices and solicit bids for hardware and software;
- network security (web filtering and firewall);
- repairs district telephone system;
- updates wireless network nodes;
- performs miscellaneous tasks such as setting up loud speakers and screens;
- repair of technology equipment;
- network setups in classrooms;
- manages network (sign-on passwords for network and e-mail); and
- technology training for Freer ISD staff.

The district's staffing structure does not provide enough time for effective technology planning, instructional training, prompt website updating, infrastructure planning, development of practices and procedures, and technology equipment maintenance and repair. Rather, Technology Department staff performs their duties in a reactive manner.

Staff relies on the support services director, technology coordinator, and various teachers for IT technical assistance and troubleshooting. The two technology positions jointly operate a Help Desk function. Staff who need assistance either call or fill out a form to request help. The district also relies on teachers for IT troubleshooting, yet these teachers have received no formal technology training from the district. The technology staff is challenged with performing both their daily duties as well as tasks outside of their department. In addition, no district staff has been formally cross-trained on technology duties. As a result, there is a risk that the district network infrastructure could become vulnerable if either staff member were unable to perform his/her assigned IT duties. Effective district technology functions have staffing structures that enable of quality technology planning.

Freer ISD should reorganize the Technology Department and clearly define qualifications, roles, and responsibilities for staff members. To provide a technology-rich environment for students and staff, the Technology Department must have an organizational structure that allows staff to meet the basic technical needs of the district as well as support the integration of technology into classroom instruction. To establish a more effective Technology Department, Freer ISD should consider the following changes:

- Create a new technology supervisor position who would report to the curriculum director and eliminate the support services director position. The technology supervisor’s responsibilities would not include other duties outside the department. This position would neither supervise the Maintenance and Operations and Transportation Departments nor serve as the pest control coordinator for the district. The reassignment of duties would allow the technology supervisor to dedicate ample time to IT tasks.
- Require that the individual who fills the technology supervisor position meet the minimum qualifications for this position. The technology supervisor should have K–12 educational environment experience along with the following minimum qualifications:
  - a bachelor’s degree from an accredited college or university;
  - a masters and mid-management certification preferred;
  - 10 years increasingly responsible experience in administrative and instructional technology; and
  - 10 years work experience in school district operations.
- Change the title of the technology coordinator to network specialist to better reflect the positions’ current roles and responsibilities.
- Review and revise job descriptions and titles defining roles and responsibilities in alignment with district needs and district goals.

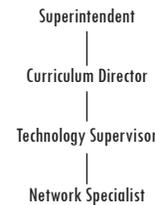
The technology supervisor’s role would include overseeing technology training, e-Rate application preparation, development of practices and procedures, inventory control, technology assets management, IT budget preparation, preparing bid documents, hardware and software acquisition, preparation of the technology plan, managing the district website, and other administrative technology duties. The technology supervisor should be familiar with both the business and technical functions of an IT Department.

The network specialist’s assigned tasks would be more in line with overseeing the district’s network design and installation of all network equipment. This position would be designated as the person responsible for resolving all technical issues and maintaining the network infrastructure. The network

specialist should be familiar with network designs that include video, voice, and data. The network specialist would report to the technology supervisor.

Figure 9–4 shows the recommended Technology Department organizational structure.

**FIGURE 9–4**  
**FREER ISD**  
**RECOMMENDED TECHNOLOGY DEPARTMENT**  
**ORGANIZATIONAL STRUCTURE**



SOURCE: Legislative Budget Board, School Review Team, December 2013.

As part of the reorganization of the Technology Department, Freer ISD should also evaluate its IT staffing level. This evaluation should include examining the duties and responsibilities of the two department positions as well as the district’s technology needs. The needs that are being met and those that are not should be identified. Then the district should decide if the department, as currently staffed, meets all of these expectations or if hiring additional staff is warranted. Since the time of the onsite review, the district indicated that they have hired a maintenance supervisor and the support services director is now only supervising the Technology Department as the technology director.

No fiscal impact is assumed for this recommendation. The salaries and benefits of the recommended new position of technology supervisor and the recommended elimination of the support services director position are assumed to offset resulting in no impact to the budget. In addition, there is no assumed impact to the budget to the recommended change in title of the technology coordinator to network specialist.

**TECHNOLOGY PLAN (REC. 42)**

Freer ISD lacks a process to ensure the district regularly has an up-to-date, comprehensive technology plan that is based on identified needs and goals.

At the time of the onsite review, Freer ISD did not have a TEA approved technology plan in place. The Technology Department Staff developed a 2013–2016 technology plan

that was submitted to the Board of Trustees in January 2013, however this plan had not been submitted to TEA for approval. The district indicates that they submitted the plan to TEA in November 2013.

The district has also not conducted a formal technology needs assessment to assist in the development of its technology plan. Needs assessments are based on surveys and interviews with students, staff, and community members and they help to assess the district’s technology needs and requirements. The district has also not established a technology committee as described in the Plan Introduction of the technology plan submitted to TEA for approval.

The district’s 2013–2016 technology plan is not aligned with the results of the most recent Texas School Technology and Readiness (STaR) chart. The plan cites goals and objectives that may not align with the district’s average STaR Chart

rating of “Developing Tech”. TEA developed the STaR chart as a resource tool for self-assessment of a campus’ and district’s efforts to effectively integrate technology across the curriculum. This tool serves as the standard for assessing technology preparedness in Texas K–12 schools. The four components of the STaR Chart are: (1) Teaching and Learning; (2) Educator Preparation and Development; (3) Leadership, Administration, and Support; and (4) Infrastructure for Technology. Each component has four levels of progress: Early Tech, Developing Tech, Advanced Tech, and Target Tech. **Figure 9–5** shows the key components, focus areas, and scoring within each. Completion of annual STaR Charts is a two-fold process with teachers first completing the teacher assessment, followed by campus principals completing a campus assessment and signing-off on the campus results.

**FIGURE 9–5  
TEXAS CAMPUS STaR CHART COMPONENT, FOCUS AREAS, AND SCORING  
FALL 2013**

COMPONENT	FOCUS AREAS	SCORES DEPICTING LEVELS OF PROGRESS
Teaching and Learning	Patterns of classroom use Frequency/design of instructional setting using digital content Content area connections Technology application Texas Essential Knowledge and Skills (TEKS) implementation Student mastery of technology applications (TEKS) Online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Educator Preparation and Development	Professional development experiences Models of professional development Capabilities of educators Technology professional development participation Levels of understanding and patterns of use Capabilities of educators with online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Leadership, Administration, and Support	Leadership and vision Planning Instructional support Communication and collaboration Budget Leadership and support for online learning	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)
Infrastructure for Technology	Students per computers Internet access connectivity/speed Other classroom technology Technical support Local Area Network/Wide Area Network Distance Learning Capability	Early Tech (6–8 points) Developing Tech (9–14 points) Advanced Tech (15–20 points) Target Tech (21–24 points)

SOURCE: Texas Education Agency and Campus STaR Chart, Fall 2013.

**Figure 9–6** shows a summary of Freer ISD’s school year 2012–13 STaR Chart ratings by campus, with both the rating for level of progress and the actual score. This figure also shows a comparison of Freer ISD’s STaR chart results to peer districts and state averages. Peer districts are districts the onsite review team identified and surveyed for comparison purposes to Freer ISD.

Peer district and state comparisons indicate that Freer ISD falls short in all levels of the STaR chart. Freer ISD scores on the lower end of the scale for Teaching and Learning, which indicates that the instructional use of digital content, student mastery of technology applications, and online learning are limited or missing from instruction in the classroom. For Educator Preparation and Development, the district performs about the same as its peers and the state average, but the level may indicate that teachers are receiving limited or no professional development in technology integration. The Leadership, Administration, and Support component also shows the district at the lower end of the scale. This indicator reflects that district leadership, planning, instructional support, communication, collaboration, and budget for implementation are lacking. The last indicator, Infrastructure for Technology, shows the district on the lower end of the scale which may reflect that the district is still lacking in students per computer, Internet access speed, technical support, and a defined local area network.

The district’s proposed technology plan for 2013–2016 identifies ambitious goals and objectives for the Technology Department, but may not include adequate funding for these initiatives in the plan’s budget information. **Figure 9–7** shows Freer ISD’s proposed technology plan 2013–2016 by goal and objective.

Historically, Freer ISD uses only General Fund account 199 to provide budgeted funds for technology-related expenditures. Total expenditures for a three-year period are shown in **Figure 9–8** along with shows the amount of technology expenditures on a per student basis for each year. Based on 859 student count, the average is \$23 over a three-year period.

The second goal of the proposed technology plan 2013–2016 states that Freer ISD will provide updated technology for all students in order to increase academic rigor. However, budgetary trends indicate there is no strategic planning for technology equipment additions or replacements.

As a result of not having their technology plan approved by TEA, the district has also not maintained its eligibility for e-Rate funding. e-Rate provides discounts to assist most schools and libraries in the United States obtain affordable telecommunications and Internet access. Districts are required to have a technology plan submitted and approved by TEA prior to becoming eligible for these discounts. The submission of a technology plan in the Texas ePlan system provides a timestamp of the plan date, which can serve as proof of that requirement. Freer ISD’s previous technology plan dated 2012–2015 was written for three years; however TEA certified the plan for just one year. The previous plan’s approval certificate expired on June 30, 2013. At the time of the onsite review, the district had not submitted another technology plan to TEA and thus the district did not have an approved technology plan in place.

Freer ISD received approximately \$27,000 in e-Rate funding for 2012. For 2013, the district submitted an application for \$61,688 in funding, but had not received any funds at the

**FIGURE 9–6**  
**STaR CHART RATINGS FOR FREER ISD CAMPUSES, PEER DISTRICTS, AND STATE AVERAGE**  
**SCHOOL YEAR 2012–13**

CAMPUS	TEACHING AND LEARNING	EDUCATOR PREPARATION AND DEVELOPMENT	LEADERSHIP, ADMINISTRATION, AND SUPPORT	INFRASTRUCTURE FOR TECHNOLOGY
Norman Thomas Elementary	Developing Tech (14)	Developing Tech (10)	Developing Tech (13)	Developing Tech (13)
Junior High School	Early Tech (7)	Early Tech (6)	Developing Tech (9)	Developing Tech (12)
High School	Developing Tech (13)	Advanced Tech (12)	Developing Tech (12)	Developing Tech (13)
<b>District Average</b>	<b>Developing Tech (11)</b>	<b>Developing Tech (9)</b>	<b>Developing Tech (11)</b>	<b>Developing Tech (13)</b>
Peer Average	Developing Tech (15)	Developing Tech (14)	Advanced Tech (17)	Advanced Tech (17)
State Average	Advanced Tech (15)	Developing Tech (14)	Advanced Tech (16)	Advanced Tech (17)

NOTE: Peer districts included: Anthony ISD, Bloomington ISD, Floydada ISD, and Morton ISD.  
 SOURCE: Freer ISD Campus Summary STaR Chart Report 2012–13, Peer STaR Charts 2012–13, State STaR Chart Report 2012–13.

**FIGURE 9–7  
FREER ISD PROPOSED TECHNOLOGY PLAN GOALS AND OBJECTIVES, 2013–2016**

GOAL	OBJECTIVE
<p>Goal 1 (Teaching and Learning) Continue to train the Technology Department members and department leaders in the use of instructional technology and methods of incorporating technology into the classroom making them technology leaders who will ultimately assist other teachers.</p>	<p>Objective 1.1 – Use Technology Coop days to have the Education Service Center train Technology Department members, faculty, staff and administrators on basic and advanced technology skills. Objective 1.2 – The Technology Department members and department leaders will provide technology instruction to district educators, parents and other community members.</p>
<p>Goal 2 (Educator Preparation and Development) Freer ISD will increase rigor and relevance by integrating technology into learning experiences for all students.</p>	<p>Objective 2.1 – The district will provide updated technology to students and teachers in order to meet the demands of effective technology integration.  Objective 2.2 – District educators will instruct students in instructional technology in accordance with technology applications TEKS meeting curriculum specifications in subject areas.</p>
<p>Goal 3 (Leadership, Administration, and Support) Use advanced technology to provide and/or improve student academic achievement, as well as provide advancement and professional development for educators.</p>	<p>Objective 3.1 – Utilize video conferencing/distance learning centers at each campus.</p>
<p>Goal 4 (Infrastructure for Technology) Upgrade and maintain network infrastructure and increase Internet bandwidth to support instructional and administrative technology needs.</p>	<p>Objective 4.1 – The district will upgrade network infrastructure.</p>

SOURCE: Freer ISD, Proposed Technology Plan 2013–16.

**FIGURE 9–8  
FREER ISD TECHNOLOGY ACTUAL EXPENDITURES – EXCLUDING PAYROLL COSTS,  
SCHOOL YEARS 2011–12 TO 2013–14**

CATEGORY	2011–12 EXPENDITURES	2012–13 EXPENDITURES	2013–14* EXPENDITURES	3-YEAR FUNDING BY EXPENDITURE
199-11 6219 Professional Services	\$0	\$0	\$0	\$0
199-11 6249 Contracted Maintenance/Repairs Technician	\$620	\$0	\$0	\$620
199-11 6399 General Supplies Technology	\$14,723	\$17,568	\$13,000	\$45,292
199-11 6639 Furniture/Equipment and Software	\$0	\$5,550	\$0	\$5,550
199-13 6219 Professional Services Location Technician	\$0	\$0	\$0	\$0
199-13 6399 General Supplies Technician Coordinator	\$2,060	\$1,356	\$0.00	\$3,416
199-51 6249 Contracted Maintenance/Repairs	\$1,315	\$0	\$0	\$1,315
199-53 6249 Contracted Maintenance/Repairs	\$436	\$2,888	\$0	\$3,323
<b>Total</b>	<b>\$19,154</b>	<b>\$27,362</b>	<b>\$13,000</b>	<b>\$59,516</b>
Expenditures Per Student (using 859 student count)	<b>\$22</b>	<b>\$32</b>	<b>\$15</b>	<b>\$23**</b>

NOTES:

(1) 2013–14 Expenditures reflects actual expenditures as of October 2013.

(2) Average expenditure per student for a three-year period is \$23.

SOURCE: Freer ISD, Business Office 2011–2014.

end of the onsite review. Since that time, the district has received the funding and as of November 2013, had submitted its technology plan to TEA. However, failure to regularly file a technology plan with TEA may put the district at risk of being ineligible to receive future e-Rate funding.

A well-written and implemented technology plan provides a framework for effective planning and decision-making, and supports the district in achieving its stated goals. Plans should correlate with campus and district STaR Charts and improvement plans and align with the state's *Long-Range Plan for Technology 2006–2020*. Additionally, technology plans document the needs of the district for e-Rate requests and provide the basis for developing districtwide budgets for technology. If Freer ISD does not provide funding or act on its objectives, it risks continued eligibility for e-rate funding and putting its students further behind in the technological demands that future college and careers will require.

School districts such as Canutillo ISD, Liberty Hill ISD, and Seminole ISD publish their technology plans on their respective district websites and provide guidance to other districts in conducting needs assessments, budgeting, and technology planning. These districts have followed the process of ePlan components as required by TEA which includes producing a plan that has an introduction, needs assessment, goals, objectives, strategies, budget, evaluation, and appendix. These technology plans then support the District Improvement Plan and align with the Texas Long-Range Plan for Technology, 2006–2020.

Freer ISD should develop a process to regularly prepare and maintain an up-to-date technology plan aligned with identified district needs and goals and detailed budget requirements. Because the proposed technology plan does not adequately address those needs goals and budget details, the board should reject the currently proposed 2013–2016 technology plan and the district should develop and submit for approval a new plan guided by the following activities:

- conducting a needs assessment;
- analyzing results of the latest STaR charts;
- reviewing the District Improvement Plan (DIP);
- reviewing the Campus Improvement Plans (CIP);
- assessing technology inventories (hardware, software, peripherals);
- studying instructional technology applications and tools used in classrooms to gauge effectiveness;

- examining Technology Department budget processes and needs;
- examining the e-Rate needs and establishing a realistic budget; and
- reviewing and updating technology plan on an annual basis.

The district should establish a technology committee to develop the technology plan. The committee can use the proposed technology plan dated 2013–2016 as the basis for the new plan. The committee membership should include two teachers from each campus, the director or designee for the Finance, Curriculum, and Special Education Departments, the technology supervisor (recommended title), network specialist (recommended title), webmaster/support technician, librarian, a community member, and a parent. The technology committee should meet on a regular basis during the revision of the plan and then meet twice annually to review progress and update the plan.

This recommendation can be implemented using existing resources.

#### **DISTRICT WEBSITE (REC. 43)**

Freer ISD's website does not provide the up-to-date information necessary for effective communication and compliance with state statutory requirements.

All parents and community members who were interviewed responded that Freer ISD's website is how they obtain information about the district. Likewise, when district and campus administrators were asked how they communicate information to the public, they reported they use the website as their primary form of communication. However, the district's website is not effective as a communication tool. Information and forms on the site are outdated, links are inoperable, and required information is not posted. **Figure 9–9** shows some website deficiencies the onsite review team noted during the site visit.

In addition to the statutes and guides listed in this figure, ISDs are required by statute to post certain documents to their websites. **Figure 9–10** shows the state statutory requirements for website postings and Freer ISD's status. As of the onsite review, Freer ISD's website had only 20.8 percent of the state statutory requirements (5 of 24).

The district website uses software that provides standardized templates and a function to update the site as needed. Each

**FIGURE 9–9  
LISTING OF FREER ISD WEBSITE DEFICIENCIES  
OCTOBER 2013**

CATEGORY	DOCUMENT, FORM, OR WEB PAGE	PROBLEM
Listings, Disclosure Statements, Newsletters, Resources, Applications, Forms	Data Conflicts Disclosure Statement	Dated information (October 2008)
	Conflicts Disclosure Statement	Not available
	<i>Bucknews</i> (school district’s news link)	Dated information (November 2012) updated since site visit
	November Newsletter	Dated information (November 2008), removed since site visit
	Local Scholarship Applications for 2012–2013	Dated information; was due to be submitted by March 2013
	Transportation Request Form	Dated information, former administrators listed (Since the time of the onsite review, the district indicates that this information has been updated.)
	Crisis Management Plan	Dated information, former administrators and telephone numbers listed (Since the time of the onsite review, the district indicates that this information has been updated.)
Financial Information	<ul style="list-style-type: none"> <li>• Check Register 2008–2009</li> <li>• Adopted Budget 2009–2010</li> <li>• Last financial report (August 2008)</li> <li>• Adopted Budget 2010-2011</li> <li>• Adopted Budget 2011-2012</li> <li>• Check Register 2010-2011</li> <li>• Financial Report 2010</li> </ul>	All documents are outdated.
Links	<ul style="list-style-type: none"> <li>• Duval County Needs Assessment</li> <li>• Parents – News Update on Impact Aid (September 2011)</li> <li>• STaR Chart</li> <li>• Homework Help</li> <li>• InfoBase Learning message – The link said “You do not have any Active Subscriptions”</li> </ul>	All links listed are inoperable.
Documents statutorily required to be posted to district websites	<ul style="list-style-type: none"> <li>• Texas Education Code (TEC)</li> <li>• Update 14 Financial Accountability System Resource Guide</li> <li>• Texas Local Government Code</li> <li>• Texas Government Code</li> <li>• Title 20 US Code</li> <li>• Title 19 US Code</li> <li>• Texas Administrative Code</li> <li>• Texas Tax Code</li> </ul>	All documents listed are not available.

SOURCE: Legislative Budget Board, Review Team, October 2013.

campus and department has staff responsible for its web pages. However, due to time constraints and lack of coordination, the website is not regularly updated. Specific examples of inconsistencies are seen in the Counselor’s Corner menu at each campus. The Corner is found in different areas of each campus web page. On the elementary campus page, the Counselor’s Corner is found under the Department sub-menu; on the junior high page, the

Counselor’s Corner is found in the Directory sub-menu; and on the high school page, it has its own drop-down menu.

An outdated website limits the district’s potential to engage and inform the community and publicize the district’s successes. In addition, a public school website that is noncompliant with statute presents potential risks to the district of not providing full disclosure to its citizens. A website’s homepage is a critical entry point for navigating the

**FIGURE 9–10**  
**STATUTORY WEBSITE REQUIREMENTS AND FREER ISD'S WEBSITE STATUS**  
**OCTOBER 2013**

CITATION	REQUIREMENT	FREER ISD STATUS
Texas Education Code (TEC), Sections 11.1513(d)(1)(B); and 11.163(d)	Vacancy Position Postings-10 day notice for vacant position requiring license or certificate	Posted
TEC, Section 21.204(a)-(d)	Board's Employment Policy	Posted
TEC, Section 22.004(d)	Group Health Coverage Plan and Report	Not Posted
TEC, Section 28.004(k)	Physical activity policy by campus level, health advisory council information, notification to parents that child's physical fitness assessment results available on request, vending machine and food service guidelines, and penalties for tobacco product use	Not Posted
TEC, Section 28.010(b)	Availability of college credit courses	Not Posted
TEC, Section 29.916	Dates PSAT/NMSQT* and any college advanced placement tests will be administered and instructions for participation by a home-schooled pupil	Not Posted
TEC, Section 38.019	Post in English and Spanish a list of immunization requirements and recommendations, a list of health clinics in the district that offer influenza vaccine, and a link to the Department of State Health Services Internet website, providing procedures for claiming an exemption from requirements in Section 38.001, Education Code	Not Posted
TEC, Section 39.054	Notice of accreditation-warned or accreditation-probation status	Not Posted
TEC, Section 39.084	Post adopted budget	Not Posted
TEC, Sections 39.106, 39.107	Improvement plan for low-performing campuses hearing	Not Posted
TEC, Section 39.106(e-1)(2)	Targeted improvement plan	Not Posted
TEC, Section 39.362	Academic Excellence Indicator System (AEIS) Report; Performance Rating of District; Definition of Performance Rating; Campus Report Card	Posted
Texas Election Code 254.04011	Required of members of board of trustees and candidates for the office of school board trustee for school districts located either wholly or partly in a city with a population of 500,000 or more, and with a student enrollment of more than 15,000. The campaign finance reports must be posted online no later than the 5th business day after the date the report is filed with the school district.	Not Required
TEC, Section 44.0041	Summary of Proposed Budget	Not Posted
Texas Local Government Code, Section 176.009(a)	Conflicts Disclosure Statements and Questionnaires	Not Posted
Title 20 United States Code, 6316(c)(10)	Notice of Corrective Action - No Child Left Behind (NCLB) related requirements	Posted
Title 19, Texas Administrative Code, Chapter 109.1005(b)(2)(A)	Superintendent's Contract	Not Posted
Texas Government Code (TGC), Section 2265.001(b)	Costs and Metered Amounts for Electricity, Water, and Natural Gas for District	Not Posted
TGC, Section 402.031	Bill of rights for property owners whose property may be acquired by governmental or private entities through the use of eminent domain authority	Not Posted
TGC, Section 551.056	Notice of a Board Meeting; Agenda for a Board Meeting	Posted
Texas Tax Code (TTC), Section 26.05(b)	Proposed Maintenance and Operations Tax Rate	Not Posted
TTC, Section 26.16	Tax Rate Trend Information	Not Posted

**FIGURE 9–10 (CONTINUED)  
STATUTORY WEBSITE REQUIREMENTS AND FREER ISD’S WEBSITE STATUS  
OCTOBER 2013**

CITATION	REQUIREMENT	FREER ISD STATUS
Update 14 Financial Accountability System Resource Guide (FASRG), Module 7.3.6.1 Submission Requirements	Annual Financial and Compliance Report	Unable to locate in newspaper or website
Update 15 (FASRG) Module 7.3.7 State Compensatory Education Audit	Campus Improvement Plans; District Improvement Plan; Evaluation of Compensatory Education	Not Posted
BDF Legal	Statement for Public Inspection by School Health Advisory Council Check Register and Aggregate Payroll Amount	Not Posted Optional; one of the requirements for the Texas Comptroller of Public Accounts’ transparency award program.

NOTE: Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT).  
SOURCE: Legislative Budget Board, Review Team, December 2013.

entire site. An effective district’s homepage directs viewers to sub-level web pages such as campuses, departments, and parent portals. The navigation must be consistent on all of the pages and easily understood by viewers. Intuitive navigation makes a web page a more effective asset.

One school district that effectively uses its website to engage and inform the community is Canutillo ISD. The district’s homepage contains Canutillo ISD news, district announcements, quick links, and district upcoming events. Viewers can find information about Canutillo ISD, Canutillo ISD’s board, bond, leadership, departments, students, parents, teachers, calendar, and school campuses. The colors are inviting, navigation between pages is easy, state statutory requirements are met, and there are no orphan pages (all web pages link back to the homepage). The Canutillo ISD website also includes a link to the district’s nondiscrimination policy.

Fabens ISD, Floydada ISD, and Anthony ISD are additional examples of well-structured websites that highlight current valuable information and provide district and campus transparency. Examples presented provide a range of page formats, color blending, navigation formats, visual appeal, and visual hierarchy.

Freer ISD should update the district website and standardize the process for maintaining the website in compliance with state statutory requirements. The Technology Department should continue to be responsible for managing and updating the district’s website.

The building of a website is very detailed process. Freer ISD already has a template base format and a considerable amount of information, but it needs to make adjustments and address state statutory requirements. The Webmaster should address the following:

- Formulate a plan on what the district website should look like.
- Map the flow of information, or navigation.
- Ensure that the latest forms are available.
- Train assigned individual (campus and department) on template maintenance.
- Correct the inoperable links.
- Make each campus site uniform.
- Make each department site uniform.
- Ensure all state statutory requirements are met.
- Monitor daily web page updates.
- Test all links from an external workstation.
- Make adjustments as needed.

The district should work to improve the visual appeal of the district website and ensure that individuals who visit the website can navigate it quickly and accurately, getting the information they need.

This recommendation can be implemented using existing resources.

#### **SYSTEMS BACKUP PLAN (REC. 44)**

Freer ISD does not provide functional backup and network protection processes to safeguard district data, files, and equipment. According to the support services director, Freer ISD has no written backup, storage, or destruction procedures for student, teacher, and staff work files and e-mail. In addition, network devices do not have uninterrupted power supplies (UPS), and critical office desktops do not have adequate surge protection.

Various critical issues that highlight the need for a network protection and backup plan were identified during the on-site visit and interviews. For example, a number of teachers and staff members have been given an administrator account on their laptop or desktop computer. Administrative authority level access allows users to perform tasks such as modifying other user accounts on the device, installing software, and changing network settings. Allowing untrained users this level of access exposes the district to potential loss of data, installation of unlicensed software, unauthorized copying of district software, access to unauthorized sites, and possible network disablement.

Another example is the district's process for backing up data. The "My Documents" folder in Microsoft Windows application is being backed up by the district network, which stores documents, program settings, and other files that are used with many of the programs run on district computers. However, the servers that store the "My Documents" data are not backed up, so if a server unexpectedly fails, there are no provisions for restoring backup files. Though "My Documents" files are backed up, it is unclear how often this process occurs. Procedures for backup of student and staff work to personal jump-drives are vague. The most important backups are that of the TxEIS student and business applications. These backups appear to be performed as part of contracted services for data hosting through Region 2. The district has other services that provide a "cloud" backup. The "cloud" enterprise environment backup lacks system backup detail. Stakeholders who use these applications are not aware of the backup process. The district cannot assume that an offsite entity has the master files for a full recovery.

In addition, Freer ISD has only one uninterruptible power supply (UPS). An UPS is a battery-powered electronic device that continues to supply electricity to a server for a certain period during a utility failure or when the line voltage varies

outside the normal limits. The current UPS unit, which was purchased in February 2013, provides power backup assistance for two domain name servers. A UPS under normal conditions regulates the input AC voltage and its main applications are small servers and networks. Therefore, the more powerful a UPS, the longer it can maintain a server. The district server farm of eight has only one UPS. Ideally, the type of servers currently used in Freer ISD would have one UPS for every two servers.

Main Distribution Frame (MDF) and Intermediate Distribution Frame (IDF) closets across the district are also not key-specific, so all master key holders in the district have access to these areas, including custodians, maintenance workers, and a number of teaching staff. The MDF is the district's main computer room and it houses servers, hubs, routers, switches and DSL modems. The IDF contains a cable rack that interconnects and manages the telecommunications wiring between the MDF and workstation devices. Allowing unauthorized users in the hardware closet areas is a potential risk for the district. When you allow unauthorized users in technology distribution closets, the risks can vary from unplugging a critical device, causing an electrical shortage, moving/removing equipment, or even plugging a device into the network without authorization.

In addition, the MDF and IDF closets in which network equipment are located are full of debris, dust, mold, water, and other debilitating hazards. The high school also has a cooling issue in one of the IDFs, and during the review team's onsite tour of the high school, an IDF closet temperature was observed to be 92° F, causing the system to be distressed. Temperature ranges in MDF and IDF closets are normally kept between 64° F and 75° F. Since the time of the onsite review, the district indicates that the cooling system in the IDF closet has been repaired. This IDF is also located in an inner room to the main electrical panels for the high school campus. High voltage electricity running at close range to the electronic interfaces in the IDF without a shielded wall in between can cause interruption in the district's network. With non-technology related materials, such as debris, boxes, mops, and buckets, stored in the distribution closets, fire prevention and safety are compromised. However, MDF and IDF closets do not have a clean agent fire extinguisher.

The district's informal approach to backup and protection processes put the district network at considerable risk. Backup procedures are intended to protect data and to ensure

recovery in case of equipment failure, intentional destruction of data, or disaster. Part of an effective backup process addresses the physical security measures of the network systems to ensure clean, secure, and safe environments for students and staff to work and for equipment functioning and storage.

TEA issued Update 15 of the *Financial Accountability System Resource Guide* in April 2012 to provide specific guidance regarding internal controls for technology. Section 4.6.3.8 IT Internal Controls of the resource guide states:

Since so many of today's business processes are IT driven, a key area of internal control involves IT control. A general IT controls section should be included in the documentation of each process. Schools must have reliable replicable, and audit proof detail about control of, and access to, the infrastructure (physical and hardware components) and software that supports the financial data.

The guidance goes on to describe two broad groupings of IT internal controls:

- Application controls apply to the business processes they support and are designed within the application to prevent and detect unauthorized transactions. These controls help ensure that transactions occurred, are authorized, and are completely and accurately recorded and processed.
- General controls apply to all information systems and support secure and continuous operation. In order to construct IT general controls, specific controls should be set up for different functional areas:
  - Systems security should make use of a password procedure to make sure users are authenticated; access rights should be controlled and documented.
  - Configuration management ensures that only authorized software is in use and confirms that standard server configuration is documented and implemented.
  - Data management controls consist of procedures for handling, distribution, and retention of data and financial reporting output. A backup and recovery plan should be implemented.
  - Operations controls are established and maintained by management and provide standard practices and procedures for IT operations.

Freer ISD should develop and implement procedures to protect student, staff, and system files, and network equipment. To initiate this process, the district should conduct an assessment of network functionality and design. The district has an opportunity to develop a plan for consolidation that would replace obsolete and non-functional equipment with newer servers, switches, and routers. The district should also downsize to one DNS, one file server, one application server, one print server, and one Dynamic Host Configuration Protocol server. One of the current servers could be reconfigured to be a backup DNS. Newer servers would have a redundant array of independent disks (RAID) and ample backup storage capacity. Consolidating the network would lower electricity costs; reduce server oversight and maintenance; and provide a backup and storage provision.

The district should also evaluate "cloud" backup processes and consider what backup procedures should be completed on-site for library services, e-mail, and student data and business services. If the "cloud" is determined to be a true backup solution, the district should investigate if there is a management console or application for on-site speedy recovery. For backup at the district level, the district should develop documentation to define the backup criteria (what to back up, how often, by whom, and what type of storage media) as well as a plan to test the backup environment. The procedure should follow a standard backup, archive, and restore format. Freer ISD must also identify an offsite storage facility for archived backup media.

The fiscal impact of this recommendation assumes a five year cost of \$30,630 and a one time cost of \$2,700 for school year 2014-15. The following breakout provides cost estimates by specific components of the recommendation:

- Replacing dated servers over a five-year period
  - 6 – RAID rack mount servers; median price is \$3,000 each
  - Calculation = (2 per year X \$3,000 = \$6,000) (3 years X \$6,000= \$18,000)
  - Servers are to be purchased on alternating years to allow for a replacement cycle schema and budgeting
- Purchasing power protectors for district servers (6), switches (12), and critical office desktops (10)
  - 2 servers per UPS; 2 server UPS for 3 years; approximate cost \$1,225 each

- Calculation = 2 X \$1,225 = \$2,450 (3 years X \$2,450 = \$7,350)
- 4 Switch back-UPS for 3 years; approximate cost \$300 each
- Calculation = (4 X \$300 = \$1,200) (3 years X \$1,200 = \$3,600)
- 10 critical office desktops (one-time purchase) power surge protector; approximate cost \$73 each
- Calculation = (10 X \$73 = \$730) one-time cost
- 4 replacement battery cartridges for Smart-UPS for 2 years; approximate cost \$60 each
- Calculation = (4 X \$60 each = \$240) (2 years X \$240 = \$480)

- Re-keying one MDF and 10 IDF closets - a one-time cost
  - Calculation = (11 sites X \$45 per cylinder) = \$495 + \$100 service call = \$595
- Purchasing 11 2.5 lb. clean agent specific fire extinguishers, one for each distribution closet, and inspections
  - Calculation = (11 sites X \$125 = \$1,375) – one time cost
  - Calculation = (4 years of inspections \$300 X 4 = \$1,200)

**Figure 9–11** shows a five-year summary associated with the recommendation. Expenses are spread over a five-year period to support district formulation of budget and a replacement cycle. A replacement cycle is the frequency with which an asset is replaced by an equivalent asset.

**FIGURE 9–11  
FREER ISD FIVE-YEAR EXPENDITURES FOR SYSTEM OVERHAUL  
SCHOOL YEARS 2014–15 TO 2018–19**

EXPENDITURE	2014–15	2015–16	2016–17	2017–18	2018–19	TOTAL
Servers	(\$6,000)	(\$6,000)			(\$6,000)	(\$18,000)
UPS (servers)	(\$2,450)		(\$2,450)		(\$2,450)	(\$7,350)
BackUPS (switches)	(\$1,200)	(\$1,200)	(\$1,200)			(\$3,600)
Surge Protectors (PCs)	(\$730*)					(\$730)
UPS Battery Cartridges			(\$240)		(\$240)	(\$480)
Rekeying MDF and IDF Closets	(\$595*)					(\$595)
Clean Agent Fire Extinguishers	(\$1,375*)					(\$1,375)
Clean Agent Inspections		(\$300)	(\$300)	(\$300)	(\$300)	(\$1,200)
<b>Total – One time Cost</b>	<b>(\$2,700)</b>					
<b>Total – Reoccurring Cost</b>	<b>(\$9,650)</b>	<b>(\$7,500)</b>	<b>(\$4,190)</b>	<b>(\$300)</b>	<b>(8,990)</b>	<b>(\$30,630)</b>

NOTE: One-time cost in school year 2014-15 for surge protectors, rekeying closet locks, & fire extinguishers.  
SOURCE: Legislative Budget Board School Review Team, December 2013.

**TECHNOLOGY EQUIPMENT (REC. 45)**

Freer ISD’s student access to technology does not adequately support effective instruction, curriculum integration, and student achievement. The technology equipment used by students and teachers in classrooms is often outdated and insufficient.

A typical Freer ISD classroom has one teacher laptop, one digital projector, one document camera, one cart, three Mobi learning packs, one projector screen. In addition, at the elementary campus there may be up to two desktops per classroom. At the Junior High, for core teacher classrooms, there may be two to four desktops per classroom.

Analysis of Freer ISD’s technology inventory shows that the district has a total of 312 computers, of which 247 are available for student use in classrooms. While there is no requirement for when a computer should be replaced, the current industry standard for a desktop computer is 4 to 5 years, while that of a laptop computer is 3 to 4 years. Using these industry standards, 126 or 51 percent of student computers in the district would need to be replaced within the next year, while 65 or 100 percent of computers used by

teachers would have to be replaced. A review of district inventory in **Figure 9–12** shows the number of desktop computers and laptops students and teachers use at each campus and the approximate age of the equipment. Freer ISD does not have a long-term plan that budgets for replacement equipment.

Best practices also dictate that effective organizations improve their access to technology by developing long-term plans for equipment replacement. A sample of ideas for planning a technology equipment replacement cycle is available at the Houston Community College, Department of Information Technology (HCC-IT). The *Equipment Replacement Cycle Plan* is dated 2011. HCC-IT implemented the Equipment Replacement Cycle Plan to ensure that computing, telecommunications, network, and classroom technology equipment stays current with accepted standards. HCC-IT’s goals of the technology replacement cycle include:

- assuring that appropriate telecommunications and computing resources were available for computing facilities and offices;

**FIGURE 9–12  
FREER ISD TECHNOLOGY CAMPUS INVENTORIES AND AGE OF EQUIPMENT, OCTOBER 2013**

CAMPUS	DESKTOPS	AGE (YEARS)	LAPTOPS	AGE (YEARS)
Elementary School	20	1	28 - teacher	5
	20	3		
Junior High School	24	1	15 - teacher	5
	21	4		
High School	20	1	22 - teacher	5
	16	3		
	17	5		
	19	6		
			54 - 3 COWS at 18 ea	3
<b>Total</b>	<b>157</b>		<b>155</b>	<b>Total = 312</b>
<b>Student Use</b>	<b>157</b>		<b>90</b>	<b>Total student use 247</b>
<b>Teacher Use</b>			<b>65</b>	<b>Total teacher use 65</b>

NOTES:

(1) COWs=Computers on wheels.

(2) Equipment inventories provided during site visit do not match descriptions in the proposed Technology Plan 2013–16.

SOURCE: Freer ISD, Technology Department, October 2013.

- assuring that each faculty and staff member who uses telecommunications and computing resources had sufficient capability to fulfill job responsibilities;
- implementing minimum standards for telecommunications, computing, network, and classroom equipment and promote uniformity of technology;
- easing resource and financial planning by reducing the effort involved in departmental budgeting and planning for new telephone units, computers, network, classroom equipment, and server systems;
- providing for the cost effective and timely purchasing and installation of new equipment while decreasing the deployment time for new equipment; and
- expediting the secure disposal of old and obsolete equipment.

Freer ISD should perform an assessment, including establishing goals, a timeline, and budget for how the district can achieve a 1:1 student to computer ratio. The district should ensure that technology budgets provide adequate funding for the purchase of new technology-based equipment (e.g., desktops, laptops, and tablets) for student use. The Technology Department budget must also identify funding targets aligned with specific goals in the technology plan and the district improvement plan.

According to the proposed Technology Plan 2013–2016, there are 106 classrooms in Freer ISD with Internet access, and according to the inventory document provided there are five classroom computer labs, and five COWs districtwide. The following information provides an estimated cost of the purchase needed to obtain a 2.12:1 student to computer ratio. To achieve a 1:1 student to computer ratio, the district would need to commit additional resources to the technology program. The district should consider replacing 247 old model units with an additional 652 total desktop units, laptops, and tablet devices for a targeted total of 405 units. This initial purchase would move the ratio of students to computer to 2.12:1. ( $859 \div 405 = 2.12:1$ )

The following shows an example of an assessment of the district's current computer equipment and provides a replacement pattern with estimated costs:

- 212 Desktop purchases
  - 2- Desktops per classroom; median price (\$500 to \$1,100, median price is \$800)

- Calculation =  $(212 \times \$800 = \$169,600)$
- 100 Lab Desktop purchases
  - 20 – Desktops for 5 classrooms
  - Calculation =  $(100 \times \$800 = \$80,000)$
  - Year one- 3 classrooms (Elementary, Junior High, High School); year two- 2 classrooms (Junior High, High School)
- 240 Laptop purchases for 12 COWs (2 at Elementary, 5 at Junior High, 5 at High School)
  - Windows based; Median price (\$400 to \$900, median price is \$650)
  - 20 units per COW (COW- is computer on wheels with approximately 20 units)
  - Calculation =  $(240 \times \$650 = \$156,000)$  or \$13,000 per COW
  - Years one and three – 3 carts each year (Elementary, Junior High, High School); years two, four and five - 2 carts each year (Junior High, High School)
- 100 tablet purchases for 10 CALVEs (3 at Elementary, 3 at Junior High, 4 at High School)
  - CALVES are half of a COW approximately 10 units median price (\$250 to \$550, median price is \$400)
  - 10 units per CALVE
  - Calculation =  $(100 \times \$400 = \$40,000)$  or \$4,000 per CALVE
  - Years two and five - 3 carts (elementary, Junior High, High School); year three – 4 carts (1 at Elementary and Junior High, 2 at High School)
- 17 new portable device cart purchases (22 carts needed – 5 existing carts = 17)
  - Carts to include surge protection and access points
  - 7- carts 20 unit model; 10- carts 10 unit model
  - 20 unit model with surge protection; (\$1545 to \$2,225, median price is \$1,885)
  - 10 unit model with surge protection; (\$1545 to \$2,225, median price is  $\$1,885/2 = \$942.50$ )

- Calculation = (7- carts 20 unit X \$1,885 = \$13,195) (10- carts 10 unit X \$942.50 = \$9,425)  
Calculation = (\$13,195 + \$9,425) = \$22,620
- 22 mobile 802.11n access points for 22 carts;
  - 22 access points; median price (\$250 to \$600, median price is \$425)
  - Calculation = (22 X \$425 = \$9,350)

**Figure 9–13** shows an example of how the district could break out annual expenses in future years.

No fiscal impact is assumed for this recommendation. Once the district has performed an assessment of technology needs, the proposed funding should be incorporated into the annual budget.

**FIGURE 9–13  
FREER ISD FIVE-YEAR EXPENDITURES FOR TECHNOLOGY PURCHASES, 2014–2015 TO 2018–2019**

EXPENDITURE	2014–15	2015–16	2016–17	2017–18	2018–19	TOTAL
Classroom desktops	\$84,800		\$84,800			\$169,600
Lab desktops	\$48,000	\$32,000				\$80,000
COW with laptops	\$39,000	\$26,000	\$39,000	\$26,000	\$26,000	\$156,000
CALVES with tablets		\$12,000	\$16,000		\$12,000	\$40,000
Portable Device Carts		\$2,827.50	\$9,425	\$3,770	\$6,597.50	\$22,620
Access Points	\$1,275	\$2,125	\$2,975	\$850	\$2,125	\$9,350

SOURCE: Legislative Budget Board, School Review Team, December 2013.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014–15	2015–16	2016–17	2017–18	2018–19	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
<b>CHAPTER 9: COMPUTERS AND TECHNOLOGY</b>							
41. Reorganize the Technology Department and clearly define qualifications, roles, and responsibilities for staff members.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42. Develop a process to regularly prepare and maintain an up-to-date technology plan aligned with identified district needs and goals and detailed budget requirements.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43. Update the district website and standardize the process for maintaining the website in compliance with state statutory requirements.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44. Develop and implement procedures to protect student, staff, and system files and network equipment.	(\$9,650)	(\$7,500)	(\$4,190)	(\$300)	(\$8,990)	(\$30,630)	(\$2,700)
45. Perform an assessment, including establishing goals, a timeline, and budget for how the district can achieve a 1:1 student to computer ratio.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>(\$9,650)</b>	<b>(\$7,500)</b>	<b>(\$4,190)</b>	<b>(\$300)</b>	<b>(\$8,990)</b>	<b>(\$30,630)</b>	<b>(\$2,700)</b>



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# **CHAPTER 10**

# **TRANSPORTATION**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 10. TRANSPORTATION

An independent school district's transportation function transports students to and from school and other school-related activities. This function is regulated by federal and Texas state laws related to funding, vehicle type, driver education, and safety issues. Districts implement these regulations, budget and allocate resources, and establish operational procedures for bell schedules, bus routes, and transportation fleet maintenance.

Managing transportation operations is dependent on the organizational structure of the district. Districts may either contract for or self-manage their Transportation Departments. Using a contracted management model, districts rely on an external company to provide supervision of its Transportation Department. In this arrangement, a district may rely on the company to provide all or some staff or may use district staff for its operations. Freer Independent School District's (ISD) Transportation Department uses a self-management model, operating its Transportation Department without assistance from an outside entity, except for fleet maintenance. Managing transportation operations requires planning, state reporting and funding, training and safety, and light vehicle maintenance and procurement. Primary transportation expenditures include capital investments in vehicle fleets and annual costs of maintenance and operations. State transportation funding, which is determined by a formula that includes the number and type of students transported, relies on a district's annual submission of certain transportation reports to the Texas Education Agency (TEA).

Regular and special education transportation services are provided to approximately 92 students within the boundaries of the Freer ISD. The area served is rural, with students transported on a single-tier system to the district's three campuses. Service is provided by three buses for regular education students and a single special needs bus. Bell times are closely aligned, allowing the district to assign all students pre-kindergarten to grade 12 within each of the geographical areas to a single bus. In addition to the daily home-school-home service, the Transportation Department coordinates and provides transportation for activity and athletic trips, both during the school year and for summer programs. While the facility has a fully-equipped maintenance bay, fleet maintenance for Freer ISD is outsourced to a local auto dealership.

The district's bus facility is centrally located on the junior high/high school campus site. Most of the buses park within

the interior of the maintenance facility, providing security. Parking is available for staff immediately adjacent to the facility. The department is managed by the maintenance and transportation supervisor, who also manages facilities, maintenance, and the custodial staff. In addition to the maintenance and transportation supervisor and the drivers, the department is staffed with a full-time bus custodian who assists with the administrative functions of the department and also serves in the capacity of a school crossing guard.

Based on TEA's *School Transportation Route Services and the Operation Reports for School Year 2011–12*, the district reported 10 buses in the fleet with four active route buses used to transport 92 total students for a total annual mileage of 37,278. The total transportation operating cost for school year 2011–12 was \$250,330. The transportation allotment received for school year 2011–12 was \$29,450.

The key measures of cost effectiveness for a student transportation system include the annual cost per transported student and the annual cost per active route bus. It is also useful to convert the annual cost per bus to a daily cost. This metric allows for the comparison of district costs to the typical industry standard for the pricing of contracted services. **Figure 10–1** shows a summary of the key measures of transportation cost effectiveness for Freer ISD.

The analysis of transportation costs and operational data indicates that transportation is being provided at approximately \$2,911 per student. **Figure 10–2** compares Freer ISD's transportation metrics to peer districts. As **Figure 10–2** shows, costs are approximately \$513, or 21 percent, higher than the average of its peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes. This cost is the direct result of providing service over a relatively large geographic area with a low population density. According to the 2010 American Community Survey, Freer ISD serves 731 households with children out of a total of 980 households in the district's attendance area.

Given the low population density and the size of the area served, it is not feasible for Freer ISD to incorporate some of the strategies that larger districts with greater population density and compact service areas use in designing cost-effective routing structures. These strategies include using available seating capacity to the highest degree possible and reusing the bus as many times per day as possible, serving

**FIGURE 10–1  
FREER ISD  
KEY MEASURES OF TRANSPORTATION COST  
EFFECTIVENESS  
SCHOOL YEAR 2011–12**

MEASURE	METRIC
Annual Cost per Student	\$2,911
Annual Cost per Active Route Bus	\$62,583
Daily Cost per Active Route Bus	\$348
Buses per 100 Students Transported (Total Fleet of 10 Buses)	11.6
Buses per 100 Students Transported (4 Active Route Buses)	4.7

SOURCE: Texas Education Agency, School Transportation Operation and School Transportation Route Services Reports. Legislative Budget Board, School Review Team, December 2013.

multiple bell time tiers. This area of performance is measured by a calculation of the number of buses required for 100 students. The range for highly efficient operations is typically 1.0 to 1.3 buses per 100 students. Freer ISD’s value is 4.7 buses per 100 students (4 active route buses/(86 students/100)) or 11.6 buses per 100 students based on the total fleet including spares. (10 buses/(86 students/100)). This ratio compares to an 11 bus per 100 student peer district average as **Figure 10–2** shows. These results are indicative of

a very rural area serving a small population of students on a single-tier bell time schedule.

Comparing the number of students transported by Bloomington ISD provides another illustration of how population density impacts overall costs of the operation. Although the total number of buses (active and spare) is similar to both Freer ISD and Anthony ISD, the overall cost per student is lower at \$633 per year. The lower cost is the result of being able to spread the fixed and variable costs of a bus over a greater number of students served. These metrics are shown in **Figure 10–2**.

Transportation funding for regular program students is allotted using the preceding school year’s linear density and cost per mile. The Texas Education Code (TEC), Section 42.155, defines regular program students as students who reside two or more miles from their school of regular attendance. The cost-per-mile allocation is based on data submitted in TEA’s Route Services report. Linear density of bus routes is determined based on the number of regular riders carried per mile of regular bus routes during the school year. The amount of state funding that a district receives for transportation is based on the lower of the actual cost per mile or the maximum amount determined in one of the seven density groupings established by TEA. In school year

**FIGURE 10–2  
FREER ISD  
COMPARISON PEER DISTRICTS COST PER BUS  
SCHOOL YEAR 2011–12**

DISTRICT	TOTAL COSTS	TOTAL BUSES	TOTAL STUDENT RIDERS	COST PER STUDENT RIDER	ANNUAL COST PER BUS BASED ON TOTAL BUSES	BUSES PER 100 STUDENTS TRANSPORTED	AVERAGE STUDENTS PER BUS
Anthony	\$283,679	8	92	\$3,083	\$35,460	8.7	12.0
Bloomington	\$281,640	10	445	\$633	\$28,164	2.2	45.0
Floydada	\$285,118	18	82	\$3,477	\$15,840	22.0	5.0
Peer Average	\$283,479	12	206	\$2,398	\$26,488	11.0	20.2
<b>Freer</b>	<b>\$250,330</b>	<b>4</b>	<b>86</b>	<b>\$2,911</b>	<b>\$62,583</b>	<b>5.0</b>	<b>21.5</b>
Freer ISD	(\$33,149)	(8)	(120)	\$513	\$36,095	(6.0)	1.3
Average - Over (Under) Peer Districts							

NOTES:

- (1) The cost per bus for the peer districts is based on total buses reported in use including spares and is not reflective of the actual cost per route bus.
- (2) The number of buses per 100 students is based on total buses reported in use including spares and is not reflective of the actual number of students per active route bus.

SOURCES: Legislative Budget Board, School Review Team, December 2013; Texas Education Agency, School Transportation Operation and School Transportation Route Services Reports.

2011–12, Freer ISD’s cost per mile was \$2.84 for regular program students and its linear density was 0.79. Based on the calculated annual mileage of 37,278 and the liner density rate of 0.79, the district received an allotment of \$29,450.

Figure 10–3 shows the linear density groups and maximum allotment per mile TEA has used since school year 2010–11.

**FIGURE 10–3  
TEXAS EDUCATION AGENCY LINEAR DENSITY GROUPS  
SCHOOL YEAR 2010–11**

LINEAR DENSITY GROUP	MAXIMUM ALLOTMENT PER MILE
2.40 and above	\$1.43
1.65 to 2.399	\$1.25
1.15 to 1.649	\$1.11
0.90 to 1.149	\$0.97
0.65 to 0.899	\$0.88
0.40 to 0.649	\$0.79
Up to 0.399	\$0.68

SOURCE: Texas Education Agency, School Transportation Allotment Handbook, Effective school year 2011–12.

**ACCOMPLISHMENT**

- ◆ The level of housekeeping in the bus facility creates a safe work environment and promotes a perception of professionalism to any visiting staff or parents.

**FINDINGS**

- ◆ Freer ISD’s Transportation Department’s reduced staffing decision results in a negative impact on the planning and management functions of the supervisor and daily route and run responsibilities of the drivers.
- ◆ Freer ISD’s transportation service parameters are not well defined or documented, potentially compromising operational effectiveness.
- ◆ Freer ISD lacks a process to periodically conduct route planning and evaluation which may result in level of service issues.
- ◆ Freer ISD has not defined or managed fleet replacement standards resulting in an aging fleet.
- ◆ Freer ISD does not maintain adequate records on transportation maintenance, resulting in a sporadic maintenance schedule and unknown maintenance costs per bus.

- ◆ Freer ISD has modified school buses resulting in potential non-compliance with state and/or federal regulations.

**RECOMMENDATIONS**

- ◆ **Recommendation 46:** Fill the two vacant permanent route driver positions to fulfill daily driving responsibilities currently being performed by the department supervisor and long-term substitutes.
- ◆ **Recommendation 47:** Develop service related policies, procedures, and parameters and include this information in the student and transportation handbooks.
- ◆ **Recommendation 48:** Develop an annual and periodic run-and-route review to ensure that bus runs and student ride times are balanced across the system and that student and stop information is current and accurate.
- ◆ **Recommendation 49:** Establish a fleet management and replacement plan to better support long-term capital planning.
- ◆ **Recommendation 50:** Create a preventive maintenance schedule using the district’s work order system to monitor compliance and track the cost of parts, supplies, and labor for each bus in the fleet.
- ◆ **Recommendation 51:** Review the modifications made to school buses to ensure they are consistent with state and federal statutory and regulatory requirements.

**DETAILED ACCOMPLISHMENT**

**TRANSPORTATION FACILITY**

The level of housekeeping in the bus facility creates a safe work environment and promotes a perception of professionalism to any visiting staff or parents.

The cleanliness and tidy appearance of any school facility helps to create standards and perceptions of professionalism within that particular building or department. Additionally, a high level of housekeeping and organization within support service areas helps to prevent accidents from the multitude of activities that may occur in any one particular facility. This can be especially true of a transportation facility where buses

are parked and maintained. The presence of school buses and other school-purpose vehicles increase the likelihood of fluid leakage, spills, and road debris that not only present slip and tripping hazards but, left unattended to, lead to the perception that the organization may not be well managed. The Transportation Department for Freer ISD has established a high standard of cleanliness both within the facility and for each district vehicle. This helps to establish a safe working environment. The cleanliness of the buses also helps to set an expectation for student behavior while being transported to or from school.

It is typical of transportation facilities to require, store, and use a variety of bus repair parts and consumable supplies. While Freer ISD outsources the actual maintenance of vehicles, it is still necessary to store minor replacement parts and vehicle fluids such as oil, anti-freeze, and windshield washer fluid. Using shelves, tool cabinets, and parts bins, the department is well organized and clean. This supports employee efficiency as they perform minor maintenance on school buses by ensuring the basic hand-tools and supplies are readily available.

While this standard is informally implemented, the department has clearly established expectations and responsibilities. This includes the documentation of cleaning and storage standards and schedules for daily or weekly tasks and inspection.

## DETAILED FINDINGS

### **DEPARTMENTAL STAFFING (REC. 46)**

Freer ISD's Transportation Department's reduced staffing decision results in a negative impact on the planning and management functions of the supervisor and daily route and run responsibilities of the drivers.

The Transportation Department is staffed by a full-time equivalent (FTE) supervisor position (with additional responsibilities as supervisor for the Maintenance and Operations Department), one active FTE driver, one FTE driver on a long-term absence, and two vacant FTE bus driver positions. Interviews indicate that because of a long-standing hiring freeze, two long-term substitute drivers are assigned to daily route responsibilities despite multiple requests to the superintendent to fill the open or vacant positions with permanent employees. One additional on-call substitute has been trained and may be available depending on the day and time of the absence. No other additional substitutes are available and trained to drive a bus.

Due to unfilled positions and a long-standing driver shortage, the core functions of the maintenance and transportation supervisor and drivers are limited. The supervisor now serves as a special needs driver. This responsibility directly affects the management of the department by limiting the supervisor's time to effectively plan and supervise. Freer ISD's current staffing arrangement prevents the district from completing tasks essential to support an effective transportation department. Examples of these tasks include:

- perform random and scheduled driver observations, including on-board observations of the driver and students;
- monitor standard performance measures such as bus run times, student ride times, and fleet maintenance activities;
- present driver training and improvement programs or attend regional training programs; and
- maintain an up-to-date run and route structure to ensure that the route and run times are balanced across the system.

Because one driver is on a long-term absence, the other drivers must incorporate students from that driver's route into their own. This directly impacts the effectiveness of the department and impacts all routes including the following:

- increased ride times for all students;
- enhanced potential for late arrivals; and
- the possibility that drivers might increase road speed and perform faster stop procedures to reduce total run times with a potential impact on safety.

Freer ISD should fill the two vacant permanent route driver positions to fulfill daily driving responsibilities being performed by the department supervisor and long-term substitutes. This will help to support and ensure that the core functions of the maintenance and transportation supervisor, including the supervisory and planning responsibilities, are able to be performed and that students are transported in a safe and effective manner.

Without driving responsibilities, the maintenance and transportation supervisor cannot develop and implement a more comprehensive plan for the recruitment and training of substitute drivers. Several strategies are common within the industry to ensure that substitute drivers are available. This includes establishing of either on-call substitutes, permanent substitutes, or both. While having a ready pool of on-call

substitutes can be an effective method for providing substitutions, it requires an ongoing effort to maintain the up-to-date contact information of trained drivers necessary to ensure that at least some qualified drivers will be available.

In lieu of increasing costs by creating permanent substitute positions, Freer ISD should provide cross-training to support services employees (i.e., school custodians, maintenance workers, and food service), requiring some identified staff to obtain and maintain a commercial driver's license with a school bus and passenger endorsement. As a result, if there is a driver shortage, trained and readily available district staff will be able to be reassigned immediately to ensure that students are able to be transported in a timely and safe manner. Since the time of the onsite review, the district indicates that they have filled the two vacant permanent driver positions.

This recommendation can be implemented using existing resources.

#### **SERVICE PARAMETERS (REC. 47)**

Freer ISD's transportation service parameters are not well defined or documented, potentially compromising operational effectiveness.

Freer ISD's local transportation policies, procedures, and guidelines are broad and do not clearly define or communicate the level of service expectations. The development and adoption of transportation policies and procedures is necessary to not only set service level expectations but also to clearly define and establish the responsibilities of all stakeholders of the service. This includes the drivers, building staff, students, and parents. In the absence of such policies and procedures, an inconsistent and undesirable level of service may become the standard that is delivered. The primary concern of any transportation organization is the safe transportation of its students. The development and adoption of safety related policies and procedures helps to ensure the safety of the transported students.

Guidance is provided by policies adopted by the district's Board of Trustees. These policies are subdivided into two sub-groups, *legal* policies required of every school district to ensure the district's compliance with state and federal law and applicable court decisions and *local* policies that further define how services are to be delivered within the statutory context of the corresponding legal policy. Transportation is provided to students who live more than two miles from school, special needs students, and students who reside in

areas deemed hazardous for walking. According to policy, transportation may also be provided to students within the two-mile distance for a reasonable fee.

Further guidance is provided by the Freer Transportation Department handbook for drivers and a smaller handbook for students. While the handbooks are well organized, the date of their development and adoption is unknown. Additionally, no process is institutionalized for updating handbooks to ensure ongoing compliance with state and federal regulations or a change in local policies.

Although Freer ISD's legal policies meet the district's compliance obligations, the local policy statements do not explicitly define service expectations or parameters. While these parameters can also be established as administrative rules and regulations, interviews indicate that clear definition of many of the expected service level parameters are not developed or documented. Examples of these include:

- walk to stop distances;
- maximum ride times for all students and especially special needs students;
- bus loading parameters to compensate for the size of secondary students i.e. only assigning two secondary students to a seat in lieu of the legal limit of three students per seat; and
- how local traffic hazards will be determined to comply with state requirements for reimbursement as established by the Texas Education Code, Section 42.155. Examples of these include the evaluation of local road speeds and traffic volume.

Establishing ride time maximums for special needs students is an especially important consideration as students may have time and distance constraints due to medical or emotional limitations. Interviews indicate that all of the transported special needs students either live within the community or in proximity to the Freer campus. If a student moves into the district in a more remote area, a ride time maximum will become necessary.

An effective and efficient transportation organization requires well defined, documented, approved, and enforced policies, procedures, and guidelines. Procedures and guidelines clearly establish how services are to be delivered within the confines of the corresponding policy. In the absence of well-defined transportation policies and parameters, operational and service levels may be compromised including:

- safety related policies, rules, and regulations that may not be clearly understood or enforced compromising student safety;
- service standards that are not clearly defined and communicated to all stakeholders including students, parents, school staff, and drivers; and
- services that are provided over and above the constraints of the service-level parameters compromising budget integrity and equitable service to all eligible students.

Austin ISD is an example of a district that has developed quality procedure statements. Links to both regular and special needs policies and procedures are available on the district's Transportation Department homepage. One example is its hazardous condition policy, which clearly establishes the parameters that qualify students for this type of transportation. These parameters include:

- walking adjacent to or across a freeway, or expressway;
- the walk path includes an over or underpass or a bridge where no pedestrian path is available; and
- that neighborhoods without sidewalks are not considered hazardous to walkers.

Freer ISD should develop service related policies, procedures, and parameters and include this information in the student and transportation handbooks.

Freer ISD should begin a review of its current policies, the Transportation Handbook, and its documented and undocumented procedures and guidelines. It is important to first understand the core functional areas where refinement of current policies and guidelines should occur and secondly, to consider areas for which no policy exists. Given the size of the operation, the development of policies and procedures should not be overly complex and should cover the primary areas that affect planning and safety. Examples for consideration include:

- Further refine eligibility standards related to transportation service being provided to students within two-mile radius, outside the two-mile radius and within hazardous areas.
- Document eligibility standards and procedures for special needs students, including:
  - the establishment of maximum ride time policies to comply with a student's medical or emotional limitations;

- the approval process based in the students' individual needs or educational plan (IEP);
- the position or positions responsible for determining eligibility within the IEP process;
- staff responsible for informing the Transportation Department of a student request for services;
- the timeline for establishing services;
- the limits of behavior or medical information that will be provided to transportation; and
- identification of when/under what circumstance an aide or attendant will be assigned.
- Focus on establishing basic level of service expectations and standards. The establishment of basic level of service standards is necessary to provide guidance for the planning process and to reduce any confusion over the level of service that can be expected and should be provided. Examples include:
  - walk to stop distances;
  - parameters for group or home stops;
  - maximum ride times for regular education and special needs students; and
  - bus loading standards, i.e. number of students allowed per seat.

The process for implementation should include:

- an examination of the current legal and local policies along with a review of the handbook;
- policies and corresponding practices that directly impact the safety of students should be the first priority, including walk to stop distances and stop locations as examples; and
- evaluation of the areas being provided hazardous transportation, as the next priority, to confirm the necessity and to provide the basis for the recommendation to the board for adoption.

This recommendation can be implemented using existing resources.

#### **RUN AND ROUTE REVIEW (REC. 48)**

Freer ISD lacks a process to periodically conduct route planning and evaluation which may result in level of service issues.

The foundation of an effective and efficient transportation system is its route planning and evaluation processes. A prime component of these processes is the ongoing measurement of key performance indicators. Examples of indicators that are typical include:

- bus run and student ride times;
- capacity utilization of the vehicle based on the number of students in ratio to the number of available seats; and
- asset utilization, which considers how well each bus is used throughout the operational day.

The Transportation Department lacks annual or periodic route planning, performance evaluation practices, and performance evaluation. Given the size of the district and the rural nature of the community, the routes and runs remain primarily static from one year to the next with no established process to monitor the overall performance or effectiveness of the routes. The district operates three regular education and one special needs routes to serve the entire district. The annual planning process is based on the following criteria: the addition of new students; a change in a student's address and stop or run location; and/or the deletion of students from routes. There is no process in place that evaluates the individual runs to balance run times or loads between each of the buses.

The daily route mileage of the three regular education buses is 28, 90, and 99 miles per day or approximately 14, 45, and 49 miles per run during both the morning and afternoon time panels. While the actual run times were not provided for analysis, the variance in the number of miles per run implies that the run and student ride times are not balanced between the three active route buses. Districts typically correct this type of imbalance through an annual planning process and the periodic measurement of each routes' performance. Even with an implemented planning and evaluation process, it is unlikely that Freer ISD could reduce the number of buses that are needed (based on the student loads of 46, 41, and 40 and the number of miles traveled). However, some districts evaluate run times to balance the miles between the runs.

A best practice performed by well managed transportation departments is to routinely review routes to determine the most efficient and cost effective schedules.

Freer ISD should develop an annual and periodic run-and-route review to ensure that bus runs and student ride times

are balanced across the system and that student and stop information is current and accurate.

Given the size of the Freer ISD transportation system, an elaborate or detailed planning process is not warranted. However, all student transportation organizations can benefit from both an annual and periodic planning and review process. Within a truncated planning and evaluation process, routes and runs should be evaluated to achieve a routing network that provides a balanced and equalized level of service across the system. This optimization can be implemented as a simple review of stops that can be reassigned to shorter runs to reduce run times for the longest routes without negatively affecting the loads on the other buses and impacting the comfort of the students. This can be accomplished by the maintenance and transportation supervisor with a review of the route by the drivers.

This recommendation can be implemented using existing resources.

#### **FLEET MANAGEMENT PLAN (REC. 49)**

Freer ISD has not defined or managed fleet replacement standards resulting in an aging fleet.

Fleet management standards, including the number of vehicles to be used, maximum age, and mileage parameters have not been developed by the district. While there are no national mandates for the replacement of school buses, industry recommendations have been developed based on the observations of transportation directors across the country. A 2002 position paper by the National Association of State Directors of Pupil Transportation Services suggested a 12- to 15-year replacement guideline for large buses and 8- to 10-year guidelines for smaller buses. The comparison of Freer ISD's current fleet to these guidelines is shown in **Figure 10-4**.

There are 11 buses in the fleet with an average age of 13 years. The oldest bus is a 1992 model with the newest bus being a 2009 model. There are seven spare buses to support the active fleet of four route buses, resulting in an active-to-spare ratio of 57 percent, while the industry guideline is an active-to-spare ratio of 10 to 15 percent.

In the absence of clear age or mileage replacement parameters and a corresponding dedicated funding source, the average and maximum age of the fleet is likely to increase. The oldest bus at 22 years of age, is seven years above the recommended replacement age of 15 years. The age and mileage of the bus fleet can also have a direct impact on the cost of maintenance

**FIGURE 10–4**  
**FREER ISD**  
**FLEET AGE COMPARISON TO INDUSTRY**

VEHICLE NUMBER	AGE	AGE LIMIT BASED ON INDUSTRY RECOMMENDATIONS
1	22	15
2	22	15
3	5	15
4	13	15
5	17	15
6	8	10 (Small Bus)
7	19	15
8	8	10 (Small Bus)
9	18	15
11	5	15
12	5	15
<b>Average Bus Age</b>		<b>13</b>
<b>Total Number of Buses</b>		<b>11</b>

SOURCE: Legislative Budget Board, School Review Team, Freer ISD Transportation Department, December 2013.

and the number of spare buses required. Generally, as buses age and mileage increases, the direct cost for parts and repair labor increases. Reliability can also become a factor resulting in the real or perceived necessity to increase the number of spare buses to ensure that a ready replacement is available in the event of an equipment failure. While data was not available to assess the failure rate and average downtime of the current fleet, anecdotal information from interviews indicated that overall reliability of the bus fleet may be of concern. As an example, one driver reported that both his

route bus and usually assigned spare bus were out of service resulting in the necessity of using an older spare bus for his daily route assignment. This can have a direct impact on the overall cost of vehicle maintenance as older vehicles often have a higher cost of routine maintenance due to the age of the vehicle and the lack of warranty support that is provided with new buses. An effective transportation system requires a clear replacement plan for its school bus fleet based within a clearly defined age and mileage parameter.

Freer ISD should establish a fleet management and replacement plan to better support long-term capital planning.

The first step in developing such a plan is to determine a reasonable maximum age and mileage standard for the district. To ensure that replacements are made in accordance with the determined standard, a dedicated funding source and stream must be identified. **Figure 10–5** shows an example of how the purchase of fleet assets could be staggered over the next eight years to limit the funding required in any one fiscal year. This example assumes funding needs of \$185,400 in 2014 and \$50,000 per year thereafter. This funding level would allow two buses to be replaced in 2014 at a cost of \$185,400 based on an estimated average of \$92,700 for a model 2014 bus. A single bus could be replaced in 2016 at an estimated cost of \$98,345. Three additional buses could be purchased in 2021 at an estimated cost of \$228,018. The increase in purchase price is reflective of the cost per bus increasing at a rate of 3 percent per year.

An established and adhered to replacement plan should also affect the number of spares that are required by reducing the number of aged buses increasing the overall reliability of the

**FIGURE 10–5**  
**FREER ISD**  
**SAMPLE FLEET REPLACEMENT PLAN, 2014 TO 2021 CALENDER YEARS**

YEAR	NUMBER OF BUSES	REPLACEMENT COSTS	FUNDING REQUIRED	FUND BALANCE
2014	2	\$185,400	\$185,400	\$0
2015	0	\$0	\$50,000	\$50,000
2016	1	\$98,345	\$50,000	\$1,645
2017	0	\$0	\$50,000	\$51,654
2018	0	\$0	\$50,000	\$101,654
2019	0	\$0	\$50,000	\$151,654
2020	0	\$0	\$50,000	\$201,654
2021	3	\$228,018	\$50,000	\$23,695
<b>Totals</b>	<b>6</b>	<b>\$511,763</b>	<b>\$535,400</b>	<b>\$23,695</b>

SOURCE: Legislative Budget Board, School Review Team, December 2013.

fleet. Based on that assumption, the number of spares could be reduced by at least three vehicles as new vehicles become available. The replacement plan should also include how the surplus fleet assets will be disposed of. Strategies for consideration include the salvaging of the vehicles for parts and ultimately selling them for scrap, selling them at auction or on the open market, or including them as a trade-in as new vehicles are purchased.

No fiscal impact is assumed for this recommendation. Freer ISD can prepare a replacement plan using existing resources. Actual bus replacement costs would depend on the schedule laid out in the plan.

#### **PREVENTIVE MAINTENANCE SCHEDULE (REC. 50)**

Freer ISD does not maintain adequate records on transportation maintenance, resulting in a sporadic maintenance schedule and unknown maintenance cost per bus.

Freer ISD is performing ad hoc maintenance in the absence of a well-defined preventive maintenance (PM) program for the school bus fleet. The scheduling and performance of PM of the vehicle fleet has been delegated to the local car dealer and other service providers within the area. While the outsourcing of fleet maintenance services can be an effective methodology given the size of the district, the delegation of the actual mechanical work does not eliminate the need for the monitoring of the PM schedule, the work performed, and the cost of services. No processes have been established in the district for the tracking of work performed and the cost of services for each individual school bus.

The absence of a well-defined and monitored PM program can impact both costs and service levels. The fundamental objective of an effective PM program is to prevent equipment failure through the identification and correction of equipment defects at the earliest stage of failure or on a predetermined schedule for replacement. Without an effective PM program, more expensive repairs may be required to not only replace the defective component but other components within the vehicle's system that may have become compromised. The correction of minor defects before major repairs are needed not only reduces costs but limits the potential for the vehicle to fail while providing service to students.

The tracking of all work performed, including preventive and reactive maintenance provides the data necessary to guide replacement decisions. For example, tracking the cost of all

work for each individual vehicle and by manufacturer provides the necessary data to understand which bus or type of bus is most costly to operate over its life cycle. Of equal importance, tracking a vehicle's maintenance history also supports district risk management practices through the ability to respond to inquiries if an accident or incident occurs. An incomplete maintenance history prevents the district from demonstrating that it has acted prudently in its maintenance of vehicles. A multi-stepped approach to scheduling preventive maintenance is common in the transportation industry. Generally, A-, B-, and C- level inspections are developed for each bus in the fleet based on the manufacturer's recommendation. Many examples are available as resources that could be used by the Freer ISD Transportation Department for the development of its unique PM program. These include:

- Maintenance Management and Safety Guide, March 2003; Texas Department of Transportation, available at [www.dot.state.tx.us](http://www.dot.state.tx.us);
- Preventive Maintenance Manual, September 2012; State of Virginia, available at [www.doe.virginia.gov](http://www.doe.virginia.gov); and
- The Guide to Preventative Maintenance-Rural and Specialized Transportation; State of Indiana Department of Transportation available at [www.indianatap.com](http://www.indianatap.com)

Freer ISD should create a preventive maintenance schedule using the district's work order system to monitor compliance and track the cost of parts, supplies, and labor for each bus in the fleet.

The recently implemented work order system (Spiceworks) could provide the data needed to develop a simplified PM program. The manufacturer's recommended interval for each vehicle in the fleet should be reviewed and documented. Once this is completed, a PM schedule should be developed for each type of vehicle. A review of the maintenance software system should also be conducted to investigate how the system can best be adapted for the scheduling and tracking of school bus maintenance activities. As the work order system was not designed to specifically support fleet maintenance tracking, some customization of the program may be necessary requiring support from IT staff.

This recommendation can be implemented using existing resources.

**BUS MODIFICATIONS (REC. 51)**

Freer ISD has modified school buses resulting in potential non-compliance with state and/or federal regulations.

Freer ISD school buses have been modified and may not be in compliance with state standards. All of the active and spare buses have been retrofitted with a common hasp or lockable latch and padlock on the rear emergency exit door of each bus. The stated purpose of these devices is to provide a level of security for the belongings of the students who are transported to extra-curricular activities or to athletic events. None of the buses have an integral locking mechanism that automatically allows for the locking of the door when the ignition switch is in the off position.

Securing a bus to ensure the security of belongings is important. However, manually locking the exit door could place students and the driver in danger of not being able to rapidly exit the bus during an emergency. Interview data indicates that drivers are trained and required to inspect and ensure that the lock has been removed prior to students boarding a bus. However, there is not fail-safe methodology to ensure that the lock has been removed.

The *Department of Public Safety-2011/ Texas School Bus Specifications* includes the required specifications that for school buses providing student transportation. While this document does not specifically address the modification of buses, Option 48, security system door locks, does describe a service door and emergency exit door locking system with an ignition disconnect on the emergency exit door. The Federal Motor Vehicle Safety Standard, Title 49, Codes of Federal Regulations, Part 571, Standard No. 217: Bus Emergency Exits and Window Retention and Release S5.2.3.3 states that “The engine starting system of a bus shall not operate if any emergency exit is locked from either inside or outside the bus. For purposes of this requirement, ‘locked’ means that the release mechanism cannot be activated and the exit opened by a person at the exit without a special device such as a key or special information such as a combination.”

Freer ISD should review the modifications made to school buses to ensure they are consistent with state and federal statutory and regulatory requirements.

The removal of the current lock and hasps from each of the buses would require minimal effort within no additional cost. To provide the necessary security for possessions while traveling to events and games, the district should consider using an approved ignition interlocking system. All new buses should have the integrated system pre-installed. If the

district chooses to retro-fit the current fleet, the estimated cost is approximately \$500 per bus for equipment and installation or approximately \$5,000 for the fleet.

No fiscal impact is assumed for this recommendation.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
<b>CHAPTER 10: TRANSPORTATION</b>							
46. Fill the two vacant permanent route driver positions to fulfill daily driving responsibilities currently being performed by the department supervisor and long-term substitutes.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47. Develop service related policies, procedures, and parameters and include this information in the student and transportation handbooks.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48. Develop an annual and periodic run-and-route review to ensure that bus runs and student ride times are balanced across the system and that student and stop information is current and accurate.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49. Establish a fleet management and replacement plan to better support long-term capital planning.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50. Create a preventive maintenance schedule using the district's work order system to monitor compliance and track the cost of parts, supplies, and labor for each bus in the fleet.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51. Review the modifications made to school buses to ensure they are consistent with state and federal statutory and regulatory requirements.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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# **CHAPTER 11**

## **FOOD SERVICES**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 11. FOOD SERVICES

Effective school food service operations provide students and staff with nutritious and appealing breakfast and lunch at a reasonable cost in an environment that is safe, clean, and accessible. Ideally, food service departments are fiscally self-sustaining, while offering meals that meet all local, state, and federal requirements.

Freer Independent School District (ISD) currently participates in the National School Lunch Program (NSLP), and the School Breakfast Program (SBP). The district operates the Summer Food Service Program (SFSP) annually during the month of June and typically begins the Afterschool Snack Program during the month of December to coincide with the initiation of a district wide math tutoring program. The district operates a universally free breakfast-in-the-classroom program at each of the three district schools.

The Child Nutrition Program (CNP) is funded by federal reimbursement for free, reduced-price, and paid meals, state matching funds, and local revenues from the sale of meals and a la carte foods. The Freer ISD CNP does not provide any other services such as catering or vending.

Freer ISD self-operates the Food Service Department. The Food Service Department consists of a cafeteria director, and nine other food service employees. The cafeteria staff members report directly to the cafeteria director who reports directly to the business director. **Figure 11–1** shows the district’s reporting structure for the food service operations.

**FIGURE 11–1**  
**FREER ISD FOOD SERVICE ORGANIZATIONAL CHART**  
**SCHOOL YEAR 2013–14**



SOURCE: Freer ISD, Food Service Department, October 2013.

Freer ISD has two cafeterias, one which serves as a central kitchen and dining room for lunch for the junior high school and high school. The Norman Thomas Elementary School has a finishing kitchen including refrigeration, ovens, and warmers and its own dining room where lunch is served. All food is prepared in the secondary school kitchen, and lunch

is transported to the elementary school where it is held until the meal service begins. Breakfast foods are also prepared in the central kitchen and are transported to each of the district schools to be served in the classrooms.

All district campuses are closed; however, parents may bring outside food to their children. Many students bring lunch from home or have restaurant food delivered.

The food service operating budget for the school year 2012–13 includes \$488,784 in revenue and \$465,899 in expenditures. According to the business director, the district does not support the CNP with local funds other than providing utilities and other indirect costs.

During September 2013, the average daily participation (ADP) in the NSLP was 629 (79 percent) of 800 actively enrolled students, and the ADP in the breakfast program was 592 students (74 percent). During the same month, the district had 66 percent of enrolled students qualified for free and reduced-price meals.

### FINDINGS

- ◆ Freer ISD has not developed standards for food, labor, and non-food expenditures as a percentage of revenue.
- ◆ Freer ISD did not secure approval from the Texas Department of Agriculture for an alternate Point-of-Service collection method used for counting and claiming breakfasts served in the classrooms. The methods used are not consistent with Texas Department of Agriculture requirements and increase the risk of inaccurate claims of reimbursable breakfasts served.
- ◆ Freer ISD claimed reimbursement for breakfasts and lunches that did not comply with meal pattern requirements as served.
- ◆ Freer ISD has not analyzed whether the adult breakfast, and paid-student breakfast and lunch prices cover the cost of producing and serving the meals.
- ◆ Freer ISD does not ensure that cafeteria staff are consistently following standardized recipes and maintaining complete and accurate food production

records as required by Child Nutrition Program regulations.

- ◆ Freer ISD has not properly implemented the Offer versus Serve provision of the School Breakfast Program and National School Lunch Program in all district schools at all age/grade levels.
- ◆ Freer ISD has not developed a staffing formula based on productivity to determine the number of labor hours necessary to operate the kitchens.
- ◆ Freer ISD does not monitor and control food costs in the Child Nutrition Programs.
- ◆ Freer ISD does not monitor plate waste and adjust menus accordingly.

## RECOMMENDATIONS

- ◆ **Recommendation 52: Develop standards for Child Nutrition Program expenditures (food, labor, and non-food) as a percentage of revenue.**
- ◆ **Recommendation 53: Submit for approval to the Texas Department of Agriculture a revised Point-of-Service Free and Reduced-Price Meals Policy Statement, Attachment B, collection procedure for breakfast-in-the-classroom served at all district schools.**
- ◆ **Recommendation 54: Ensure that each student has all of the required components of a reimbursable meal available for selection, and that each student's selection is evaluated at the Point-of-Service to determine that sufficient components have been selected before the meal is counted and claimed for reimbursement.**
- ◆ **Recommendation 55: Analyze the Child Nutrition Program revenues and operating costs to ensure student meal prices cover the cost of meal production.**
- ◆ **Recommendation 56: Use standardized recipes for every meal preparation, and record all required information to document that the meals served and claimed for reimbursement met requirements, as well as for developing future menus.**
- ◆ **Recommendation 57: Correctly implement the Offer versus Serve provision for breakfast and lunch in all grade levels in all district schools.**

- ◆ **Recommendation 58: Develop and use a staffing formula based on meals-per-labor-hour and make adjustments in the number of labor hours as productivity and revenue fluctuate.**
- ◆ **Recommendation 59: Identify the range of prices affordable for each component of meal patterns based on the average per meal revenue available for breakfast and lunch; and evaluate the affordability of each menu item prior to placing it on the menu.**
- ◆ **Recommendation 60: Monitor plate waste frequently and get feedback on why particular foods are being discarded, develop strategies for reducing the amount of food students select and do not consume, and adjust menus as often as necessary.**

## DETAILED FINDINGS

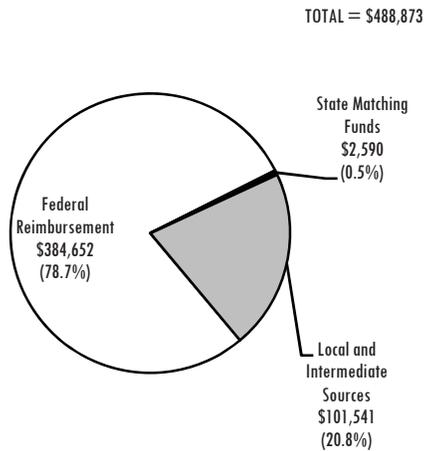
### MANAGEMENT STANDARDS (REC. 52)

Freer ISD has not developed standards for food, labor, and non-food expenditures as a percentage of revenue.

The National School Lunch Program (NSLP) and School Breakfast Program (SBP) are funded by the following methods: federal reimbursement for free, reduced-price, and paid meals; state matching funds; and local revenues generated from the sale of meals and a la carte foods. According to the Freer ISD business director, the programs are self-supporting, generating a profit each year. The district does support the programs with local funds to pay indirect costs such as utilities; however, the value of these expenditures is deemed minimal and is not tracked.

Figure 11–2 shows the dollar value and percentage of each of the sources of funding for the fiscal year ending 2013. The total funding of the Food Service Department was \$488,783. At approximately 79 percent of total revenues, federal funds made up the most significant source of funding for Freer ISD Child Nutrition Programs (CNP), followed by local funds at approximately 21 percent. State matching funds contributed 0.5 percent to the total.

**FIGURE 11-2**  
**FREER ISD SOURCES OF CHILD NUTRITION PROGRAMS FUNDING**  
**FISCAL YEARS 2012-13**

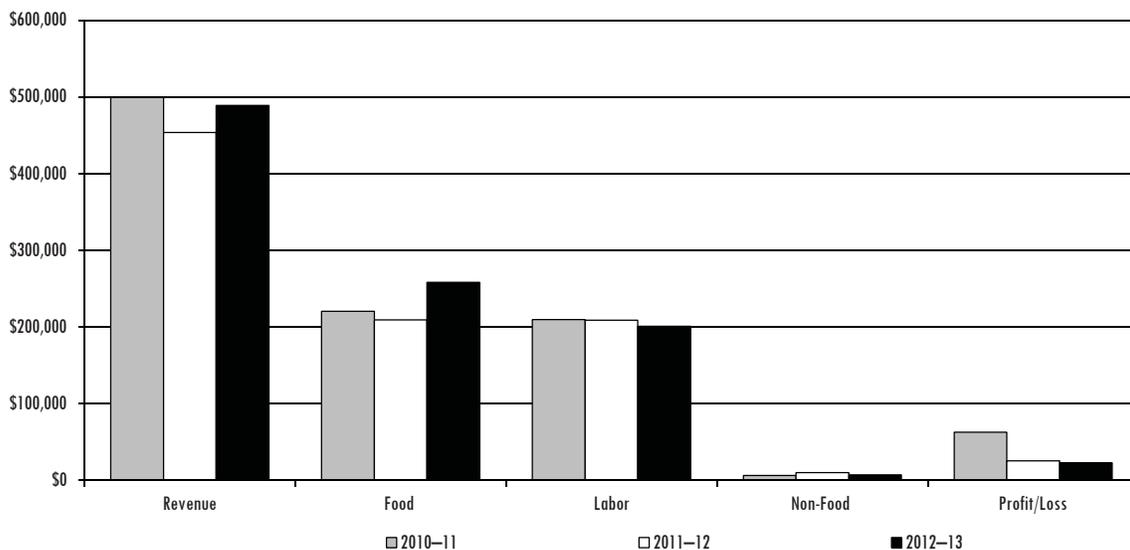


SOURCE: Legislative Budget Board, Freer ISD Business Director Interview, October 2013.

Figure 11-3 compares total food service revenue to food, labor, and non-food expenditures over a three-year period, from school years 2010-11 to 2012-13. An examination of revenue and expenditures indicates the following trends:

- Revenues decreased from school years 2010-11 to 2011-12 by \$45,695 and increased for school year 2012-13, although still \$10,421 less than the school year 2010-11 total.
- Food costs as a percentage of revenue increased by 1.95 percent from school years 2010-11 to 2011-12 despite a revenue decrease. Food costs continued to increase by 6.70 percent the following year. This increase was expected because the new meal pattern regulations are more expensive to meet than the patterns required in previous years.
- Labor costs as a percentage of revenue increased by 4.06 percent from school years 2010-11 to 2011-12 despite a revenue decrease. Labor costs decreased by 4.98 percent the following year. In the current school year 2013-14, no additional staff members have been added although a labor intensive service, breakfast-in-the-classroom was initiated.
- Non-food costs as a percentage of revenue increased by 0.92 percent from school years 2010-11 to 2011-12 despite a revenue decrease; non-food costs decreased by 0.78 percent the following year.

**FIGURE 11-3**  
**FREER ISD COMPARISON OF FOOD SERVICE REVENUE AND EXPENDITURES**  
**SCHOOL YEARS 2010-11 TO 2012-13**



SOURCE: Legislative Budget Board, Freer ISD Business Director Interview, October 2013.

- Profits decreased significantly from the school years 2010–11 and 2011–12 from \$62,638 (12.55 percent of revenue) to \$25,473 (5.62 percent of revenue). The reduction in dollar value is consistent with the \$45,695 decrease in revenue. The following year profits continued to decrease to \$22,884 (4.68 percent of revenue).

Traditional industry standards for the percentage of revenue identified for food, labor, and non-food costs are changing due to the initiation of the new meal patterns. *Managing Child Nutrition Programs, Leadership for Excellence, Second Edition, December 2007*, states the following.

Food cost includes food purchased, donated commodities, and food production supplies. Food expenditures amount to approximately 40 percent to 50 percent of the school district’s food service programs budget, which is the generally accepted guideline.

This percentage has increased in recent years and may increase again next year. Although the U.S. Department of Agriculture (USDA) has added \$0.06 reimbursement per meal for certified districts implementing the federal Healthy, Hunger-Free Kids Act of 2010, schools are reporting that the new requirements are adding an estimated \$0.25 or more per meal to food costs.

Freer ISD has not analyzed the CNP to determine the percentage of revenue that should be budgeted for each of the three categories of expenditures (food, labor, and non-food). The cafeteria director does not participate in the development of the department budget and she is unaware of any budgetary restraints. She has not calculated the funds

available per average meal served based on revenue generated by each of the three categories of federal funding; free, reduced-price, and paid for breakfast and lunch. There are no standards developed to calculate acceptable meals-per-labor-hour produced in the Freer ISD kitchens based on current services provided. Management decisions are not based on resources available. The cafeteria director is unaware of the ongoing financial status of the programs and would not become aware of any losses incurred by the programs until the end of the school year when it is too late to take any corrective action on deficit spending.

Most CNP school districts find it difficult to generate any profit as prices on goods and services continually rise, and in recent years, the USDA expectations in program improvement has risen. Based on Freer ISD’s reported numbers in **Figure 11–4**, the district has reported profits in each of the past three years. However, profits have decreased from 12.5 percent to 4.7 percent of revenue during this period.

**Figure 11–4** shows the food, labor, and non-food expenditures and profit as a percentage of revenue for school years 2012–13, 2011–12, and 2010–11.

Best practices dictate that school districts perform an annual cost analysis of their CNP to determine the need for increased pricing, and to project expenditures for the following year based on anticipated student participation in the CNP. The standards for expenditures are conventionally expressed and tracked for food, labor, and non-food as a percentage of revenue. Each district must develop its own percentages based on a variety of district-specific factors including, but not limited to, the amount of purchased-prepared food

**FIGURE 11–4**  
**FREER ISD OPERATING COSTS AS A PERCENTAGE OF REVENUE**  
**SCHOOL YEARS 2012–13, 2011–12, AND 2010–11**

EXPENDITURES	2012–13	PERCENTAGE OF REVENUE	2011–12	PERCENTAGE OF REVENUE	2010–11	PERCENTAGE OF REVENUE
Food	\$258,048	52.79%	\$209,051	46.10%	\$220,382	44.15%
Labor	\$200,815	41.08%	\$208,920	46.07%	\$209,708	42.01%
Non-food	\$7,036	1.44%	\$10,065	2.22%	\$6,476	1.30%
<b>Total</b>	<b>\$465,899</b>	<b>95.32%</b>	<b>\$428,036</b>	<b>94.38%</b>	<b>\$436,566</b>	<b>87.45%</b>
REVENUE	2012–13		2011–12		2010–11	
Federal	\$384,652		\$334,035		\$358,016	
State	\$2,590		\$2,479		\$2,438	
Local	\$101,541		\$116,995		\$138,750	
<b>Total</b>	<b>\$488,783</b>		<b>\$453,509</b>		<b>\$499,204</b>	
Profit	\$22,884	4.68%	\$25,473	5.62%	\$62,638	12.55%

SOURCE: Legislative Budget Board, Freer ISD Business Director Interview, October 2013.

versus cooked from scratch food used in the operations; whether or not food is prepared on-site or transported; the number of choices offered; and if the district is washing dishes or using disposables.

Freer ISD should develop standards for CNP expenditures (food, labor, and non-food) as a percentage of revenue.

Using those standards, the district should track profit and loss for the CNP and routinely report current and accurate information to the cafeteria director; this information would serve as a basis for management decisions. Using the cost analysis of CNP operations, the district should develop the standards for the percentage of revenue available for food, labor, and non-food expenditures. The cafeteria director should be involved in the development of the standards-based CNP budgets. Profit and loss should be tracked throughout the year in monthly increments. For example, food costs will be a high percentage of revenue during the beginning of the school year in that inventory is being built. At the end of the school year, when inventory is being exhausted, the percentage of revenue spent on food will reduce significantly. The end-of-year totals will indicate if the district set realistic standards and if the operations were successful. The district can use this information to plan and make future management decisions.

This recommendation can be implemented using existing resources.

#### **COLLECTION PROCEDURE FOR BREAKFASTS SERVED IN THE CLASSROOM (REC. 53)**

Freer ISD did not secure approval from the Texas Department of Agriculture (TDA) for an alternate Point-of-Service (POS) collection method used for counting and claiming breakfasts served in the classrooms. The methods used are not consistent with TDA requirements and increase the risk of inaccurate claims of reimbursable breakfasts served.

A reimbursable lunch as offered is composed of five components; meat/meat alternate, vegetable, fruit, grain, and milk; as selected, the meal must contain three of the five offered components. One of the choices selected must be at least a half-cup serving of the fruit or vegetable component or a half -cup total serving of both fruit and vegetable. A reimbursable breakfast as offered is composed of grain (one or two servings) (meat/meat alternate is optional once the minimum daily grain requirement is fulfilled), fruit or vegetable, and milk. A student may refuse one of the breakfast

components and still have selected a reimbursable meal. The student must make the selection; it cannot be made for them.

The POS collection procedure described in the current Attachment B of the Free and Reduced-Price Meals Policy A statement dated October 24, 2012, states that breakfasts for all schools are served in the cafeteria and that the count is taken at the cash register by a cashier using a coded identification card or number on a key pad, as it is for lunch. However, the district no longer serves breakfast in the cafeteria; it is served in classrooms. In addition, the count is no longer taken at the cash register by the cashier; it is taken in the classrooms by the teachers who check student names off a class list.

POS means that point in the food service operation where a determination can accurately be made that a reimbursable free, reduced-price, or paid meal has been served to an eligible child. None of the counts taken in any of the classrooms in any of the three Freer ISD schools complied with the POS requirement. Teachers indicated that they did not understand what a reimbursable breakfast must contain to be counted and claimed. Most teachers who were interviewed stated that it was their understanding that if the student was present, he or she was to be given a breakfast and counted, without regard to what menu items the student selected.

Most teachers checked off the names of students in attendance at the end of the breakfast period, indicating that each student had selected a reimbursable breakfast. This practice did not account for students who selected nothing, or selected one or two components of the breakfast. During the onsite review team's site visit, some students at the elementary school were observed selecting only a biscuit and sausage sandwich and leaving the milk and juice. Other students were observed at the high school selecting less than three components of the breakfast; for example, selecting only the waffles; and in another example, selecting only the juice and milk. Each of these students was counted, and the meals were claimed for reimbursement. Teachers have not been given district procedures that document how the breakfast POS counts should be recorded.

Meals claimed using an inaccurate procedure for counting and claiming may be subject to reclaim based on the findings of a TDA administrative review. If the district does not submit a revised POS collection procedure for approval to TDA, and implement the procedure successfully, it may put the district at risk related to its federal reimbursement.

Districts are required to have an approved POS counting and claiming procedure in place.

A best practice many school districts use is to train teachers at the beginning of the school year on the breakfast-in-the-classroom collection procedures. This training ensures that the teachers perform the counting and claiming procedure in the classroom as it is recorded in the district’s Attachment B of the Free and Reduced-Price Meals Policy Statement approved by TDA. Additional training materials often include possible student selections for each daily menu and whether or not each potential combination is reimbursable. Instructional materials should be reviewed and additional training provided, as necessary.

**Figure 11–5** shows an example of an instructional tool that teachers can use to determine if a student’s selections qualify as a reimbursable meal. This breakfast menu includes two waffles; half a cup of 100 percent fruit juice; one banana; and half a pint of milk. The fruit and fruit juice are two menu items; however, they are only one component, fruit. Therefore, when fruit and fruit juice are selected with milk, the breakfast is not reimbursable unless the waffle is also selected. In this menu, if the student selected only one menu item, the selection would not be reimbursable.

School districts participating in the CNP must ensure that the meals claimed for reimbursement are based on an accurate count of qualifying meals served. The collection method used for counting reimbursable meals must be taken at the POS, approved by TDA, included in the district’s policy statement, and implemented as written.

Freer ISD should submit for approval to TDA, a revised POS Free and Reduced-Price Meals Policy Statement, Attachment B, collection procedure for breakfast-in-the-classroom served at all district schools. The cafeteria director should develop a POS collection procedure for use at breakfast in all district classrooms, and submit it to TDA for approval. The cafeteria director should also develop sufficient training materials as

reference for both regular and substitute teachers to ensure staff has adequate information to perform the collection procedure accurately. The approved procedures should be enacted immediately, once approval is granted. The cafeteria director should regularly visit classrooms during breakfast service to monitor implementation, ensuring to regularly visit classrooms with substitute teachers.

This recommendation can be implemented using existing resources.

**MEAL PATTERN REQUIREMENTS (REC. 54)**

Freer ISD claimed reimbursement for breakfasts and lunches that did not comply with meal pattern requirements as served.

On October 15, 2013, the onsite review team observed breakfast-in-the-classroom at Norman Thomas Elementary School. Four classrooms were visited, and each classroom teacher reported that the food service staff does not leave enough milk to provide one serving to each student who wants one. Although under Offer Versus Serve (OVS) students may refuse any of the offered components of the breakfast, including milk, the school must ensure that the last student making a selection has an opportunity to select all of the components. Based on historical usage data, food service may provide a classroom with fewer servings of less popular menu items; however, if the classroom runs out, additional servings must be secured immediately so that every student has the opportunity to select the complete breakfast. There was no such system in place, and classrooms did run out of milk. The count for total students and milk servings for the four visited classrooms was as follows: 68 total students; 43 servings of milk delivered; 23 servings of milk short. As a result, 34 percent of the students claimed by the district were missing the opportunity to select milk. At the end of the serving period, 92 servings of milk were returned from the classrooms. There was enough milk available, but not in the classrooms that needed it. According

**FIGURE 11–5  
EXAMPLE OF STUDENT BREAKFAST SELECTIONS THAT QUALIFY AS A REIMBURSABLE MEAL**

MENU	COMPONENT	STUDENT SELECTIONS				
Waffle	2 servings of grain	X	X	X		X
Juice	1/2 cup fruit	X			X	X
Banana	1/2 cup fruit		X		X	X
Milk	1 half-pint milk			X	X	X
<b>Reimbursable Selection?</b>		<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>

SOURCE: Legislative Budget Board, School Review Team, October 2013.

to a district employee, the problem occurred again later in the week.

Of the meals observed, 34 percent of the students missed the opportunity to select milk. **Figure 11–6** shows the dollar value of the reimbursement claimed for the elementary school breakfast on October 16, 2013. If 34 percent of the meals were reclaimed for the day due to noncompliance with meal pattern requirements, Freer ISD would owe \$322.02 (\$947.12 daily breakfast reimbursement x 34 percent missing milk).

**FIGURE 11–6  
FREER ISD DAILY BREAKFAST CLAIM FOR NORMAN  
THOMAS ELEMENTARY SCHOOL  
OCTOBER 16, 2013**

CATEGORY	ESTIMATED COUNT OF MEALS	REVENUE PER MEAL	TOTAL REVENUE
Free	409	\$1.89	\$773.01
Reduced-Price	69	\$1.59	\$109.71
Paid	230	\$0.28	\$64.40
<b>Total for the Day</b>	<b>708</b>		<b>\$947.12</b>

SOURCE: Legislative Budget Board, Freer ISD Daily Record of Meals Served, October 2013.

On October 17, 2013, the onsite review team accompanied by the Freer ISD business director observed an estimated 50 students selecting only the five inch round pizza at the high school during lunch. Although the cashiers encouraged students to return to the cafeteria line and select a fruit or vegetable component to complete the lunch, many students refused. The cashiers did not follow the district procedure and charge the meals as a la carte sales; instead the meals were counted as reimbursable meals.

According to new meal pattern regulations, to claim a reimbursable lunch the student must select at least half-a-cup of fruit or vegetable as one of the three required components of the lunch. These incomplete meals were counted as reimbursable meals served even though they did not contain the necessary components to be claimed.

An estimated 50 students who did not select a serving of fruit or vegetable were claimed as having a reimbursable lunch on the day of the high school review. **Figure 11–7** shows the dollar value of the estimated over claim for the day.

If students fail to select a fruit or vegetable with a menu item, such as pizza, once per week the district is over claiming by \$3,261.60 annually (\$90.60 x 36 weeks=\$3,261.60).

**FIGURE 11–7  
FREER ISD OVERCLAIM FOR 50 HIGH SCHOOL MEALS  
MISSING THE VEGETABLE OR FRUIT COMPONENT  
OCTOBER 17, 2013**

CATEGORY	ESTIMATED COUNT OF MEALS	REVENUE PER MEAL	TOTAL REVENUE
Free	24	\$3.01	\$72.24
Reduced-Price	4	\$2.61	\$10.44
Paid	22	\$0.36	\$7.92
<b>Total for the Day</b>			<b>\$90.60</b>

SOURCE: Legislative Budget Board School Review Team, USDA Reimbursement Rates for Child Nutrition Programs, October, 2013.

Best practices require that all meals served and claimed for reimbursement meet meal pattern requirements as offered and as served. Sufficient components must be available for selection and be selected by the student before the meal may be counted and claimed.

Freer ISD should ensure that each student has all of the required components of a reimbursable meal available for selection, and that each student’s selection is evaluated at the POS to determine that sufficient components have been selected before the meal is counted and claimed for reimbursement. The district can accomplish this by taking the following steps:

1. Develop a written procedure for teachers to follow when their classroom does not have a sufficient number of servings of each component of the breakfast meal to serve all students.
2. Prepare the cafeteria staff to be prepared to quickly deliver the additional needed servings to classrooms.
3. Raise the a la carte prices of individual entrees to exceed the cost of a unit-priced reimbursable meal. Students selecting, for example, only a serving of pizza as was observed on the day of the review, should be charged a higher a la carte price because the district is losing the federal reimbursement for the meal by not claiming it.

This recommendation can be implemented using existing resources.

**STUDENT MEAL PRICING (REC. 55)**

Freer ISD has not analyzed whether the adult breakfast, and paid-student breakfast and lunch prices cover the cost of producing and serving the meals.

**Figure 11–8** shows student and adult meal prices for school year 2013–14 at Freer ISD and six local school districts. Of the seven districts surveyed, Freer ISD is one of five that provides a universal breakfast for all students. The percentage of students approved for free and reduced-priced meals in the other four districts is unknown. These universal programs may be self-sustaining or the districts may also be supplementing the SBP from local funds.

Of the six other school districts surveyed:

- five have a higher student lunch price, one is free;
- two have a higher student breakfast price, four districts also have a universally free breakfast; and
- five have a higher adult breakfast price, and one is lower.

The highest student lunch price of the districts surveyed was \$2.50 for high school at Uvalde CISD; the highest adult lunch price is \$3.50 in Beeville ISD. The highest student breakfast price was in Muleshoe ISD at \$2.00; and adult breakfast was in Uvalde CISD at \$2.50.

**Figure 11–9** shows the current Freer ISD pricing as compared to the revenue generated by free breakfast and lunch reimbursement. This figure shows that the district is reimbursed \$1.89 for every student who qualifies for free breakfast and \$3.01 for free lunch. These reimbursement rates may exceed the revenue generated by students who qualify for reduced price breakfast and lunch, as well as students and staff who pay full price for meals.

**Figure 11–10** shows the daily projected revenue if the price of a paid-student lunch were increased by \$1.40 to be equal to the reimbursement for a free or reduced-price lunch; and the projected revenue if the price of a paid-student lunch were increased by \$0.25 to \$1.50.

**Figure 11–10** shows that when the student-paid lunch price is raised by \$1.40 (\$1.25 current price + \$1.40 increase + \$0.36 reimbursement = \$3.01) to generate the same revenue as a free or reduced-price meal, the annual increase in revenue is \$51,660.00 (\$2,093.74 projected daily revenue minus \$1,806.74 current daily revenue = \$287.00 daily increase x 180 days = \$51,660.00 annual increase).

Freer ISD raised the paid-student lunch price by \$0.25 for the school year 2013–14 from \$1.00 to \$1.25. If the district determines that the community would not accept a \$1.40 increase and that an additional \$0.25 is more reasonable, the annual increase would be \$9,225.00 annually (\$1,857.99 projected daily income minus \$1,806.74 current daily income = \$51.25 daily increase x 180 days = \$9,225.00 annual increase).

**Figure 11–11** shows current daily breakfast revenue; the projected revenue when the price of a paid-student breakfast is increased to \$1.61 and a reduced-price breakfast is increased to \$0.30 to equal the reimbursement for a free breakfast; and the projected revenue when the price of a paid-student lunch is increased to \$1.00 and reduced-price breakfast is increased to \$0.15.

**FIGURE 11–8  
COMPARISON OF FREER ISD SCHOOL SURROUNDING DISTRICTS MEAL PRICES  
SCHOOL YEAR 2013–14**

SCHOOL DISTRICT	LUNCH			BREAKFAST		
	REDUCED-PRICE	PAID ALL SCHOOLS ELEMENTARY/ HIGH SCHOOL	ADULT STAFF/ VISITOR PRICE	REDUCED-PRICE	PAID ALL SCHOOLS	ADULT STAFF/ VISITOR PRICE
Freer ISD	\$0.40	\$1.25/\$1.25	\$3.25	Free	Free	\$1.25
Beeville ISD	\$0.40	\$2.00/\$2.25	\$3.50/\$4.00	Free	Free	\$2.00
Benavides ISD	Free	Free	\$3.50	Free	Free	\$2.00
Cuero ISD	\$0.40	\$2.25	\$2.85	\$0.30	\$1.00	\$1.40
Muleshoe ISD	\$0.40	\$2.50	\$3.75	\$0.30	\$2.00	\$2.00
Uvalde CISD	\$0.40	\$2.25/\$2.50	\$3.85	Free	Free	\$2.50
Gonzales ISD	\$0.40	\$1.85/\$2.10	\$3.00/\$3.05	Free	Free	\$1.05/\$1.35

SOURCE: Legislative Budget Board, Peer District websites and telephone interviews with District Representatives, October 2013.

**FIGURE 11–9  
FREER ISD PAID-STUDENT AND ADULT MEAL PRICES COMPARED TO TOTAL REVENUE GENERATED BY FREE BREAKFAST AND LUNCH REIMBURSEMENT  
SCHOOL YEAR 2013–14**

<b>BREAKFAST</b>					
<b>CATEGORY OF MEAL BENEFITS</b>	<b>PAID PRICE</b>	<b>REIMBURSEMENT</b>	<b>\$0.06 CERTIFIED*</b>	<b>TOTAL PER MEAL REVENUE</b>	<b>DIFFERENCE BETWEEN REIMBURSEMENT FOR FREE MEALS AND TOTAL REVENUE</b>
Free	\$0.00	\$1.89	N/A	\$1.89	\$0.00
Reduced-Price	\$0.00	\$1.59	N/A	\$1.59	(\$0.30)
Paid	\$0.00	\$0.28	N/A	\$0.28	(\$1.61)
Paid Adult	\$1.25	\$0.00	N/A	\$1.25	(\$0.64)
<b>LUNCH</b>					
Free	\$0.00	\$2.95	\$0.06	\$3.01	\$0.00
Reduced-Price	\$0.40	\$2.55	\$0.06	\$3.01	\$0.00
Paid	\$1.25	\$0.30	\$0.06	\$1.61	(\$1.40)
Paid Adult	\$3.25	\$0.00	\$0.00	\$3.25	\$0.24

NOTE: U.S. Department of Agriculture has added \$0.06 reimbursement per meal for certified districts implementing the federal Healthy, Hunger-Free Kids Act of 2010. Schools are reporting that the new requirements are adding an estimated \$0.25 or more per meal to food costs.  
SOURCE: Freer ISD, Food Service Department, School Year 2013–14.

**FIGURE 11–10  
FREER ISD DAILY INCREASED REVENUE AS A RESULT OF INCREASING STUDENT LUNCH PRICES  
SCHOOL YEAR 2014–15**

<b>CATEGORY OF MEAL BENEFITS</b>	<b>ADP</b>	<b>CURRENT</b>		<b>PROJECTED \$1.40 INCREASE IN PAID-STUDENT MEAL PRICE</b>		<b>PROJECTED \$0.25 INCREASE IN PAID-STUDENT MEAL PRICE</b>	
		<b>REVENUE PER MEAL</b>	<b>TOTAL REVENUE</b>	<b>REVENUE PER MEAL</b>	<b>TOTAL REVENUE</b>	<b>REVENUE PER MEAL</b>	<b>TOTAL REVENUE</b>
Free	404	\$3.01	\$1,216.04	\$3.01	\$1,216.04	\$3.01	\$1,216.04
Reduced-Price	65	\$3.01	\$195.65	\$3.01	\$195.65	\$3.01	\$195.65
Paid	205	\$1.61	\$330.05	\$3.01	\$617.05	\$1.86	\$381.30
Paid Adult	20	\$3.25	\$65.00	\$3.25	\$65.00	\$3.25	\$65.00
Daily Revenue			\$1,806.74		\$2,093.74		\$1,857.99
Total Meals	694						
Average Daily Revenue per Lunch			\$2.60		\$3.01		\$2.68
Increased Daily Revenue					\$287.00		\$51.25
Increased Annual Revenue					\$51,660.00		\$9,225.00

NOTE: Totals may be approximate due to rounding.  
SOURCE: Freer ISD Food Service Department, October 2013.

Figure 11–11 shows that when the student-paid breakfast price is raised to \$1.61 to generate the same amount of revenue as a free or reduced-price breakfast, the annual increase in revenue is \$70,380.00 (\$1,338.12 projected daily revenue minus \$947.12 current daily revenue = \$391.00 daily increase x 180 days = \$70,380.00). If the district raised the paid-student breakfast price to \$1.00 and the reduced-price breakfast price to \$0.15 the annual increase in revenue is \$43,263 (\$1,187.47 projected daily revenue minus

\$947.12 current daily revenue = \$240.35 per day x 180 days = \$43,263).

The significance of the average daily revenue per breakfast (\$1.34) or lunch (\$2.60) in Figures 11–10 and Figure 11–11 is that these are the available funds to cover the food, labor and non-food costs of preparing and serving the meal.

**FIGURE 11–11**  
**FREER ISD DAILY INCREASED REVENUE AS A RESULT OF INCREASING STUDENT BREAKFAST PRICES**  
**SCHOOL YEAR 2014–15**

CATEGORY OF MEAL BENEFITS	ADP	CURRENT		PROJECTED \$1.61 INCREASE IN PAID-STUDENT MEAL PRICE		PROJECTED \$1.00 INCREASE IN PAID-STUDENT MEAL PRICE	
		REVENUE PER MEAL	TOTAL REVENUE	REVENUE PER MEAL	TOTAL REVENUE	REVENUE PER MEAL	TOTAL REVENUE
Free	409	\$1.89	\$773.01	\$1.89	\$773.01	\$1.89	\$773.01
Reduced-Price	69	\$1.59	\$109.71	\$1.89	\$130.41	\$1.74	\$120.06
Paid	230	\$0.28	\$64.40	\$1.89	\$434.70	\$1.28	\$294.40
Paid Adult	0	\$1.25	\$0.00	\$1.89	\$0.00	\$1.89	\$0.00
Total Meals	708						
Daily Revenue			\$947.12		\$1,338.12		\$1,187.47
Average Daily Revenue per Breakfast			\$1.34		\$1.89		\$1.68
Increased Daily Revenue					\$391.00		\$240.35
Increased Annual Revenue					\$70,380.00		\$43,263.00

SOURCE: Freer ISD Food Service Department, October 2013.

Freer ISD is serving universally free breakfast-in-the-classroom; these are two programs that can be offered in tandem, or if universally free is not financially self-sustaining, the district could offer breakfast-in-the-classroom and charge the paid and reduced-price students. The district receives \$1.89 for a free breakfast. Assuming Freer ISD applies the cost shown in **Figure 11–4** for school year 2012–13, 52 percent food cost, a 41 percent labor cost, and a 1.44 percent non-food cost, the breakfast costs the district \$1.78 to prepare and serve. The federal reimbursement for a paid breakfast is \$0.28; the district is losing \$1.50 for every paid student provided a meal. The ADP for paid meals during the month of September 2013 was 230. On those paid meals the loss to the district was \$345 daily (230 ADP x \$1.50 loss per paid breakfast = \$345 daily loss x 180 days = \$62,100 annual loss). Using the same formula, the district is losing \$0.19 on each reduced-price breakfast (\$1.78 cost to prepare and serve breakfast - \$1.59 federal reimbursement for reduced-price breakfast = \$.19). The ADP for reduced-price breakfasts for September 2013 was 69. (69 x \$0.19 loss on each breakfast = \$13.11 daily loss x 180 days = \$2,359.80 annual loss.) Combined, it amounts to a \$64,459 annual loss from providing a universally free breakfast.

If the district does not raise prices of paid student meals as necessary to cover all of the costs of producing and serving these meals, and allow students to refuse the breakfast they do not intend to eat, Freer ISD will continue to lose funds on reduced-price and paid meals served.

The USDA interim rule entitled, *National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010* requires school food authorities (SFA) participating in the National School Lunch Program (NSLP) to ensure sufficient funds are provided to the nonprofit school food service account for lunches served to students not eligible for free or reduced-price meals. There are two ways to meet this requirement: either through the prices charged for paid lunches or through other non-federal sources provided to the nonprofit school food service account.

SFA must annually review their paid lunch revenue to ensure compliance with the paid lunch equity requirement. When the average paid lunch price is less than the difference between the free and paid federal reimbursement rates, the SFA must determine how they will meet the requirement—by increasing their average paid lunch price or providing funds from non-federal sources.

Since the purpose of federal assistance is to safeguard the health and well-being of the nation's children, meals served to adults are neither eligible under the authorizing legislation and regulations for federal cash reimbursement, nor do they earn USDA Foods for the SFA. SFAs must ensure, to the extent practicable, that the federal reimbursements, children's payments, and other non-designated non-profit CNP revenues do not subsidize program meals served to adults.

Breakfasts and lunches served to teachers, administrators, custodians, and other adults must be priced so that the adult

payment in combination with any other revenues (i.e., school subsidizing as a fringe benefit) is sufficient to cover the overall cost of the lunch, including the value of any USDA Foods, entitlement, or bonus, used to prepare the meal. If cost information is not available, the district must ensure the minimum adult payment includes the cost of the students' full-price meal, the current value of federal reimbursement, and the current value of USDA Foods for a meal. An audit trail must document these other revenues.

The cost of adult meals must not be less than the actual cost of providing the meals. However, if meals are included as a fringe benefit or offered as part of the salary arrangement for non-Cafeteria staff, the school must provide enough money from non-CNP funds to the CNP account to pay the cost of these adult meals. Also, an audit trail must be documented.

School districts across the nation are beginning to serve breakfast-in-the-classroom to increase accessibility to breakfast for students at all income levels. A large percentage of districts do not provide this service at no cost. Each district must determine if a universally free program is fiscally self-sustaining, fiscally responsible, and if the programs must be supplemented from outside sources.

Best practices dictate that meal prices are reviewed each year after the USDA releases its reimbursement rates. Small price increases made annually are less difficult to present to parents than large increases introduced less often.

Freer ISD should analyze the CNP revenues and operating costs to ensure student meal prices cover the cost of meal production. The district should base the increases in the price of student-paid meals on program revenue versus expenditures. Once a decision is made on whether or not to continue the universally free breakfast program and/or to raise paid-student lunch prices, the business director and the cafeteria director should work together to define any budgetary limitations based on anticipated revenue levels.

The fiscal impact assumes an increase in revenue due to increasing student and adult full-price meal pricing. The fiscal impact assumes the district will enact conservative price increases. **Figure 11–10** shows when the student-paid lunch price is raised by \$0.25, the annual increase in revenue is \$9,225 and **Figure 11–11** shows that when the student-paid breakfast price is raised to \$1.00 the annual increase in revenue is \$43,263. \$9,225 lunch increased by \$0.25 + \$43,263 breakfast increased to \$1.00 = \$52,488 total annual increase in revenue. \$52,488 \*5 years = \$262,440.

### **STANDARDIZED RECIPES AND FOOD PRODUCTION RECORDS (REC. 56)**

Freer ISD does not ensure that cafeteria staff are consistently following standardized recipes and maintaining complete and accurate food production records as required by CNP regulations.

Documentation necessary to support that meals served and claimed met meal pattern requirements and were reimbursable include standardized recipes, complete and accurate food production records, and child nutrition labels or product analysis sheets for purchased-prepared products contributing to the meal pattern; this includes meat/meat alternates, some fruits (such as frozen juice bars or sherbet), and some whole grain products.

Standardized recipes ensure product quality, accurately predict the number of yield portions, and document the nutritional analysis of a portion of the product and the contributions of the menu item to the meal patterns.

Although the Freer ISD kitchen has standardized recipe files, it was observed that they were not used in food production. This is not uncommon in that many preparations done in school kitchens are routine; employees often neglect to pull the recipe believing they know how to do the preparation without written direction. As this action is repeated, the recipe changes, including the quality of the end product, the nutrient content, the yield, and the contribution to the meal patterns.

The following is an excerpt from the TDA *Administrator's Reference Manual, July 2013*:

All school districts must develop and follow standardized recipes. Standardized recipes and preparation techniques must be used when planning and serving reimbursable meals. In order to qualify as a standardized recipe, a recipe must have an established and specified yield, portion size, and quantity. In addition, the ingredients must be constant in measurement and preparation.

Standardized recipes developed by USDA are in the child nutrition database. Examples of standardized recipes are included in the USDA quantity recipes for schools and the new school lunch and breakfast recipes...a toolkit for healthy school meals. Schools may also use local or state standardized recipes. If a school uses its own recipes, the recipes must be added to its local database of recipes.

Not only is Freer ISD not consistent with CNP requirements, but the district is missing the benefits provided by this important kitchen tool. When standardized recipes are employed, they improve many aspects of the CNP operations. In addition to providing required documentation, standardized recipes simplify purchasing procedures, reduce the amount of unnecessary inventory, and eliminate excessive amounts of leftovers. Recipes ensure customers receive the same high quality product each time they select a particular menu item no matter who has done the preparation. Use of standardized recipes increases employee confidence and provide clear, concise directions that cover all aspects of production.

When standardized recipes are not used, there is no assurance that the formula actually used met the students' nutritional needs, or the meal pattern requirements. Recipes that individual cooks have committed to memory provide no documentation of the contribution of the product that was served.

Effective districts maintain complete and accurate food production records for all meals claimed for reimbursement. These records demonstrate how the food items offered contribute to the required components of the meal patterns for each age/grade group. Food production records and standardized recipes are both based on the FBG. Therefore, in a well-developed production system, standardized recipes and food production records are used together to plan, execute, serve, and document the meal served and claimed.

The required information on a food production record includes:

- name of school;
- date of service;
- menu;
- portion size by grade level, adult, and a la carte for each menu item;
- number of planned servings by adult, a la carte, and student by grade level of each menu item;
- amount prepared in purchase units (e.g., lb, #10 cans, gal., qt., cases) of contributing ingredients of each menu item;
- number of students, adult, and total meals served; and
- amount left over or short.

Freer ISD maintained complete and accurate food production records for the meals served during August 2013; however, many of them were incomplete for September 2013 and none of them were complete for October 2013. Although all required food production information is important, the number of planned and served adult and student meals by grade level, the amount of food prepared in purchase units; and the amount of food leftover or discarded are all required to make the determination if the meal contributed to reimbursement as planned. All Freer ISD food production records had the planning information included; however, the actual amount of food produced, number served, and amount leftover or discarded was not recorded on records identified as incomplete.

During a TDA review, the reviewer uses standardized recipes and completed food production records to determine that meals claimed for reimbursement contain food items and components in sufficient amounts as required by program regulations. During an administrative review, the district is at risk related to its claims if a school's production records for previously served menus indicate meals were missing components, were offered in insufficient portion sizes, or if there is not enough information recorded to make the determination.

Best practices dictate that kitchen staff always use standardized recipes and keep accurate food production records. These records show that the meals served and claimed for federal reimbursement meet the requirements of the NSLP and SBP meal patterns. More importantly, recordkeeping is an integral part of a food production system that allows for more accurate planning.

Freer ISD should use standardized recipes for every meal preparation, and record all required information to document that the meals served and claimed for reimbursement met requirements, as well as for developing future menus. The cafeteria staff should use standardized recipes and complete and accurate food production records. The cafeteria director should develop and continually refine the Freer ISD food production system. The director should write the cycle menu based on student preferences, reducing the number of choices offered each day and increasing the variety of items offered over each week. The director should secure a standardized recipe for every preparation and move it to an active kitchen file. The cafeteria director should pull needed recipes each afternoon for morning preparations. If a recipe is adjusted, the changes should be recorded.

Additionally, the cafeteria director should predict the number of servings of each menu item will be needed based on popularity and record it on the food production record. On the day of production, staff should accurately record on the food production record the actual quantity of foods used throughout the preparation period in purchase units (i.e., pounds of ground beef, cans of peaches, or gallons of pickles). The director and staff should strive to document food production in a manner that will serve as a basis for planning production the next time that menu is served. At the end of the day, the amount of each food left over should be closely monitored and recorded on the food production record. Each time the menu is served, the staff should try to reduce the amount of leftover food. Batch cooking will support that effort. If foods are discarded, a running tally of the cost of those foods should be kept and shared with staff.

Once the menu cycle has been completed for the first time, the cafeteria director should conduct a planning session with staff to establish the amount of each food to be prepared based on student selections in the first cycle; the same process may be used to further refine the forecasted choices each time the menu is served.

This recommendation can be implemented using existing resources.

#### **OFFER VERSUS SERVE (REC. 57)**

Freer ISD has not properly implemented the *Offer versus Serve* (OVS) provision of the School Breakfast Program (SBP) and National School Lunch Program (NSLP) in all district schools at all age/grade levels.

OVS allows students to decline some of the food offered in a reimbursable breakfast or lunch. The goals of OVS are to reduce food waste and to permit students to choose the foods they want to eat. Because students may choose fewer selections under OVS, USDA guidance is provided on what constitutes a reimbursable lunch and breakfast. Although the district has established OVS at all grade levels in all schools throughout the district, it has not been implemented properly. Breakfast, which is served in the classrooms, is sometimes selected by the students and sometimes all available components are given to students, particularly in the lower grades at the elementary school.

Best practices dictate that in an effort to reduce food waste, schools should provide students with acceptable menu items that they enjoy, and allow students to refuse foods they do not intend to eat. Anyone responsible for taking the meal

count must be made aware of what a student must select in order for the meal to be reimbursable.

Freer ISD should correctly implement the OVS provision for breakfast and lunch in all grade levels in all district schools. The cafeteria director should train all employees who are responsible for distributing and counting reimbursable meals on the proper implementation of OVS. The director should monitor classroom procedures to ensure that only reimbursable meals are claimed. The district should consider raising the a la carte prices of menu items to encourage students to select a unit-priced meal.

This recommendation can be implemented using existing resources.

#### **LABOR COST AND PRODUCTIVITY (REC. 58)**

Freer ISD has not developed a staffing formula based on productivity to determine the number of labor hours necessary to operate the kitchens.

During September 2013, Freer ISD's ADP was 671 for lunch and 708 for breakfast. An accurate value of additional income from a la carte sales is unknown because cashiers have not been recording all of these sales on the cash register. For the purposes of this analysis based on review team observations and discussion with food service staff, an estimated value of \$200 will be used. At the time of the onsite review team's site visit, the district was not participating in the After School Snack Program; however, the district anticipates that this program will begin in December 2013. Once the program begins, the kitchen will also be producing snacks.

The kitchen is staffed with nine employees working a total of 67 hours daily; this total does not include any scheduled kitchen duties for the cafeteria director. Six of the employees work eight hours; two work seven hours; and one works five hours.

In school year 2013–14, the district began providing breakfast-in-the-classroom service to all students in the district. The cafeteria director and staff are now questioning if there are sufficient labor hours to produce the meals required. Staff members indicated that they feel rushed, and when there is an unexpected disruption in the production day, it is difficult to recover. Although not scheduled to work in the kitchen, the cafeteria director often helps during peak production periods.

Meals-per-labor-hour (MPLH) is a productivity index that is measured by dividing the total meal equivalents (ME) for a

given period of time by the total number of productive paid labor hours for the same period. Productive labor hours are the actual hours assigned to a kitchen and include all labor charged to and paid for by the CNP for work performed.

The common measure for productivity in school kitchens is MPLH, the meal being one reimbursable lunch. All other sources of revenue such as reimbursable breakfasts, snacks, a la carte, and catering sales are converted to the equivalent of one reimbursable lunch or a ME. Food service directors and school business managers use ME as the unit measure of productivity for school food service programs when evaluating efficiency and formulating staffing patterns for the purpose of budgeting. MEs are determined from meal count categories and other sources of revenue using the following factors, rounded to nearest whole number:

- Lunch: 1 lunch = 1 ME
- Breakfast: 3 breakfasts = 2 ME (factor – 0.67)
- Snack: 3 snacks = 1 ME (factor – 0.33)
- Non-reimbursable food sales (a la carte and catering): Dollar amount divided by total free reimbursement (\$3.01 + USDA commodity assistance value \$0.2325 = \$3.2425)

**Figure 11–12** shows the calculation of the current MPLH produced by the FISD kitchens.

One of the important decisions any school nutrition director must make is how to lessen the impact of MPLH on the cost effectiveness of the school meals program. Determining staffing needs is not always the application of a simple formula. Many things may impact staffing in the CNP.

Possible criteria used to determine labor needs include the:

- Number of meals or MEs served.

- Number and type of services offered. Freer ISD is transporting breakfast meals to each of the school classrooms. It takes additional time to wrap individual servings of food, pack the foods in insulated carriers for each classroom, transport and distribute the carriers, collect the leftover breakfast foods from each classroom, and transport the foods back to the central kitchen.
- Amount of convenience foods used. Freer ISD students and administrators are requesting that more kitchen-prepared foods be included on both the breakfast and lunch menus. Cooking from scratch takes more labor hours than preparing convenience-type menu items.
- Skill level of employees.
- Complexity of menu. Freer ISD has been offering up to as many as six different entrees for the lunch.
- Type of production system. Freer ISD is cooking all foods in the high school kitchen and transporting breakfast to all schools, and lunch to the elementary school where it is served.

Prior to using the MPLH guidelines, a district must identify whether it is using a conventional system or a convenience system of food production. The determining factor is whether the majority of the menu items are kitchen-prepared, purchased-prepared, or partially-prepared. Although the district uses both types of menu items, entree salads and cold sandwiches are offered as a choice each day. These products require time to assemble. The staff is also cooking several entrees per week and intends to do more in the future for both breakfast and lunch.

**FIGURE 11–12  
FREER ISD MEALS-PER-LABOR-HOUR CALCULATION  
SEPTEMBER 2013**

MEAL TYPE	MEALS SERVED	MEAL		ME	DIVIDED BY	LABOR HOURS	MPLH
		EQUIVALENTS	FACTORS				
Lunch	671	1=1	1	671			
Breakfast	708	3=2	0.67	474			
Snack	0	3=1	0.33	0			
A la carte	\$200	Dollar value	/ \$3.2425	62			
				1,207	Divided By	67	18.01

SOURCES: Legislative Budget Board, School Review Team, December 2013; Average Daily Participation (ADP) rates from the Daily Record of Meals Served, September 2013; and factors provided in the National Food Service Management Institute 2010, Financial management: A course for school nutrition directors, University of Mississippi 2014.

Sample staffing guidelines based on MPLH are shown in **Figure 11–13**. These guidelines reflect a highly organized operation with a strong standardized management system in place. Freer ISD is producing approximately 1,200 MEs per day divided by 67 labor hours or approximately 18 MPLH. This rate does not quite meet the expectations of the sample staffing guidelines shown in **Figure 11–13**; however, due to the additional effort and logistics necessary for breakfast and lunch, the number of choices offered each day, and the request for more kitchen-prepared entrees, the decision to whether or not to adjust daily labor hours is a management decision.

**FIGURE 11–13  
FREER ISD SAMPLE STAFFING GUIDELINES  
CONVENTIONAL SYSTEM**

MEAL EQUIVALENTS	LOW MPLH	HIGH MPLH
10 to 100	8	10
101 to 150	9	11
151 to 200	10	12
201 to 250	12	14
251 to 300	13	15
301 to 400	14	16
401 to 500	14	17
501 to 600	15	17
601 to 700	16	18
701 to 800	17	19
801 to 900	18	20
901 and up	19	21

SOURCE: Adapted from School Food Service Management for the 21st Century, Dorothy Pannell-Martin, January 1999.

Due to the economy of scale, as the number of MEs increases, so does the number of MPLH produced. The smaller the number of MEs, the more difficult it is to operate at a break-even point.

The following are other items that impact the workload in the Freer ISD kitchens:

- There are up to six choices of entrees for lunch some days. Some districts offer more variety throughout the week, including at least one popular entree such as a hamburger on bun or pizza each day, and reduce the number of choices offered daily. Each additional preparation takes labor hours to prepare to work, do the work, and clean-up.
- Food production records indicate that the district over produces most menu items daily. The reasons

for overproduction are that employees do not want to run out of any menu item, and there are so many choices it is not easy to predict how many of any one item will be needed on any given day. As the new cycle menu is served, some district record accurate food production information and relying more heavily on historical data to refine the number of servings planned for each menu item each time the menu is recycled. Often, one employee is assigned in the kitchen to batch cook during meal service as product becomes low. These districts are attempting to improve food quality and reduce waste as well as lightening the production workload in the morning. A popular menu item that is easy to prepare could be kept on hand so that if by chance an item runs low, there is a more popular item to substitute early so that the original menu item is still available at the end of the serving period.

- The late hour (9:30 AM) that breakfast is served at the junior high school severely disrupts food production for lunch. When faced with these time management challenges, some districts schedule breakfast service at an earlier time.
- All hot sandwiches are wrapped at the high school which costs two cents each for the foil and takes valuable production time. Often times when hot sandwiches are served in a district, sandwiches are assembled on the serving line eliminating the need to wrap them.
- When the breakfasts were delivered to the high school, it was observed that some of the teachers were not ready to receive the breakfasts when the staff arrived. The staff stood waiting for the teacher to send students out of the classroom to retrieve the breakfasts. Some districts develop a written district policy regarding this issue so that someone is ready to receive the meals when they are delivered.

In addition, the kitchen staff could increase productivity and revenue to justify additional labor hours. The kitchen currently does no catering within or outside the district. Catering to school and community affairs and charging fair market value provides a service to the community and an opportunity to increase the CNP revenue and staffing.

The rate of participation was 74 percent in the SBP and 79 percent in the NSLP for the month of September 2013. There may be ways to increase participation in the SBP and

NSLP through marketing or merchandising that would increase productivity and revenue. Parents are bringing in restaurant food daily to a significant number of students. Staff should observe the types of foods that are being delivered and consider the potential for providing such foods as reimbursable meals or as a la carte sales.

The cafeteria director has no kitchen duties assigned but helps as needed. It is possible to assign kitchen duties to this position during the busiest times of the day.

Best practices dictate that each district develops a staffing formula that works in their kitchen so that sufficient labor hours are available; and all staff are used to the district's advantage for productive work. Work should be planned to eliminate rush periods and ease the flow of activity throughout the day. Labor hours should be scheduled according to need, staggering hours that employees arrive and depart.

Freer ISD should develop and use a staffing formula based on meals-per-labor-hour and make adjustments in the number of labor hours as productivity and revenue fluctuate. The cafeteria director and business director should analyze the work done in the Freer ISD kitchen throughout the day. They should begin by outlining the major duties required to produce, serve, and clean-up during the normal production day. They should break down duties into specific tasks done each day and assign projected times to each task. The cafeteria director should assign duties and tasks to each employee to formulate routine daily work schedules. After the work schedules have been tested and adjusted to regulate the flow of kitchen activity, the staff should begin to focus on menu-specific tasks by the day. At this point, it should be clear as to whether or not additional labor hours are necessary to eliminate the feeling of employees that they are rushed, but to ensure that all labor hours remain productive.

If the district determines that additional labor hours are affordable and needed, it is recommended that instead of hiring new full time employees, the district consider hiring part-time employees. Their hours can then be scheduled during the busiest times of the day. Most school cafeterias no longer hire full-time employees but instead stagger the hours of part-time employees to give the greatest coverage as needed, generally during meal service.

This recommendation can be implemented using existing resources.

#### **FOOD COSTS (REC. 59)**

Freer ISD does not monitor and control food costs in the CNP. The district does not pre-cost menu items to support menu planning decisions.

Pre- and post-costing menus each time they are served is a food management tool for controlling food costs. Since most schools purchase from annual bids, it is only necessary to cost cycle menus once, and update those costs as prices change due to market conditions or when new menu items are purchased. It is important for the menu planner to determine a range of pricing that is affordable for each component of the meal patterns and to select menu items within the established range of affordability.

When costing the breakfast menu with the cafeteria director on October 18, 2013, it was found that the food for that particular breakfast cost \$1.14 (\$0.56 for the waffles + \$0.16 for the banana + \$0.14 for the juice + \$0.28 for the milk = \$1.14 food cost). These prices were calculated by the cafeteria director during the interview.

As shown in **Figure 11–11**, the average revenue per breakfast was \$1.34. The food cost of this meal was 85 percent of revenue, leaving only 15 percent or \$0.20 for labor and non-food costs. As shown in **Figure 11–4**, approximately 41 percent (using 2012–2013 data) or \$0.55 of the available \$1.34 (41 percent x \$1.34 = \$0.55) is the fixed cost of labor; and another 1.44 percent or \$0.02 (1.44 percent x \$1.34 = \$0.02) is spent on non-food supplies. Therefore, this one breakfast costs \$1.71 per meal (\$1.14 food + \$0.55 labor + \$0.02 non-food supplies = \$1.71 total cost) However, the district received \$1.34 per meal, for a net loss of \$0.37 per meal. The ADP for breakfast during the month of September 2013 was 708.  $708 \times \$0.37 = \$261.96$  daily loss. If this were the cost of a typical day, the district would have  $\$261.96 \times 180 \text{ days} = \$47,153$  in annual loss on breakfast. Effective districts identify the importance of establishing which foods are affordable for use in the programs.

The following list offers some perspective on food costs by providing an approximate average value for each of the components of the meals:

- milk (half pint) \$0.28;
- fresh fruits and vegetables ( half-cup) \$0.20;
- canned fruits and vegetables (half-cup) \$0.25;
- juice (4 fluid ounces) \$0.15;
- bread serving \$0.12 - \$0.15;

- breakfast entree \$0.40; and
- lunch entree \$0.60.

Many entrees include the grain (G) component as well as the meat/meat/alternate (M/MA) component of the meal pattern. This category varies greatly based on kitchen-prepared versus purchased-prepared products, the quality of product purchased, and the pricing a district is able to secure using purchasing co-operatives and commodity processing.

**Figure 11–14** shows the per portion cost of selected items taken from current Freer ISD invoices from the food distributor.

Best practices dictate that effective districts analyze the average cost of menu items that meet particular component requirements, and use the price of individual food items as one factor in determining how often a particular food can be served.

Freer ISD should identify the range of prices affordable for each component of meal patterns based on the average per meal revenue available for breakfast and lunch; and evaluate the affordability of each menu item prior to placing it on the menu.

The cafeteria director should determine ranges of affordable prices the district can spend on individual components of each of the meal patterns. The director should focus on selecting foods that are favored by the students, contribute positively to the nutritional value of the meal, meet meal pattern requirements (contribution of purchased-prepared menu items can be documented with a Child Nutrition (CN) label or a signed and dated product analysis sheet), and are the most affordable form of the food item. The director should consider less expensive products that are available on the current co-operative bid and taste-test them with students for acceptability. The cafeteria director should consult with other food service directors to determine what menu items are used successfully in other districts.

Based on information found in **Figure 11–14**, the following are examples of adjustment the district could make to food production in order to reduce food costs.

- The cost of individually packed baby carrots is \$0.085 per serving more than bulk baby carrots. The district uses close to 600 servings almost every day.  $600 \times 0.075$  (deducting one cent for the portion cup) = \$45 savings per day  $\times 150$  days = \$6,750 savings per year.

**FIGURE 11–14**  
**FREER ISD PRICING TAKEN FROM FREER ISD INVOICES**  
**FROM THE FOOD DISTRIBUTOR**

MENU ITEM	UNIT PRICE	NUMBER OF PORTIONS	COST PER PORTION
Diced Peaches, individually portioned	\$18.00	36 - 4 oz	\$0.500
Peaches, diced	\$38.07	6/10#	\$0.261
Carrots, Baby	\$20.52	20 lb	\$0.159
Carrots, Baby (individual)	\$17.54	72	\$0.244
Bagel Pizza	\$40.73	96	\$0.424
Cereal, General Mills	\$17.64	96	\$0.184
Cereal, Kellogg	\$18.58	96	\$0.194
Muffin, Banana 4 oz (2 G)	\$22.94	24	\$0.956
Muffin, Blueberry 1.8 oz (1G)	\$19.54	72	\$0.270
Sunny French Toast	\$68.60	100	\$0.686
Uncrustable P & J	\$40.84	72	\$0.567
5" Pep Pizza Round	\$46.08	60	\$0.768
Max Pizza Cheese Wedge	\$49.10	96	\$0.511
Steak Fingers, .92 x 4	\$28.09	160	\$0.702
Foil Sheets	\$43.85	2000	\$0.022

SOURCE: Legislative Budget Board, Freer ISD Invoices from Labatt Food Service, October 2013.

- The cost of General Mills cereal is \$0.1838 and Kellogg's is \$0.1935; there is a 0.0097 difference. The district plans to use nine cases or 864 units when cereal is served. \$8.38 is saved when General Mills is served  $\times 36$  weeks = \$301.68 savings per year.
- The cost of the foil wrap used with the hamburgers and crispy chicken sandwiches cost \$0.022 each. On September 3, 2013, 160 sandwiches were wrapped at the junior and senior high schools. If the sandwiches are not wrapped but assembled on the serving line, the district saves \$633.60 annually.  $160 \text{ sandwiches} \times \$0.022 \text{ per wrapper} = \$3.52 \times 180 \text{ school days} = \$633.60$  annual savings. Labor is also reduced by assembling sandwiches on the serving line.
- Breakfast entrees that may not be affordable include: bagel pizza, \$0.42 (regular breakfast pizza might be as popular at \$0.14 per serving less); 4 oz banana muffin, \$0.956; blueberry muffin, 1.8 oz (1 G), \$0.27; uncrustable peanut butter and jelly

sandwiches, \$0.567; and sunny French toast, \$0.686. If cheese or cinnamon toast were served in place of the uncrustable twice per month, the savings would be  $\$0.30 \times 708 \text{ ADP} = \$212.40 \times 18 \text{ times} = \$3,823.20$  annual savings (assuming a cost of \$0.267 for toast, and wrapping).

- The max pizza wedge costing \$0.51 is \$0.26 less than the product currently used, the five-inch round pizza costing \$0.77. Students complained about the round pizza being too greasy and they prefer the wedge. On September 4, 2013, 192 round pizzas were used at the high school; on September 11, 2013, 298 portions of pizza were planned for the elementary school.  $192 + 298 = 490 \text{ servings} \times \$0.26 = \$127.40$  savings per day  $\times 36 \text{ days (once per week)} = \$4,586.40$  annual savings.
- The cost of a frozen portion of diced peaches is \$0.50; the price of a half-cup portion of canned diced peaches is \$0.261 plus \$0.04 for portion cup and lid (lid for transport only, not for serving line).  $\$0.20$  savings per serving  $\times 708 \text{ ADP breakfast} = \$141.60$  daily savings  $\times 36 \text{ weeks (once per week)} = \$5,097.60$  annual savings when the canned peaches are served over the frozen. This will increase labor due to required portioning, however, canned fruits can be portioned, capped, and stored when time allows.

The fiscal impact assumes a five year savings of \$105,965. This estimate is based on the district analyzing the cost of menu items and adjusting food production levels to increase savings. If the district implemented the suggestions above the district would save approximately \$20,510 annually ( $\$6,750$  baby carrots +  $\$301.68$  cereal +  $\$633.60$  foil wrap +  $\$3,823.20$  toast +  $\$4,586.40$  pizza +  $\$5,097.60$  peaches = approximately \$21,193).  $\$21,193 \times 5 \text{ years} = \$105,965$ .

#### **PLATE WASTE (REC. 60)**

Freer ISD does not monitor plate waste and adjust menus accordingly.

There is excessive plate waste at each of the district schools. Plate waste is not unique to FISD; this has been a problem in most school districts over the past two years due at least in part to the new meal pattern requirements. The portion sizes of fruit, vegetable, and grains have increased. According to regulations, students are required to select a fruit or vegetable portion for lunch even though they do not intend to eat it, in order to qualify as having selected a reimbursable meal. By

2014, all foods contributing to the grain component must be composed of whole grain. Some of these products such as whole wheat tortillas are not readily accepted by students. All of these factors contribute to plate waste. Effective districts take actions to reduce the amount of food discarded by students. It is the responsibility of the menu planner to work within current regulations, and continually strive to provide foods that students will select and consume; foods that students discard contribute nothing to their well-being.

#### **MENU VARIETY**

Students and adults complain that the menus lack variety, and that too many convenience foods are used specifically at breakfast, but many also commented that they would enjoy more kitchen-prepared entrees at lunch as well. The cafeteria is offering up to six choices of entree per day. However, there is variety within the day, but not within the week and month; hamburger or crispy chicken on a bun, a cold sandwich (ham or turkey and cheese), and a chef salad are offered as an entree almost every day.

A frequency chart is a food service tool used to make aesthetic and financial menu planning decisions. **Figure 11–15** shows an example of a frequency chart for a sample breakfast menu from Freer ISD used during the current school year. The menu items have been plotted so they can be evaluated for variety and balance of food offerings.

Observations regarding **Figure 11–15** frequency chart and onsite review for Freer ISD breakfast menus include:

- Breakfast pizza is extremely popular and economical at \$0.285 per portion. Many districts serve this item once per week.
- Cereal and graham crackers are popular with some students, make an easy, economical choice against less popular entrees, and there is no waste; what is leftover can be easily stored and used the following day. Some districts offering ready-to-eat cereal as a choice and have been able to reduce the number of servings of hot foods that need to be wrapped each morning.
- Meat/Meat Alternate (M/MA) is served in the form of sausage six times during the month; in four of those meals the M/MA is taking the place of a grain (G) serving. Two times the sausage is served as an extra in that the biscuit provides two servings of G. Some districts eliminate the sausage with the biscuit or reduce the size of the biscuit to contribute only one serving of G to reduce waste and reduce cost.

**FIGURE 11-15  
FREER ISD  
FREQUENCY CHART FOR FID SAMPLE BREAKFAST MENUS  
5 WEEK SAMPLE FROM SCHOOL YEAR 2013-14**

	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
Banana Muffi										X										
Blueberry Muffi					X															
Breakfast Bagel Pizza												X								
Breakfast Pizza		X															X			
Cereal/ Graham Crackers	X					X					X					X				
French Toast				X																
Honey Bun																				X
Morning Roll							X													
P & J Uncrustable									X						X					
Pig in a Blanket																		X		
Sausage and Biscuit			X										X							
Sausage Wrap								X												X
Waffle Bites and Syrup														X						
100% Fruit Juice	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Fresh Fruit																				
Banana					X										X					
Apple										X										X

SOURCE: Legislative Budget Board, Freer ISD Food Service Department Sample Lunch Menus, October 2013.

- Cheese, cinnamon, and peanut butter and honey toast is very popular with most students; one variety of toast is an entree that some districts offer once per week at a very low cost.
- According to teachers, almost 100 percent of the fresh fruit served at breakfast is thrown away, with the exception of bananas. When serving fresh fruit, districts can cut the fresh oranges and apples and serve wedges. Most students do not have time to peel an orange at breakfast. Depending on the size of the fruit, many districts reduce the portion size to the required half cup, by serving wedges.
- Students are requesting more fruit for breakfast instead of juice every day. Students would like canned fruits as a change from fresh fruit and juice.

All breakfast entrees represented in the frequency chart, with the exception of cereal and graham crackers were frozen-prepared entrees, the convenience-type foods that students are complaining about. Students expressed a dislike for the maple flavored waffles served on October 18, 2013 both

verbally and by their action of discarding most of the product uneaten.

One of the reasons for the high cost is the purchase of individually wrapped, purchased-prepared menu items. According to the cafeteria director, the individually packaged waffles cost \$0.56 per portion. The students prefer regular waffles with syrup. Regular waffles are less expensive (\$0.08 a piece x 2 = \$0.16 plus syrup); however, teachers do not want them in their classrooms because the desks become sticky. Teachers also complain about cereal and milk because sometimes the milk is spilled.

When transporting food from a central kitchen to individual classrooms there are limitations on the foods that can be served successfully in remote locations. Not all foods can be wrapped sufficiently to maintain temperature and quality. The variety of what can be served is further restricted when teachers are not receptive to some menu items being served in their classrooms. When breakfast is served on-site the variety of potential breakfast foods and the ability of the kitchen staff to prepare kitchen-made items is greatly expanded.

The menu planner/purchaser is faced with a dilemma, to purchase more expensive packaged products that the students discard because they do not find them acceptable, or to serve a less expensive product that the teachers object to. All districts that adopt the breakfast-in-the-classroom style of service must contend with this problem.

Breakfast burritos are on the top of the list of breakfast entrees requested by Freer ISD students, have a variety of fillings, but are not on the menu. The kitchen staff is discussing how to best meet this request while maintaining temperature and quality. The acceptability of the whole wheat tortilla is also a concern. **Figure 11–16** is a frequency

chart for Freer ISD sample lunch menus. The menu items have been plotted so they can be evaluated for variety and balance.

Observations regarding **Figure 11–16** frequency chart and onsite review for Freer ISD lunch menus include:

- A fresh apple, banana, orange, and occasionally a pear are offered every day. Students expressed an interest in canned fruits for variety. The fresh fruit is served whole and most of it is thrown away; districts can cut and core fresh fruit as needed and serve the equivalent of half-a-cup. Some districts occasionally offer fruit juice or the CN labeled sherbet or frozen fruit bar,

**FIGURE 11–16**  
**FREER ISD**  
**FREQUENCY CHART FOR LUNCH MENUS**

	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
<b>Entree M/MA</b>																				
BBQ Bun										X										
BBQ Pork Ribs																				X
Beef Enchiladas		X																		
Beef Lasagna													X							
Beef Nachos																	X			
Beef Taco							X													
CFS											X									
Chicken Fajita								X				X								
Chicken Nuggets	X					X														
Chicken Sandwich	X						X	X	X	X	X	X	X		X	X	X	X	X	X
Chicken and Rice	X															X				
Chicken, Baked, BBQ						X														
Corn Dog					X															
Frito Pie							X													
Grilled Chicken Chef's Salad					X					X					X					X
Ham and Cheese Salad	X	X	X			X	X	X	X											X
Ham and Cheese Sandwich	X	X				X	X	X	X	X	X	X				X				X
Hamburger	X				X		X	X	X	X	X	X	X		X	X	X	X	X	X
Meat and Potato									X											
Orange Chicken with Egg Roll																				X
Pizza, Pep			X																	
Salisbury Steak				X										X						
Spaghetti/ Meat Sauce			X																	
Steak Fingers				X										X						
Tenders																X				
Turkey and Cheese Salad				X					X				X	X			X			X

**FIGURE 11–16 (CONTINUED)**  
**FREER ISD**  
**FREQUENCY CHART FOR LUNCH MENUS**

	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	
Turkey and Cheese Sandwich			X							X					X						X
Turkey and Dressing											X	X									
<b>Bread</b>																					
Bread Sticks	X		X					X											X	X	
Bread WG		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Bun	X				X		X	X	X	X	X	X	X		X	X	X	X	X	X	X
Crackers	X	X		X		X								X							
Pasta													X								
Egg Roll																			X		
Pizza													X						X		
Rice	X														X						
Tortilla		X					X	X				X						X			
WG Roll	X					X			X	X						X					
<b>Fruit</b>																					
Fresh Fruit	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<b>Vegetable</b>																					
Baby Carrots	X	X	X	X	X	X	X	X	X		X		X	X		X	X	X	X	X	X
Broccoli			X					X					X					X			
Green Beans	X					X					X					X					
Vege bar										X	X		X	X				X		X	X
Let/Tom Salad					X																
Mixed Vegetables				X									X								
Pinto Beans		X					X					X						X			

SOURCE: Legislative Budget Board, Freer ISD Food Service Department Sample Lunch Menus, December 2013.

which counts toward the fruit component. Fruited gelatin or dried fruit such as commodity raisins are also offered for variety.

- Pinto beans are served every Tuesday. Some districts vary the required dry beans using chick peas in the form of hummus, refried beans, ranch style beans, pork and beans, vegetarian beans, baked navy beans, or black eyed peas.
- Whipped potatoes and corn, normally favorites with students, are not represented on this menu (perhaps they were served but not recorded on the sample menu).
- Lettuce and tomato salad is only represented once in four weeks.

- Baby carrots are offered almost every day; the majority of them are thrown away.
- Chicken patty on bun, hamburger on bun, ham and cheese sandwich and chef salad with ham and cheese are all over used; while pizza, a favorite, is only served four times.
- Similar items such as baked chicken and chicken nuggets; spaghetti and pizza; Salisbury steak and steak fingers; or taco and Frito pie should not be served against one another as a choice. Some districts choose between two different kinds of M/MA (i.e., chicken or beef); different methods of preparation (i.e., breaded or un-breaded baked); different flavor profiles (i.e., home style or Italian); and forms (i.e. sandwich or cutlet with gravy).

- Orange chicken (\$0.849) and an egg roll (\$0.523) may be too expensive to serve together. Both contribute to the M/MA component. Students expressed a dislike for this meal.

Use of the USDA meal patterns, frequency charts, current per-portion pricing charts, and tallies of student likes and dislikes resulting from student surveys and other community feedback support the menu planner in developing menus that are affordable, acceptable to students, and in compliance with current regulations. Frequent surveys of plate waste help the menu planner evaluate the need to adjust the menus.

Effective districts consider whether fewer choices might reduce labor and food costs, without affecting participation. Fewer daily preparations allow time to add kitchen-made menu items that bring more variety and may be more widely accepted and consumed. Every menu item offered has the potential to increase costs through another form of waste, in that it is an additional opportunity for food to be left over. Effective programs evaluate each school's production records to demonstrate how much leftover food is discarded each day by kitchen staff. If there are menu items that very few students select, some food service programs consider removing those from the menu to save on labor as well as food cost. Although daily variety is a very positive characteristic of a well-planned menu, if twenty or less of a particular menu item is selected, it will save food and labor by eliminating that item.

Foods that students discard uneaten do not contribute to their nutritional health and reduce the funds available to provide a greater variety of more expensive food items. For example, fresh blueberries, strawberries, raspberries, star fruit, and exotic melons, bring interest to the serving line, even when used as a garnish on another food; however, many districts find them too expensive to use.

It is beneficial to include all foods on the menu at one time or another; however, in a quest to increase participation and reduce waste, it is best to serve popular menu items as often as possible. Purchased-prepared pizza for example can be a popular healthy choice when the product used is carefully selected based on its nutrient value.

#### PORTION SIZES

The portion sizes of some of the foods served may be larger than necessary. The district offers a whole fresh apple, orange, pear, or banana at lunch each day, sometimes in addition to juice at breakfast. Almost 100 percent of the fresh hand fruit

taken by students is discarded. According to the *Food Buying Guide for Child Nutrition Programs* (FBG), January 2008, a whole apple is equivalent to about one cup of fruit. The fruit requirement for breakfast and lunch is currently a half-cup daily. When a whole apple is served, the portion size is double the current requirement. On September 9, 2013, 250 apples were used at the elementary school; apples are served whole, uncut; the cost of one apple is \$0.247, or \$61.72 for all apples used. If one half of an apple cut into wedges had been served, \$30.86 would have been saved, and fewer apples would have been discarded. If apples were served at the elementary school twice per week, annual savings would be \$2,221.96 (\$61.72 savings per week x 36 weeks = \$2,221.96 annual savings).

On October 16, 2013, review staff weighed the diced ham on the chef salad. The portion was three ounces plus one ounce of cheese. This weight is slightly less than double the required M/MA component. Portions that are too large not only contribute to plate waste but also to food cost. The district should meet not exceed requirements. (The weight of the portion may not be accurate in that the kitchen does not have a reliable commercial ounce scale.)

The cafeteria routinely serves other foods that do not contribute to the meal patterns, adding unnecessarily to the volume of food and the food cost of the meals. For example, the district serves sherbet which is not CN-labeled and therefore cannot be counted as a serving of fruit. The district also serves Sun Chips as an accompaniment to cold sandwiches and yogurt with several meals neither of which contribute to the M/MA, but are given away as extras. If half of the students take sherbet or yogurt for lunch once per week the annual cost to the district is 335 items x \$0.271 = \$90.79 x 36 = \$3,268.26 annual cost.

On October 18, 2013 a hamburger or a crispy chicken patty on bun with Sun Chips was served at the elementary school. The sandwiches were on four-inch whole wheat buns; the students ate the Sun Chips, but few took more than one bite of the sandwich, and many sandwiches were left untouched. Almost all students threw away the whole sandwich. Serving half of a sandwich would save half the cost of this entree and could encourage the children to eat more. If this decision were made, any student wanting a whole sandwich could be given the second half. **Figure 11–17** shows the potential savings when reducing the portion sizes of this menu.

If this is a standard menu served each Friday, the district would save \$231.20 per week by serving one-half of a

**FIGURE 11–17**  
**FREER ISD**  
**POTENTIAL SAVINGS IN PORTION SIZE ADJUSTMENT**

MENU ITEM	AMOUNT PREPARED	FOOD COST	TOTAL FOOD COST	SAVINGS
Hamburger on Bun	263	\$0.57	\$149.91	\$74.96
Chicken patty on bun	127	\$0.71	\$90.17	\$45.09
Sun Chips	390	\$0.285	\$111.15	\$111.15
<b>Total Savings</b>				<b>\$231.20</b>

SOURCE: Legislative Budget Board, Norman Thomas Elementary School food production records, October 2013.

sandwich and eliminating the chips which do not contribute to the meal pattern (\$231.19 x 36 weeks = \$8,322.84 savings per year).

**STUDENT PARTICIPATION**

The district does not conduct product taste testing with students. Some district food service programs allow students to taste product prior to service to provide an opportunity for feedback to the cafeteria as well as giving the students a feeling of ownership in food programs. The students expressed dissatisfaction with the five-inch round pizza stating that it is too greasy; the crispy chicken patty (they prefer the brand that was purchased earlier this year, stating the quality of the chicken was better); the breakfast foods flavored with maple syrup such as waffles, French toast and pancakes (but would prefer having the regular products and syrup separately); the blueberry pancake sausage wrap, preferring a regular flavored pancake batter; and the orange chicken.

When considering adding a new product to the menu, some districts purchase one case prior to adding the item to the menu and taste test it with students at all grade levels. When taste testing products some districts ask participants the questions “Is this product acceptable?” and “Do you like it?” It is often helpful for students to rate products against one another. Identifying one product as being “the best” can limit competition and may be too restrictive to the purchaser.

On October 18, 2013, the review team observed students discarding approximately 50% or more of their food. Based on this observation, a conservative estimate would be that 25 percent of the food selected at breakfast and lunch in district schools is discarded by students. Some districts conduct a plate waste survey where a district employee stands near the garbage cans and tallies the servings of discarded untouched

foods to provide an accurate picture of the acceptability of any given menu item, and the funds lost.

**Figure 11–18** shows that the district generates an average of \$945.53 for reimbursable breakfast sales and \$1,738.52 for reimbursable lunch sales, for a daily revenue of \$2,684.05.

Best practices dictate that the district closely monitor plate waste and survey student likes and dislikes to identify the reasons they are discarding particular food items, then work to find ways to remedy the problem foods. Schools must be diligent in replacing discarded foods with foods that have more student appeal and ensuring that requirements are met but not exceeded. Foods must be prepared according to the recipe, held and served at the proper temperature, and displayed attractively on the serving line.

Freer ISD should monitor plate waste frequently and get feedback on why particular foods are being discarded, develop strategies for reducing the amount of food students select and do not consume, and adjust menus as often as necessary. In order to implement this recommendation, Freer ISD should do the following:

- Survey student likes and dislikes and monitor student discards for several days at each of the schools for both breakfast and lunch.
- Talk to the students informally in the cafeterias to collect input on menu items they would like removed from, and added to the menus. Listen and take notes.
- Contact other local school districts and request names of products and recipes that are particularly favored by their students.
- Review the cooperative bid looking for affordable menu items that may be added to the menus and secure a case of the product to taste test with students.
- Carefully construct a cycle breakfast (possibly one or two weeks) and a cycle lunch menu integrating some of the ideas that came from the research.
- Provide employees, administrators, teachers, parents, and most importantly students a forum in which to critique the menus.
- Secure a recipe for every preparation.
- Prepare the cycle for the first time keeping accurate food production records to document successes and failures.

**FIGURE 11–18  
FREER ISD FOOD SERVICE DEPARTMENT DAILY REVENUE  
SEPTEMBER 2013**

CATEGORY	BREAKFAST			LUNCH		
	ADP	REVENUE PER MEAL	TOTAL REVENUE	ADP	REVENUE PER MEAL	TOTAL REVENUE
Free	409	\$1.89	\$773.01	404	\$3.01	\$1,216.04
Reduced-Price	68	\$1.59	\$108.12	65	\$3.01	\$195.65
Paid	230	\$0.28	\$64.40	203	\$1.61	\$326.83
<b>Total Revenue</b>			<b>\$945.53</b>			<b>\$1,738.52</b>

SOURCE: Legislative Budget Board, Freer ISD Daily Record of Meals Served and Claimed, October 2013.

- Throughout the process, observe the plate waste daily and take notes. Adjust the cycle accordingly.
- Purchase a scale so kitchen staff can weigh portions of M/MA and Grain (G).

The fiscal impact assumes that the district can reduce the cost of plate waste over a five year period by \$192,105 annually. **Figure 11–18** shows the breakfast and lunch revenue. Food cost for school year 2012–13 was 52.79 percent of revenue. Breakfast revenue of \$945.53 + lunch revenue of \$1,738.52 = \$2,684 total revenue x 53 percent = \$1,423 estimated daily food cost x 25 percent waste = \$355.75 estimated daily value of discarded food x 180 days = \$64,035 estimated annual cost of tray waste. This estimate assumes plate waste of 25 percent. Although there will never be zero plate waste, the district could be successful in reducing waste if it is diligent. If the district implements the recommended steps above, the fiscal impact assumes that the district could reduce plate waste by 60 percent ( $\$64,035 \times .60 = \$38,421$  savings per year).  $\$38,421 \times 5$  years = \$192,105.

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

RECOMMENDATION	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL 5-YEAR (COSTS) OR SAVINGS	ONE TIME (COSTS) OR SAVINGS
<b>CHAPTER 11: FOOD SERVICES</b>							
52. Develop standards for Child Nutrition Program expenditures (food, labor, and non-food) as a percentage of revenue.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53. Submit for approval to the Texas Department of Agriculture a revised Point-of-Service Free and Reduced-Price Meals Policy Statement, Attachment B, collection procedure for breakfast-in-the-classroom served at all district schools.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54. Ensure that each student has all of the required components of a reimbursable meal available for selection and that each student's selection is evaluated at the Point-of-Service to determine that sufficient components have been selected before the meal is counted and claimed for reimbursement.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55. Analyze the Child Nutrition Program revenues and operating costs to ensure student meal prices cover the cost of meal production.	\$52,488	\$52,488	\$52,488	\$52,488	\$52,488	\$262,440	\$0
56. Use standardized recipes for every meal preparation, and record all required information to document that the meals served and claimed for reimbursement met requirements as well as for developing future menus.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57. Correctly implement the Offer versus Serve provision for breakfast and lunch in all grade levels in all district schools.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58. Develop and use a staffing formula based on meals-per-labor-hour and make adjustments in the number of labor hours as productivity and revenue fluctuate.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59. Identify the range of prices affordable for each component of meal patterns based on the average per meal revenue available for breakfast and lunch and evaluate the affordability of each menu item prior to placing it on the menu.	\$21,193	\$21,193	\$21,193	\$21,193	\$21,193	\$105,965	\$0
60. Monitor plate waste frequently and get feedback on why particular foods are being discarded, develop strategies for reducing the amount of food students select and do not consume, and adjust menus as often as necessary.	\$38,421	\$38,421	\$38,421	\$38,421	\$38,421	\$192,105	\$0
<b>TOTAL</b>	<b>\$112,102</b>	<b>\$112,102</b>	<b>\$112,102</b>	<b>\$112,102</b>	<b>\$112,102</b>	<b>\$560,510</b>	<b>\$0</b>



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# **CHAPTER 12**

## **SAFETY AND SECURITY**

**FREER INDEPENDENT SCHOOL DISTRICT**

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## CHAPTER 12. SAFETY AND SECURITY

An independent school district's safety and security program should be designed to identify primary exposures and include strategies to minimize risks to ensure a protected learning environment for students and staff. This protection includes a balanced approach of prevention, intervention, enforcement, and recovery. In today's school environment, risks can include environmental disasters, physical hazards, security threats, emergencies, and human-caused crises.

Safety and security includes ensuring the physical security of both a school and its occupants. A comprehensive approach to planning for safety and security includes school locking systems, monitoring systems, equipment and asset protection, visibility of areas and grounds, police/school resource officers, and emergency operations. Emergency and disaster-related procedures must include fire protection, environmental disasters, communication systems, crisis management, and contingency planning. The identification of physical hazards must include playground safety and overall building and grounds safety (including perimeter management and control). Environmental factors such as indoor air quality, mold, asbestos, water management, and waste management also affect the safety of school facilities.

Effectively and efficiently managing safety and security is dependent on a district's organizational structure. District, campus, and maintenance staff as well as numerous other individuals and departments play key roles in maintaining a safe and secure district environment. Freer Independent School District (ISD) does not have an assigned safety and security position or department. The district does not use external security resources (e.g., guards, security services) to provide site-based security. Staff reported that a local police officer may occasionally "walk-through" a campus, but this service is dependent on the officer's availability, which is substantially controlled by on-going calls for service and other assignments. Services traditionally assigned to safety and security personnel are collectively performed by transportation, maintenance, and custodial staff.

Custodial staff are responsible for end-of-day lock-up procedures, which involve the daily securing of valuable instructional support equipment, ensuring classrooms are properly locked and ready to support the next day's activities, and checking that external facility lighting systems are functional. Other safety and security services provided by custodial staff include roaming security and site inspections to ensure unauthorized after-hours entry to the district's

grounds are, to the extent possible, restricted. Custodial staff is also responsible for ensuring that only authorized, district-owned equipment is stored onsite. This responsibility includes identifying suspicious or out-of-place packages.

The Transportation Department is responsible for oversight and management of school crossing guard staff and concomitant responsibilities, including the placement of available traffic control equipment to clearly mark pedestrian crossing points and pathways, escorting students across the street going to and from school, and reporting license plate numbers of reckless drivers and suspicious activity to the maintenance and transportation supervisor.

Oversight of these services is the responsibility of the maintenance and transportation supervisor who reports to the support services director who reports directly to the superintendent. **Figure 12–1** shows the district's organization for safety and security for school year 2013–14.

**FIGURE 12–1**  
**FREER ISD SAFETY AND SECURITY ORGANIZATION**  
**SCHOOL YEAR 2013–14**



SOURCE: Freer ISD Superintendent's Office, October 2013.

### FINDINGS

- ◆ Freer ISD's current organizational structure is not conducive to effectively managing safety and security issues.
- ◆ The district lacks a comprehensive plan and coordinated approach to assessing safety and security procedures and needs.
- ◆ Access to Freer ISD facilities is not effectively controlled due to the lack of consistent visitor management and control processes.
- ◆ Freer ISD does not have an up-to-date emergency operations plan or a current set of school and administration building floor plans with which to coordinate response plans with local emergency personnel and agencies.

- ◆ Freer ISD does not effectively communicate with staff and local emergency response agencies during normal business hours and before, during, and after emergency events.

## RECOMMENDATIONS

- ◆ **Recommendation 61: Review the district's organizational structure with the goal of more effectively aligning and integrating safety and security oversight and management.**
- ◆ **Recommendation 62: Establish and maintain a districtwide school safety and security committee.**
- ◆ **Recommendation 63: Develop and implement a districtwide visitor and control and risk management system.**
- ◆ **Recommendation 64: Develop facility-based emergency documentation, including an up-to-date emergency operations plan, campus-specific faculty handbooks, facility floor plans, and evacuation route schematics.**
- ◆ **Recommendation 65: Establish a common communications system to communicate with on- and off-site communication during day-to-day operations and emergency events.**

## DETAILED FINDINGS

### SAFETY LEADERSHIP (REC. 61)

Freer ISD's current organizational structure is not conducive to effectively managing safety and security issues.

The district does not sufficiently assign responsibility to a particular business unit or individual for the collection, reporting, review, solution exploration, and closure of safety and security issues. The district also does not have a department or individual responsible for districtwide organization and management of safety and security. Responsibility for managing onsite campus- and district-related safety and security is distributed across many individuals and departments.

The superintendent has ultimate responsibility for Freer ISD's safety and security. Aside from this macro-level oversight, no other person or position in the district is assigned direct responsibility for this function. The maintenance and transportation supervisor has taken on

responsibility for many district safety and security procedures. Some examples include:

- creating fleet readiness assessment worksheet;
- coordinating transportation and safety/security needs for off-site district-approved events;
- maintaining material safety data sheet (MSDS) documentation;
- relaying safety and security issues/concerns reported by custodial, janitorial, and crossing guard staff to local law enforcement agencies as appropriate;
- coordinating with district staff on transportation and safety/security needs of students with disabilities;
- responding to on- and off-site emergency events (e.g., on-campus accident, vehicular accident, etc.); and
- reporting adverse student discipline or behavior issues to appropriate authorities (e.g., superintendent, local law enforcement).

However, with the position's multiple roles and responsibilities, the maintenance and transportation supervisor is unable to provide sufficient guidance to ensure effective districtwide safety and security operations. Rather, responsibility is distributed across personnel and departments, but is not coordinated, directed, or monitored at the district level.

Each principal serves as their school's educational leader and is responsible for managing policies, regulations, and procedures related to ensuring a safe learning environment. Some of the principals' safety and security related duties include oversight of campus-specific discipline systems to ensure a safe and orderly climate, building and grounds maintenance, and security and emergency procedures such as visitor access, drills, and maintenance of safety equipment.

The district's custodial staff also serves a key role in district safety and security. Custodial staff is responsible for maintaining attractive, sanitary, and safe facilities for students, staff, and visitors. Safety and security functions conducted by custodial staff include, but are not limited to, the following:

- attending in-service safety training (regarding topics such as cleaning solvents, floor care, first aid, maintenance training);
- cleaning assigned school facilities;

- inspecting school facilities to ensure that sites are suitable for safe operations, maintained in an attractive and clean condition, and/or identifying necessary repairs due to vandalism, equipment breakage, and weather conditions; and
- securing facilities and grounds for the purpose of minimizing property damage, equipment loss, and potential liability to the district.

The district's maintenance staff performs facility inspections, maintenance, and repairs to ensure that all students, staff, and visitors are provided a safe, attractive, clean, and properly equipped environment for learning and work. Other safety and security duties of the maintenance staff include the following:

- performing general maintenance and repair tasks in a variety of areas and in accordance with all applicable local and state codes and regulations;
- making sure all schools and district sites are able to safely open and function when assigned, including working cooperatively with custodial employees during emergency operations;
- performing regular inspections of equipment and systems and reporting any abnormalities and hazards immediately; and
- responding to emergency situations and performing necessary repairs.

The district's school bus drivers are also assigned certain duties that fall under safety and security. For example, drivers must ensure that the school buses are in good operating condition at all times and that students are safely picked up and dropped off in accordance with their assigned schedule. Other safety and security duties include conducting vehicle readiness assessments to ensure the drivers' assigned school bus is in proper working condition and meets all applicable safety standards and working cooperatively with local law enforcement agencies to ensure safe passage of students to and from school.

Interviews with administration and staff indicate that the district lacks daily oversight responsibility for safety and security issues. When asked where staff report safety and security issues at their respective campuses, respondents indicated that they might contact either the Maintenance and Operations Department or the Administration Office.

Effective administration and management of the safety and security of Freer ISD is made difficult by the district's organizational structure. At the time of the onsite review, no single person was accountable for safety and security, as illustrated by the staff members who reported that "the administration" was responsible. Distributing responsibility across multiple entities results in a lack of effective oversight and accountability. This environment leads to an absence of structured planning and implementation processes, and approaches and solutions to problems that are ad hoc. Since the onsite review, the superintendent reported that safety and security was assigned to the newly hired maintenance supervisor.

Freer ISD should review its organizational structure with the goal of more effectively aligning and integrating safety and security oversight and management.

The district should realign its organizational reporting and assign responsibilities for safety and security to a district-level administrator. Since the time of the onsite review, the district has indicated that it has assigned the responsibilities for safety and security to the newly hired maintenance supervisor.

The assigned administrator should do the following:

- provide safety-related oversight of transportation, custodial, maintenance and crossing guard personnel;
- coordinate with school leaders in implementation of safety procedures;
- ensure all district staff receive applicable and appropriate safety training;
- ensure that all drills for emergency situations are conducted on a regular schedule;
- develop and implement procedures for reporting and monitoring safety and security issues;
- ensure that safety and security procedures are included in all handbooks published by the district and on the district website;
- develop and implement appropriate procedures for inspection and, as appropriate, the sign out and return of district provided communications and safety equipment;
- assist in the establishment and implementation of onsite command and control capabilities such as establishing an interim emergency operations center,

providing resources, and other logistical support that may be required during emergency events;

- coordinate safety and security for internal programs such as off-site transportation, special events, and other district-approved activities; and
- coordinate with counterparts in other departments and with external partners, such as local first responder specialists on fire safety inspections, security or hazard vulnerability assessments, emergency planning, and other safety and security issues.

The district should also consider the following recommended actions to build awareness of the district's new approach and expectations related to safety and security:

- inform district personnel that all safety and security issues, except for instances where immediate local law enforcement or other emergency assistance is required, should be directed to the administrator assigned safety and security duties;
- compile a list of current projects or initiatives being considered by the district that relate to campus and/or district safety and security; and

This recommendation can be implemented using existing resources.

#### **CAMPUS SAFETY AND SECURITY COMMITTEE (REC. 62)**

The district lacks a comprehensive plan and coordinated approach to assessing safety and security procedures and needs.

The district does not have adequate safety and security policies and procedures in place. The district also does not have in place a system for reporting and cataloging safety and security issues. As a result, there is no way to assess the frequency and severity of safety and security concerns that arise in the district and how they are handled.

At the time of the onsite review, the district's crisis management plans, faculty handbooks, and other safety and security manuals were either out-of-date or not available. The onsite review team was provided copies of available facility and district emergency and crisis management plans and the Transportation Department's procedures manual. All documents reviewed were out-of-date, some by as many as eight years. Staff reported that the available transportation procedures manual had not been distributed to bus drivers and other transportation staff. The maintenance and

transportation supervisor indicated that she intended to update the procedures document and had placed a high priority on its completion. Since the time of the onsite review, the district indicated that it has updated its crisis management plan.

The development and assessment of the district's safety and security procedures is not be aided by a district safety and security committee. The Texas Education Code (TEC), Section 37.109, requires school districts to have a functioning safety and security committee. Responsibilities of the committee include assisting in completion of a safety and security audit, ensuring that the district's and each campus's crisis and emergency management plans are current, and monitoring day-to-day campus safety and security issues. However, Freer ISD lacks such a standing committee.

The district also does not have a comprehensive plan or coordinated approach to identifying safety and security needs and prioritizing efforts based on need, urgency, or impact. Due to the lack of a formal process to assess school safety and security procedures and limited efforts to develop updated and informed safety and security policies and practices, the district's approach to safety and security issues is ad hoc.

For example, the onsite review team requested copies of current safety and security projects under consideration by the district. The one project provided consisted of an \$80,000 quote for closed-circuit television (CCTV) systems and installation services. Since the time of the onsite review, the district indicated that they have put into place plans for installing a perimeter fence and placing magnetic locks on the school entrance doors. When asked how the CCTV project was initiated, the business director stated that a copier salesman had approached the district with the intent to sell leased copier systems to the district. When advised that the district's copier needs were satisfied, the salesman asked if the district had other needs. The business director reported that the district was interested in CCTV systems. The resulting quotation for \$80,000 in systems and services did not—based on onsite review team requests for background information regarding this quote—include an assessment of the district's physical security needs, projected placement of cameras, monitoring systems, user training and professional services, or implementation level variations (e.g., minimal, intermediate and advanced coverage). When asked how potential projects were managed by the district, staff reported that the superintendent provided oversight of all capital projects, including those involving safety and security.

Freer ISD should establish and maintain a districtwide safety and security committee. This committee should develop procedures to address identified safety and security issues throughout the district.

Committee membership should be sufficiently broad to encompass a diverse range of campus interests and concerns. The following positions are recommended:

- superintendent or superintendent’s designee;
- administrator assigned safety and security duties;
- elementary school principal or designee;
- junior high school principal or designee;
- high school principal or designee;
- administration building representative; and
- local law enforcement representative (e.g., police, sheriff, constable).

Members of the committee should be nominated by principals and the central office. Additionally, the administration should solicit the expertise of local law enforcement agencies to provide insight and recommendations. The safety and security committee should then develop and implement a best practice methodology whereby assignments made to the committee are properly defined and vetted. In addition, the safety and security committee should consider applying for state and federal grants to support specific projects (e.g., risk management grant).

The district should develop a committee or project charter. A charter is typically a brief summary document that comprises a statement of the scope, objectives, and participants in a project. The project charter provides a preliminary delineation of roles and responsibilities and outlines project objectives and stakeholders. Key elements of a typical project charter follow:

- reasons for establishing the committee, including the issue, problem, or concern;
- objectives and constraints of the committee’s work, such as costs and an implementation timeline;
- directions concerning potential solutions, including technical and functional approaches;
- identities of the main stakeholders;

- in-scope items (topics that are appropriate for the committee to deal with);
- out-of-scope items (topics that are not appropriate for the committee to deal with); and
- potential risks and issues.

In addition to helping the district articulate standard procedures, each representative selected to participate on the district’s safety and security committee should be charged with collecting and reporting safety and security issues impacting their home facilities and surrounding areas and assist the committee in developing procedures or solutions to address these and other campus issues. When individuals report issues that have arisen to the committee, the committee’s assistance might include exploring potential solutions, potential solution providers, resources, costs, and working with the administration to set priorities for collected safety and security issues.

The committee’s immediate task should be to coordinate with the principals, administration, and local subject matter expertise (e.g., law enforcement specialists) to monitor the status of the open safety and security issues until completion. As part of this plan, district administration should work with appropriate stakeholders to determine the estimated costs, priority, and timeline for correction of each identified issue brought to their attention and should maintain a “living” status report of open issues (e.g., project action log). The plan should entail careful analysis of findings using established criteria to identify shortcomings needing immediate attention, as well as those items that do not constitute an immediate concern. Completion of this assessment would provide the district with an understanding of current and potential emerging safety and security issues and needs. The assessment should address the following questions:

- What level of risk does the condition present to the safety and security of students and district stakeholders?
- Can the situation be remedied with existing resources?
- If the resources are not readily available, what are the options for securing resources?
- If the conclusion is to not implement a response to the condition, has the district adequately identified and evaluated all potential consequences?

Committee members should meet regularly (e.g., biweekly, monthly) to review safety and security issues and work

through the issues to closure. Each meeting should be agenda-driven with review of the previous meeting's minutes, a discussion of open and pending action items, and a review of the prepared committee charters for new issues or initiatives. The primary function of the committee is to identify priority needs, for example, developing action plans matched to each assignment, assigning individuals responsibility for completing the assigned projects, and regularly reporting progress to the committee and the district's leadership. Finally, examples of other duties representative of the proposed safety / security committee include the following excerpt from the *Texas School District: Safety and Security Committee Guidelines*:

- Review the district Emergency Operations Plan (EOP) at least annually and provide updated information to ensure the plan reflects specific district, campus, facility, and/or support needs.
- Provide a scheduled comprehensive review of the district EOP every five years. A comprehensive review entails reviewing the structure and function of the EOP to ensure compatibility and collaboration with local, regional, and state emergency responding agencies.
- Review district training activities to ensure that each student and employee has appropriate knowledge of responsibilities and actions to be taken during an emergency.

This recommendation can be implemented using existing resources.

### **VISITOR MANAGEMENT AND CONTROL (REC. 63)**

Access to Freer ISD facilities is not effectively controlled due to the lack of consistent visitor management and control processes. The superintendent indicated that the visitor control process is limited to the use of visitors writing their name on a commonly available office supply "visitors" sticker.

The district's three campuses and administrative building all address visitor management differently, and none have established an effective access control process. The district's administration building houses various district administrative offices, including, but not limited to, the superintendent's office, the business director's office, the tax office, the board room, and the junior high school and high school library. There are two entrance points to the building. The first is the more commonly used entrance and consists of double glass doors in the middle of the building that open directly into a

common hallway running horizontally across the length of the building. Just inside this entrance is the junior high school and high school library.

During the onsite review, the review team entered the administrative building through the primary double-door entrance near the library and was not greeted by district staff until well within the building's interior. There is no check-in point or receptionist's area to sign-in and register visitors. A visitor can easily enter the library or walk into the board room or any office in the hallway that runs the length of the building without being detected. The onsite review team was told that the district did not issue visitor badges and registration was not necessary. While onsite, the review team walked through the building virtually unescorted. It is not clear if this was a courtesy to the team or standard practice.

At the south end of the building, at a secondary entrance referred to as the employees' entrance, is an unoccupied receptionist workspace of approximately 150 to 200 square feet. However, the area is not staffed and there is no telephone, guest registration book, or other visitor log. A time and attendance computer and monitor are located in the workstation for staff to log in and out during the work day.

None of the interior rooms of the administration building are equipped with an access control system. Exterior doors are also not equipped with access control sensors, magnetic door locks, electronic door buzzers, or other access control equipment. Though the administration building was equipped with a fire alarm system, the building was not wired with a burglar alarm or intrusion detection alarm (minimal coverage or otherwise), nor were closed circuit television (CCTV) systems installed or in use.

The elementary school is approximately one-half city block from the high school and it houses grades K-5 and a district-operated day care. The campus has a large recreational area on the north side of the school, which is used for recess and contains swings and other playground equipment. This area is not enclosed and is easily accessible; an individual could walk up or drive up to the area without detection. While onsite, the review team observed two stray dogs walking near the area as well as several pedestrians.

The main entrance to the elementary school remains locked. Entrance is gained by pressing a wireless buzzer mounted on an outside door. The buzzer terminates in the reception desk and principal's office area. A staff member must come around the reception desk and open the door manually to allow the visitor or parent inside. All other perimeter access doors are

also locked. The reception desk is positioned such that there is no line of sight to the parking lot or the front entrance doors. There are no security cameras to monitor individuals entering the building or walking in the parking lot. In addition, visitors are not required to show any identification upon entering the building nor are they issued visitor passes or badges.

The junior high school has one primary entrance that remains unlocked during the school day. Immediately past the front entrance, the principal's office is located on the left, and a receptionist station is located on the right. The receptionist has an unobstructed view of the front entrance and most of the junior high parking lot. When visitors enter the junior high, they are requested to sign a guest register, but are not required to show identification nor are they issued visitor badges.

During onsite interviews, staff reported that it is not uncommon for the receptionist to move between the reception area and his/her office multiple times throughout the day, leaving the station temporarily unattended. During the onsite visit, the review team also observed this practice. In addition, there is no alarm, buzzer, or other device that alerts the receptionist that someone has entered the building through its front entrance.

None of the interior rooms of the junior high school are equipped with an access control system. The exterior doors are also not equipped with access control sensors, magnetic door locks, electronic door buzzers, or other access control equipment. Like the administration building, the junior high is equipped with a fire alarm system but is not wired with a burglar alarm or intrusion detection alarm, nor are security cameras installed or in use.

Freer High School has a single primary entrance that remains unlocked during normal business hours. After entering the building, the receptionist area and the principal's office are immediately on the right. However, there is no reception point for visitors to register and no signage indicating that visitors should first stop at the principal's office before moving to the interior of the school. In addition, there is no clear line-of-sight from the office to the front entrance. During the onsite review, the review team observed that the door to this office is consistently closed. No buzzer, alarm, or bell alerts staff in the front office area that someone has entered the building. A rear door of the high school that leads to the Disciplinary Alternative Education Program (DAEP) and In-School Suspension (ISS) program buildings

also remains unlocked during school hours. When asked why this door was unlocked, district staff informed the onsite review team it was for the convenience of students and staff. All other doors into the high school remain locked and require key entry from the outside. The high school also does not require visitors to show identification nor are they issued passes.

The interior rooms of the high school are not equipped with an access control system. The exterior doors are also not equipped with access control sensors, magnetic door locks, electronic door buzzers, or other access control equipment. Like other buildings in the district, the high school is equipped with a fire alarm system but is not wired with a burglar alarm or intrusion detection alarm (minimal coverage or otherwise), nor are CCTV systems installed.

Freer ISD's lack of visitor management procedures is not consistent with peer districts. **Figure 12–2** shows the results of a brief visitor management survey conducted by the onsite review team with the superintendents of four school districts identified as peer districts. Peer districts are districts similar to Freer ISD that are used for comparison purposes.

Each of Freer ISD's peer districts check visitors' identification, and three of the four districts use computer badge systems. Bloomington ISD uses an electronic visitor registration system which reads a visitor's driver's license, compares it to a 48-state sex offender database, and, if there is no match, issues a visitor badge with the visitor's photo, name, and time and date of the visit. In addition, each of the peer districts has other systems and processes in place to support visitor management on campus, including CCTV systems and front office notification systems (e.g., door buzzers).

The onsite review team also conducted an informal survey of a number of Tomball-area school districts to determine what types of systems and processes are in place to monitor visitors entering campuses. Each of the four schools contacted used an automated registration and badge system to capture visitor data and issue visitor identification badges. Some campuses also deploy simple alert systems to notify front office staff that someone has entered the facility. These systems range from electronic buzzers that terminate at the receptionist's desk to a set of bells hung on the front door to alert staff that the front door has been opened.

From a security and usability standpoint, the inconsistently used pen-and-paper visitor management process at Freer ISD has the following limitations:

**FIGURE 12-2**  
**FREER ISD AND PEER DISTRICTS VISITOR MANAGEMENT PROCEDURES**  
**SCHOOL YEAR 2013-14**

DISTRICT	VISITOR ID CHECKS	SIGN-IN SHEETS	BADGE SYSTEM	OTHER
Freer ISD	No	Yes	None	Buzzer at elementary
Anthony ISD	Yes	Yes	Computer	Runs safety checks at campuses Buzzer at elementary
Floydada ISD	Yes	Yes	Computer	100 cameras onsite Simple check through DPS
Morton ISD	Yes	Yes	Computer	Cameras at 2 of 4 campuses Plan to expand to all campuses
Bloomington ISD	Yes	Yes – Back Up	Computer (Raptor)	Raptor badge system at all campuses CCTV at all campuses Buzzer at elementary SRO on campus

SOURCE: Legislative Budget Board, School Review Team, December 2013.

- visitors must write entries by hand, creating a logjam effect in public entryways, receptionist areas, or principals' offices;
- front office personnel do not check each visitor's credentials;
- the district does not conduct security checks nor does it have tools to conduct checks; and
- the district does not issue visitor badges to persons entering facilities.

During onsite interviews, Freer ISD staff repeatedly stated that the relatively small size of the community and employee awareness of who lives in the community substantially reduces the likelihood that an intruder could enter a school facility and commit a criminal act. Some staff members cited this belief as the rationale for not consistently requiring visitors to register and the lack of a visitor badge system. However, recent events throughout the country have proven that no community is immune to the dangers posed by not effectively controlling who can and cannot enter school buildings. In addition, the recent growth of oil industry jobs in the areas immediately surrounding Freer has brought an influx of new individuals into the town. The large number of individuals who have recently moved into the town to live or work makes it even more dangerous for the district to rely on visitor access procedures that requires staff to know most people in the community.

In addition, the lack of an effective visitor management system opens up the district to potential legal issues. Growing numbers of school districts have been subject to lawsuits

arising out of a school's failure to keep students safe while on school property. Under the legal theory of "premises liability" occupiers and owners of land are legally required to keep premises safe for those who are legally allowed to be there. The law generally requires owners and occupiers of land to exercise a "reasonable amount of care" in providing a safe environment on the premises. However, because young children typically attend schools, some courts have begun extending the law to require a greater amount of care be taken in situations in which students are present.

The National School Safety and Security Services outline steps for reducing and controlling school access. The following are key strategies for preventing unauthorized access to school facilities through process, procedure, and physical security approaches:

- Create a visitor sign-in, sign-out, visitor badge issuance, and escort procedure.
- Reduce the number of doors that can be opened from the outside. This does not mean chaining doors or creating a fire hazard. It means using doors that cannot be opened from the outside but can be used as exits from the inside in the event of a fire or other emergency.
- Reconfigure main entrance designs so that there is a secondary set of secure doors, and all traffic is funneled into the main office before gaining access into the school. To heighten security further, have the initial exterior door buzzer controlled with a camera and intercom, thereby requiring visitors to be buzzed in the first door and granted access through a second door (which could also be buzzer controlled,

if appropriate) before gaining access into the main building.

- Consider use of a camera, intercom, and buzzer at main entrances, especially at elementary schools. Be sure to have the controls for these doors at the desk of each front office staff member, rather than a single person and train all main office staff on proper procedures for allowing access.
- Secure custodial entrances and delivery doors during and after school hours. Have custodial personnel keep a log of deliveries that includes the name of the vendor company, the name of the delivery person, the license plate number of the vehicle, and the date and time of arrival and departure.
- Require all school doors to be closed and secured from the outside while cleaning personnel and after-hours staff work inside the building during evening and night hours.
- Train all school staff, including support personnel, to greet and challenge strangers. This includes training staff to report strangers to the office if they do not feel safe in approaching someone they believe to be an intruder.
- Train students not to open doors to strangers, other students, or even adults they may know.
- Educate parents about access control strategies and the importance of following procedures.
- Establish a routine maintenance and timely repair program for the school doors.
- Consider the use of proximity cards for school staff with card readers at most commonly used doors, such as teachers' parking lot entrances; main entrances; and doors used for recess, playground activities, and physical education class activities.
- Use magnetic locks on doors so they close more easily.

Many schools, especially high schools and other larger facilities, use surveillance cameras to monitor and record entrance points. While many schools may not have adequate funding to staff full-time monitoring of surveillance cameras, these cameras can at least serve as a deterrent and provide a record of who was in the area.

Freer ISD should develop and implement a districtwide visitor control and risk management system. The district administrator assigned safety and security duties should work with the school safety and security committee and local law enforcement to establish this system.

The key deliverable should be a detailed assessment of all facilities with strategic recommendations and rough order of magnitude (ROM) estimates for recommended systems as well as a prioritized recommended order of implementation. A ROM is an estimate of costs and time provided in the early stages of a project when its scope and requirements have not been fully defined.

As part of the visitor control and risk management system, the district should regularly conduct and document site assessments of all campus facilities, including the administration building. Examples of some of the visitor and risk management projects to be considered when developing the new system include:

- access control and visitor management system configurations at designated points of entry into all facilities (e.g., buzzers, magnetic door locks, computerized badging systems, etc.);
- closed circuit televisions (CCTV) in three dimensions and at least two technical approaches (e.g., wireless and wired CCTV systems);
- minimal coverage (e.g., points of entry only);
- intermediate coverage (e.g., points of entry and limited exterior coverage);
- complete coverage (e.g., points of entry and extended interior and exterior coverage);
- perimeter control systems (e.g., fencing, barrier placement, types of barriers, etc.); and
- physical facility protection systems (e.g., intrusion detection, burglar alarm systems) and their potential integration with the facility's installed fire alarm system.

Another step the district may consider in developing and implementing the visitor management system is contracting with a safety and security consultant. The Texas School Safety Center (TSSC) maintains a registry of safety and security consultants who provide services to a school district, institution of higher education, district facility, or campus. These services include advice, information, recommenda-

tions, data collection, safety and security audit services, or any other services that pertain to school safety and security.

This recommendation can be implemented using existing resources.

#### **EMERGENCY/CRISIS MANAGEMENT (REC. 64)**

Freer ISD does not have an up-to-date emergency operations plan (EOP) or a current set of school and administration building floor plans with which to coordinate response plans with local emergency personnel and agencies.

During the course of the review, the review team requested copies of facility plans, emergency operations plans, and other documentation that would provide guidance to staff and emergency response personnel in compliance with state regulations. The review team also requested copies of the most recent after-action reports on completed drills and/or exercises. The district did not make available any of these materials.

When asked for facility design and architectural plans for the administration building and the three school campuses, the district provided the review team with one dated image (July 2006) illustrating a bird's eye view of the campus with several critical errors, including the following:

- The district child-care facility, now housed in the elementary school, is shown elsewhere on the dated plan.
- The high school was expanded in 2010 and the image does not show its current extensively modified configuration.
- The Disciplinary Alternative Education Programs and In-School Suspension classrooms, which are portable buildings behind the high school, are not included in the image.

Since the time of the onsite review, the district has indicated that the architectural plans for the school are in possession of the district's attorney due to a facilities lawsuit. Also since the onsite review, when responding to the existence of an EOP, the superintendent provided an outdated 2006 draft of a safety and security audit conducted under a previous administration. The only other resources the onsite review team observed related to emergency procedures was faded or unreadable wall-mounted emergency evacuation graphics in at least two of the district's facilities.

According to an interview with the current Freer Chief of Police, local emergency management and first responder staff have previously asked for districtwide and individual facility floor plans showing points of ingress and egress, classroom placement, general design characteristics, and other information unique to each facility (e.g., electrical service vaults, water main, natural gas lines, fire department connection, sprinkler systems, etc.). These documents are used by local and regional first responders to assist in managing and coordinating responses in the event of an emergency at a district facility. The chief reported that at the time of the onsite review these documents had not been made available.

In response to a request to see the district's Emergency Operations Plan (EOP), the onsite review team was provided a document entitled *Freer ISD Districtwide Facilities Safety Plan*. After reviewing this document the following issues and limitations were found:

- The document is over eight years old (published May 2005).
- Though a hazards summary is listed in the document, it does not address the likelihood of one of the listed hazards occurring in the community.
- Appendix 2, School Maps, does not include general layout or topographical information for the district or the campuses.
- Appendix 4, Phone Tree, lists personnel and their respective phone numbers but the list is not up to date.
- Appendix 5, Emergency Operations Planning Team, lists personnel by name, position, and telephone number. This information is also out-of-date and inaccurate. For example, the number for the district security supervisor, a non-existent position, does not answer or provide voice mail options.
- Appendix 8, Skills Survey and Inventory, is designed to capture individual skills and expertise of district personnel. The onsite review team asked for current copies of the Skills Survey and Inventory, but this document has not been provided.

Though the onsite review team requested a copy of each campus' emergency procedures handbook, only the junior high school provided a copy. A review of this document revealed it to be well written, though its index is not aligned with its content and some of the pages lack page numbers.

Overall, the document provides substantive information, along with a color coded emergency action plan.

The Texas Education Code, Section 37.108, requires each school district to adopt and implement a multi-hazard emergency operations plan (EOP) for use in the district's facilities. The EOP is the centerpiece of comprehensive emergency management and operations. The EOP defines the scope of a district's emergency preparedness and specifies necessary safety and security training and exercises, including multi-party drills and desk-top simulations. The training helps school and emergency response personnel understand their responsibilities and acquire the skills necessary to perform assigned tasks in case of an emergency. Exercises and drills provide a means to validate and practice plans, checklists, and response procedures and to evaluate the skills of response personnel. The EOP also supports the district's intent to respond to any emergency in a safe, effective, and timely manner in order to:

- protect human life;
- preserve health, safety, and basic care;
- protect district assets;
- maintain district services;
- assess damages; and
- restore general campus operations

The lack of correct or current emergency operations plans and related documentation and the inability to provide and critically review results from previous drills does not properly support effective emergency response management by Freer ISD.

A typical disaster plan includes several components, including: creating emergency shelters and staging areas in appropriate places; communicating with a wide range of resources and specialists; managing injuries and ambulatory transports; working with degraded capacities; maintaining law and order; and arranging evacuation across geographic boundaries.

Best practices dictate addressing these issues during critical pre-planning and training exercises, involving agency and entity stakeholders. The result is the development of a specific and uniform set of standards and procedures. A central component of establishing this pre-event readiness state is the availability of facility plans, building diagrams, procedures

documentation, and a host of other supporting information central to effective incident response and management.

Clear Creek ISD (CCISD) uses an electronic template designed by Regional Education Service Center IV (Region 4) to customize a uniform, districtwide crisis management plan for each school and the district's central administration building. In school year 1999–2000, based on comments from principals and teachers, the district's chief of staff formed a committee of principals and central office personnel to revise their Physical Disaster Crisis Plan. To do this, the committee reviewed several area district crisis management plans to identify necessary plan components and discuss possible formats that would be easier for the CCISD staff to use. Committee members also attended a Region 4 training session on crisis management plans, which provided a computer-generated template for crisis management plans. The district decided to use the template to develop a uniform district crisis management plan that allowed principals to customize the plan for their individual schools.

CCISD principals review and update their crisis management plans annually as part of the campus improvement planning process. The district office maintains copies of each school's Emergency Procedures.

Freer ISD should develop facility-based emergency documentation, including an up-to-date emergency operations plan, campus-specific faculty handbooks, facility floor plans, and evacuation route schematics.

The superintendent should review the current Freer ISD District and Facilities Safety Plans as well as the outdated 2006 draft EOP. The district should regularly update the EOP to meet current standards and requirements. In addition, the district should maintain Standard Operating Guidelines (SOGs) and current call lists and rosters to supplement the EOP.

The superintendent should also require the elementary and high school principals to review the content and format of the junior high faculty handbook, which includes comprehensive emergency procedures, and select sections that could be modified for their respective campuses and add additional content that should be included for their individual campuses. The elementary and high school principals should use the junior high handbook as a model with a timeline established by the superintendent for completion.

When each handbook is complete, a final copy should be provided to the superintendent's office for record retention. Once the drafts are complete, the administrators at each campus should review the finished document with staff members and address any questions they might have.

If evacuations, drills, or other emergency response exercises are modified or created, each facility's administration should conduct a trial of the evacuation or other emergency event, conduct a critical review afterwards, write an after-action report of the exercise results, and, where necessary, adjust instructions or guidance to staff. A regular schedule of drills should be developed and published in the campus handbook and monitored.

The district should also contact the general contractors or architects responsible for building or renovating its facilities and request current "as built" copies of each facility's floor plans. Once each of the district's facility floor plans are obtained, copies should be made available to local and regional first responder agencies such as local police, fire, emergency medical service (EMS) departments, and the local or regional emergency management agency (e.g., Duval County Emergency Management).

This recommendation can be implemented using existing resources.

#### **ON-CAMPUS COMMUNICATIONS SYSTEMS (REC. 65)**

Freer ISD does not effectively communicate with staff and local emergency response agencies during normal business hours and before, during, and after emergency events.

The district lacks an identified method for communicating with on- and off-site staff and emergency responders during an emergency beyond conventional telephone systems. Since

the time of the onsite review, the district indicated that they previously had purchased police radios to contact police, fire department, and emergency units that the onsite review team was not made aware of. **Figure 12-3** shows the various communication methods used by Freer ISD district and select community groups.

The wide range of communications systems and devices the district uses limits communication to an extremely narrow set of personnel. District departments do not have a common communications system or method other than the existing public-switched telephone network (PSTN), to communicate and coordinate responses to an emergency. Depending on the scale and magnitude of an emergency, the PSTN might not be available due to overloaded circuits or temporary interruption of service (e.g., outage, congestion). In addition, the district cannot communicate with responding or on-scene emergency response personnel.

At the time of the onsite review, the district had six district-provided cell phones with PPT capability. These cell phones are provided to bus drivers and administrative staff. However, with only cellular phone service, district staff cannot communicate with emergency responders either on scene or en-route to the scene. Instead, the district is limited to multiple one-to-one communications with either the local police department's emergency dispatcher or a single officer or responder on scene. Though the district can place multiple calls to the emergency dispatcher, the dispatcher can effectively process only one call at a time. Consequently, other first responders may not be aware of evolving status updates that may be shared by the district's staff with the emergency dispatcher unless the information is repeated by the dispatcher on the agency's field operations support channel.

**FIGURE 12-3  
FREER ISD COMMUNICATIONS SYSTEMS BY DISTRICT GROUP  
SCHOOL YEAR 2013-14**

DISTRICT GROUP	SYSTEM USED
Bus drivers	District-provided cell phones with push-to-talk (PTT) capability
Transportation staff	Personal cell phones and two privately owned non-commercial grade walkie-talkies (owned by the maintenance and transportation supervisor)
Custodial staff	Personal cell phones
Administrative staff	Personal and/or district-provided cell phones
Individual campus staff	Personal cell phones
Local first responders	Agency-provided communications systems, including traditional public safety handheld / portable radios.

SOURCE: Legislative Budget Board School Review Team, Interviews with Freer ISD staff, December 2013.

Further, the district's current communications environment prevents the district from effectively coordinating response by on-campus personnel due to the diversity of communications systems used. Varying services, devices, and capabilities complicate the district's inability to provide all on-campus personnel with simultaneous action instructions, updates, and other critical information. This information includes perimeter restrictions, safe passage areas, muster points, and other information essential for a safe and coordinated response or evacuation.

Federal Emergency Management Agency's 2011 report entitled *Fundamentals of Emergency Management Independent Study 230.b* provides standards for establishing a comprehensive emergency management capability. During an emergency, communications among campus staff is critical. Campus staff are the initial "first responders" at a school emergency. The methods and procedures used before, during, and after the emergency are important for the district to effectively identify the situation, communicate with authorities, and coordinate with other responding personnel, including those from other agencies.

When an emergency or disaster occurs, on-scene responders work as part of a complex emergency management network. Communications between responders are important to effectively support this complex response network. An emergency communication system is broadly defined as any system that is organized for the primary purpose of supporting one-way and two-way communications of emergency messages between both individuals and groups of individuals. The communications systems and processes used by district staff to support emergency and non-emergency events are central to establishing a platform for improved capability and effectiveness.

Freer ISD should establish a common communications system to communicate with on- and off-site personnel during day-to-day operations and emergency events.

The district should standardize on-campus communications across all support groups, including administration, custodial, transportation, maintenance, and crossing guard staff. The local police chief indicated that the department could provide five analog portable radios to Freer ISD at no cost. These would be programmed with the department's field operations support radio channel, as well as a support talk-around capability (and other channels the police department deems appropriate). The latter is a line-of-sight "back channel" that allows users to communicate with each

other without congesting the primary field operations support channel. Line-of-sight generally refers to the ability to communicate with the talk-around channel if you can see the other party.

The radio units require charging bases, which would have to be ordered by the police chief at the department's expense. Once the charger bases are acquired, the chief will provide them to the district. However, the five radios are not sufficient to support all district communications needs and should be allocated to key district supervisors or management personnel. This allocation includes the following positions:

- superintendent (or designee);
- all campus principals; and
- the designated district safety supervisor.

The police department's communications specialists should provide training in the proper use and maintenance of the radio unit to each user. The district should take the following actions in implementing this recommendation:

- Inventory and tag each delivered hand-held radio and charger base into the district's Inventory Management System (IMS).
- Work with the local police department's communications specialist to schedule and receive training in the proper use and maintenance of the radios. In particular, highlight how and when the police band should be used by district staff and the preferred protocol for communicating while on this channel.
- With the cooperation of the local police department, conduct an exercise drill to test and validate communications procedures.
- Complete an after-action report highlighting positive and negative observations made during the exercise.

For day-to-day onsite unified communications, the district should consider purchasing walkie-talkie radios that provide coverage onsite for a minimum of two miles point to point. Since the time of the onsite review, the district has indicated that it has walkie-talkie radios at the elementary and high school. The existing district-provided cell phones with push-to-talk (PTT) are a good example of such a system although the actual coverage capability of these units is unclear. When the user is onsite, the PTT component of the cell phone/radio system is used to communicate among and between onsite personnel. When users are off site, such as bus drivers,

the cell phone component of the unit is often used to communicate.

In purchasing and distributing additional cell phones with PTT capabilities, the district should also complete the following:

- Inventory and tag each cell phone into the district's IMS.
- Assign a cell phone and charger set to designated onsite support staff members such as custodians, crossing guard staff, and maintenance personnel.
- Designate an individual or position in the district responsible for coordinating with onsite campus personnel (e.g., maintenance and transportation supervisor or assistant).
- Draft and distribute guidance instructing staff in the use of district-issued cell phone/radio units including daily collection and return procedures.
- Draft an "acceptable use" policy standard for cell phones issued to district staff members.
- Develop an in/out cell phone issuance log to track the daily issuance and return of district equipment that includes the following information:
  - equipment type;
  - serial number;
  - person issued to;
  - date/time issued;
  - date/time returned; and
  - employee signature.
- Develop a process and methodology to capture and log reported safety issues/events or observations made by onsite campus personnel in a reporting system or database that could include the following information:
  - unique, sequenced entry number;
  - issue description;
  - type (e.g., technology, process, procedure, infrastructure, documentation);
  - priority (e.g., low, medium high);

- date reported/received;
- reported by;
- assigned to;
- date assigned;
- status (e.g., open, assigned, in progress, closed);
- expected close/resolved date;
- next update/re-check date;
- close date; and
- other comments.

On a daily basis, onsite staff should share accumulated safety and security issues observed with the district's safety and security designated committee member or other coordination point.

Work with all parties in closing reported issues and concerns as they are resolved by district personnel or off-site resources (e.g., contractors).

The fiscal impact assumes a five-year cost of \$18,000 and a one-time cost of \$600. This cost is based on the purchase of six additional cell phones with PTT capability. The costs of these phones will be influenced by the number of units purchased and any discounts available to the district from vendors. The fiscal impact assumes the cost per phone is \$100 each or a one-time cost of \$600. In addition, the estimated monthly network access cost per phone is approximately \$50 or \$3,600 per year. Projected five-year costs assume cellular service fees remain constant from one year to the next for a total of \$18,000 (\$3,600 annual network access x five years).

**FISCAL IMPACT**

Some of the recommendations provided in this report are based on state or federal laws, rules or regulations, and should be promptly addressed. Other recommendations are based on comparisons to state or industry standards, or accepted best practices, and should be reviewed to determine the level of priority, appropriate timeline, and method of implementation.

<b>RECOMMENDATION</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>TOTAL 5-YR (COSTS) OR SAVINGS</b>	<b>ONE TIME (COSTS) OR SAVINGS</b>
<b>CHAPTER 12: SAFETY AND SECURITY</b>							
61. Review the district's organizational structure with the goal of more effectively aligning and integrating safety and security oversight and management.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62. Establish and maintain a districtwide school safety and security committee.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63. Develop and implement a districtwide visitor and control and risk management system.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64. Develop facility-based emergency documentation, including an up-to-date emergency operations plan, campus-specific faculty handbooks, facility floor plans, and evacuation route schematics.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65. Establish a common communication system to communicate with on- and off-site personnel during day-to-day operations and emergency events.	(\$3,600)	(\$3,600)	(\$3,600)	(\$3,600)	(\$3,600)	(\$18,000)	(\$600)
<b>TOTAL</b>	<b>(\$3,600)</b>	<b>(\$3,600)</b>	<b>(\$3,600)</b>	<b>(\$3,600)</b>	<b>(\$3,600)</b>	<b>(\$18,000)</b>	<b>(\$600)</b>

