

TRANSMITTAL LETTER

August 15, 2002

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

Fellow Texans:

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

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

I have made a number of recommendations to improve KISD's efficiency. I have also highlighted a number of "best practices" in district operations-model programs and services provided by the district's administrators, teachers, and staff. This report outlines 77 detailed recommendations that could save KISD nearly \$3 million over the next 5 years, while reinvesting nearly \$900,000 to improve educational services and other operations. Net savings are estimated to reach more than \$2 million that the district can redirect into the classroom.

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

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

Sincerely,



Carole Keeton Rylander
Texas Comptroller

EXECUTIVE SUMMARY

In March 2002, Texas Comptroller Carole Keeton Rylander began a review of the Kerrville Independent School District (KISD) as part of a five-district project that also included reviews of the neighboring Ingram, Center Point, Hunt and Divide school districts, all located in Kerr County. Based upon more than five months of work, this Texas School Performance Review (TSPR) report identifies KISD's exemplary programs and suggests concrete ways to improve district operations. If fully implemented, the Comptroller's 77 recommendations could result in net savings of more than \$2 million over the next five years.

Improving the Texas School Performance Review

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

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

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

- Ensure students and teachers receive the support and resources necessary to succeed;
- Identify innovative ways to address the district's core management challenges;
- Ensure administrative duties are performed efficiently, without duplication, and in a way that fosters education;
- Develop strategies to ensure the district's processes and programs are continuously assessed and improved;
- Challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and

- Put goods and services to the "Yellow Pages Test": government should do no job if a business in the Yellow Pages can do that job better and at a lower cost.

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

For more information, contact TSPR by calling toll-free 1-800-531-5441, extension 5-3676, or see the Comptroller's Website at www.window.state.tx.us.

TSPR in Kerrville ISD

KISD is the largest school district in Kerr County with 4,689 students and is located 62 miles northwest of San Antonio. The district covers 167 square miles, including the city of Kerrville. The area attracts hundreds of artists who support a variety of arts and cultural events. Today more than one million tourists visit the area annually. The Texas Education Agency's (TEA's) Regional Education Service Center XX (Region 20) in San Antonio, Texas serves the district.

The Comptroller contracted with SDSM Inc., an Austin-based firm, to assist us with this review. The review team interviewed district employees, school board members, parents, business leaders and community members and held a public forum on Tuesday, March 26, from 5:00 p.m. to 8:00 p.m. at the Kerrville Tivy High School library. To obtain additional comments, the review team conducted small focus-group sessions with teachers and principals. The Comptroller's office also received letters and phone calls from parents, teachers and community members.

In addition, a total of 619 respondents answered written surveys distributed by the review team, including 134 district administrators and support staff, 13 principals and assistant principals, 153 teachers, 206 parents and 113 students. Details from the surveys, the public forum and the focus groups appear in **Appendices A through F**.

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

KISD selected five "peer districts" for comparative purposes, based on similarities in student enrollment, student performance and community

and student demographics. The districts chosen were Aransas County, Brenham, Levelland, Marble Falls and Midlothian ISDs.

In 2001-02, KISD served 4,689 students. Of these, 60 percent were Anglo, 34.8 percent Hispanic, 3.8 percent African American and 1.4 percent other. Economically disadvantaged students made up 46.5 percent of the total student population. **Exhibit 1** compares KISD's demographic characteristics with those of its peer districts, TEA's Region 20 and the state.

Exhibit 1
Demographic Characteristics of KISD
And Peer School Districts
2001-02

District	Student Enrollment		Ethnic Group (Percent)				Economically Disadvantaged	
	Number	Five-Year Percent Change*	African American	Hispanic	Anglo	Other	Percent	Five-Year Percent Change*
Brenham	4,716	(4.8%)	29.9%	13.8%	54.7%	1.7%	39.0%	(0.5%)
Midlothian	4,699	22.9%	2.4%	11.6%	84.8%	1.0%	15.5%	(24.0%)
Kerrville	4,689	(0.5%)	3.8%	34.8%	60.0%	1.4%	46.5%	(0.2%)
Marble Falls	3,648	8.2%	2.1%	27.9%	68.5%	1.6%	42.0%	(4.5%)
Aransas County	3,337	(5.5%)	4.6%	30.1%	55.3%	9.9%	46.9%	(7.1%)
Levelland	3,024	(12.4%)	5.7%	54.7%	39.5%	0.2%	53.4%	1.1%
Region 20	337,299	5.5%	7.0%	64.2%	27.3%	1.4%	61.0%	0.2%
State	4,150,741	6.6%	14.4%	41.7%	40.8%	3.1%	50.5%	4.1%

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

**Percent Change is defined as 2001-02 values minus 1997-98 values divided by 1997-98 values.*

During its five-month review, TSPR developed 77 recommendations to improve KISD's operations and save its taxpayers nearly \$3 million. Cumulative net savings from all recommendations (savings minus recommended investments or expenditures) would reach more than \$2 million over a five-year period.

A detailed list of costs and savings by recommendation appears in **Exhibit 5**. Many TSPR recommendations would not have a direct financial impact but would improve the district's overall operations.

Acknowledgments

The Comptroller's office wishes to express their appreciation to the KISD Board of Trustees, former Superintendent Dr. Mark Jackson, as well as district employees, students, parents and the community who helped during the review.

Kerrville ISD

KISD's enrollment has fallen since 1997-98, from 4,712 students to 4,689 students in 2001-02, a 0.5 percent decrease over five years (**Exhibit 2**).

Exhibit 2
KISD Actual Student Enrollment History by Year

School Year	Actual Student Enrollment	*Percent Change From the Prior Year
1997-98	4,712	N/A
1998-99	4,805	2.0%
1999-2000	4,727	(1.6%)
2000-01	4,662	(1.4%)
2001-02	4,689	0.6%

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

**Percentages are rounded.*

The district's 2000-01 Texas Assessment of Academic Skills (TAAS) passing rate for all tests taken in grades three through 10 was 89.5 percent, well above Region 20's average of 79.3 percent and the state average of 82.1 percent. The district's 2000-01 passing rate is second highest

compared to its peers and has increased each of the last four years from an 83.7 percent passing rate in 1996-97 to the 89.5 percent passing rate in 2000-01 (**Exhibit 3**).

Exhibit 3
Percent of Students Passing TAAS, All Tests Taken (Grades 3-8 and 10)
1996-97 through 2000-01

District	1996-97	1997-98*	1998-99**	1999-2000**	2000-01**	Percentage Point Change from 1996-97 to 2000-01***
Kerrville	83.7%	84.4%	87.1%	88.1%	89.5%	5.8
Midlothian	81.2%	83.7%	89.6%	91.2%	93.7%	12.5
Aransas County	81.0%	84.0%	79.5%	86.5%	84.3%	3.3
Marble Falls	80.2%	81.8%	80.6%	83.0%	87.0%	6.8
Brenham	71.8%	73.3%	76.4%	79.1%	80.2%	8.4
Levelland	71.6%	76.2%	80.2%	81.9%	83.3%	11.7
Region 20	66.6%	72.3%	74.4%	77.1%	79.3%	12.7
State	73.2%	77.7%	78.3%	79.9%	82.1%	8.9

Source: TEA, AEIS, 1996-97 through 2000-01.

**Recalculated from original posting to include special education and grade 3 and 4 Spanish TAAS.*

***Recalculated from original posting to include special education and grade 3-6 Spanish TAAS.*

****Percent Point Change is defined as 2000-01 minus 1996-97.*

TEA rated KISD as Recognized in 2000-01. The district has been rated Recognized in four of the last five years, with two of its elementary schools rated Exemplary in 2000-01.

On August 1, 2002, the Texas Education Agency released the TAAS results for the 2001-02 school year. KISD received an overall Recognized rating, as compared to its 2000-01 rating of Recognized. According to these latest reports, the district has three Exemplary schools: Daniels Elementary, Nimitz Elementary, and Tivy Upper Elementary; one Recognized school: Starkey Elementary; and four Academically Acceptable schools: Tivy High School, Hill Country High School, Peterson Middle School, and Kerr County Juvenile Facility. Because this information came late in the review process, and because information regarding the cumulative test results will not be available until November 2002, the AEIS data presented throughout the rest of this report reflects 2000-01 information.

KISD's annual budget was nearly \$24.9 million for 2001-02. KISD had the highest property tax rate among its peer districts in 2000-01 (**Exhibit 4**).

Exhibit 4
Adopted Tax Rate and Taxable Property Value per Pupil
KISD and Peer Districts
2001-02

District	Adopted Tax Rate	Property Value Per Pupil
Kerrville	\$1.733	\$274,156
Aransas County	\$1.612	\$333,264
Brenham	\$1.572	\$273,567
Levelland	\$1.445	\$267,726
Marble Falls	\$1.645	\$331,069
Midlothian	\$1.720	\$298,915

Source: TEA, PEIMS, 2001-02 and Comptroller's Office Preliminary 2001 Tax Rates data.

The review team found KISD's staff members to be dedicated, competent and focused on student achievement. The board, administration, staff and community all recognize that they must continue to make improvements wherever needed for their students. The district fully understands, however, that it faces several challenges, including:

- controlling spending and rebuilding its fund balance;
- managing staff size;

- enhancing educational services to students with special needs; and
- involving community in decision-making.

Key Findings and Recommendations

Control Spending and Rebuild its Fund Balance

- ***Create a board audit committee to address district finance and audit issues.*** KISD's financial challenges over the past four years limit the ability of the district to accomplish its mission and goals. Between 1997-98 and 2001-02, budgeted revenues rose 2.2 percent while budgeted expenditures increased 15.2 percent. A board audit committee would provide critical oversight of the district's financial position by allowing board members to participate in selecting an external auditor, overseeing the audit of the district and meeting quarterly to review the district's financial performance.
- ***Establish a general fund balance policy and develop administrative procedures to achieve and maintain it.*** The district does not maintain a TEA-recommended optimum fund balance, nor does it have a policy pertaining to the general fund balance. The district's fund balance lost 78 percent of its value between 1997-98 and 2000-01 and has an estimated value for 2001-02 of \$246,677, about 1 percent of its budgeted expenditures. By establishing a policy and procedures that require reports to the board about the fund balance, the district will be better able to rebuild its reserves.
- ***Develop procedures for the proper accounting and reporting of special revenue funds.*** The district lacks basic accounting procedures for its special revenue funds, which are funds that are legally restricted to expenditures for specified purposes such as federal grants, to ensure they are properly administered. The district has not requested federal funds in a timely manner and has not recorded expenditures that were directly related to federal programs. Consequently, \$132,358 in general operating funds were used in 2000-01 to pay costs that might otherwise have been paid with federal dollars. External auditors have commented on this deficiency in management letters for 1997-98 through 2000-01. Establishing basic operating procedures for funds administration would ensure that proper reports are filed and all grant funds available are collected and expended to enhance the district's educational programs.

- ***Develop and follow procedures to more accurately estimate revenues.*** The district over-estimated revenues from 1998-99 through 2000-01. Audited financial statements show that actual local revenues were overstated by an average of just less than 1 percent, state revenues by 4.8 percent and federal revenues by 30 percent. By overestimating revenues, budgets had to be amended during the school year or money had to be added to the budget from the district's reserve funds. Developing specific procedures for estimating revenues that take into consideration prior year variances will help the district more accurately budget for the coming year.
- ***Hire an internal auditor who reports directly to the board.*** KISD does not have an internal auditor to monitor and strengthen district internal controls. An internal auditor can conduct detailed reviews of internal controls and develop an internal audit plan that ensures the district is following generally accepted accounting procedures as well as board approved policies. An internal auditor can also ensure that the board is kept aware of the status of the district's financial, educational and operational programs. The annual cost for this position would be \$51,750.

Manage Staff Size

- ***Adopt staffing standards for school administrative and support staff.*** Compared to standards set by the Southern Association of Colleges and Schools, KISD has more campus administrators, professional support and campus clerical staffing than are needed to efficiently operate its schools. Implementing staffing formulas based upon student enrollment would allow the district to eliminate four and a half administrative positions and five clerical positions resulting in savings of nearly \$1.3 million over the next five years.
- ***Reduce staffing in Child Nutrition to match industry standards.*** KISD is using more labor hours to prepare the meals than are recommended. Meals per labor hour (MPLH) is a standard efficiency performance measure comparing the number of meals served to the total hours worked to produce the meals. By bringing staffing in line with industry MPLH standards, the district could realize a savings of nearly \$53,000 each year.
- ***Implement a controlled retirement incentive plan.*** KISD has nearly 28 percent of its teachers with more than 20 years experience. The district has 14 staff including four teachers who will meet the Teacher Retirement System (TRS) retirement eligibility requirements in the next two years. Adopting a

controlled retirement incentive plan, which provides financial incentives for staff to plan their retirement based on district staffing needs, would help the district better manage human resources and avoid a possible mass exodus of employees in any one year. A controlled retirement incentive plan could save the district more than \$296,000 over a five-year period and avoid a staffing crisis.

Enhance Educational Services to Students with Special Needs

- ***Strengthen Gifted and Talented (G/T) and Advanced Placement (AP) programs.*** In 2001-02 the district's spending on its G/T program hovered at \$40 per student, 95 percent below the state average of \$959 per student. The district ranks below the state average in percent of students completing AP courses, taking AP exams and meeting the minimum scores for course credit. Strengthening its programs for gifted students and encouraging students to take and pass advanced courses will ensure that children are academically challenged and fully prepared for college.
- ***Increase Minority Participation in the G/T program and AP Courses and Exams.*** KISD minority students are underrepresented in G/T programs and in AP courses and tests. While minorities represent 40 percent of the student body, only 12 percent of G/T students and 12.2 percent of students enrolled in AP courses are minority students. By increasing community awareness of these programs through notices in its newsletters and articles in the local newspaper and recruiting minority representatives of parent organizations to advocate the program to minority parents and students, the district can increase minority student participation and encourage students to reach their full potential.
- ***Develop a reintegration program that provides Discipline Alternative Education Program (DAEP) students with access to social services and counseling.*** KISD's DAEP program does not meet during the regular school day due to a lack of facility space; consequently, students do not have access to district counseling services, mentors, libraries or other educational support or school services. Furthermore, there is no transition program to help students successfully return to their home school. By developing a reintegration program to monitor returning students and provide support services for them, counselors and principals can ensure that students are able to succeed in the regular educational environment.

Involve Community in Decision-Making

- ***Provide opportunities for meaningful community discussion about facility needs and update the facility master plan.***
Comments made by teachers, parents and district staff in surveys and focus groups indicate that some individuals have significant concerns about the need for new schools based on projected growth in enrollment, the location of the new facilities and the impact of the cost of these facilities on district operations. Updating the facilities plan would provide an excellent opportunity to create a dialog with the community about the challenges the district faces in providing an appropriate educational setting for its children. By including the community in this process, KISD will demonstrate the district's willingness to listen to community concerns and address them.
- ***Eliminate routine executive sessions before each regular board meeting.*** Executive sessions are held at the beginning of each regular board meeting. This practice can be perceived by the public as non-compliance with the Open Meetings Act. Executive sessions are permitted for personnel matters, sale of real property, hearing of student and employee grievances and legal discussions with school attorneys. The Texas Government Code and Texas Open Meetings Act encourage districts to discuss as much of the district's business as possible in meetings open to the public. By scheduling executive sessions only when necessary, the board can remove any perceptions of secrecy to its meetings.
- ***Develop measurable goals and evaluation tools at the district level to improve parental involvement.*** Parental involvement takes place largely at the school level, and focus groups with parents and community leaders indicate that, while some schools are succeeding in involving parents in activities, others schools are not. Involving parents in children's education is essential to a quality education program. By tracking participation levels and using participation evaluations, the district can determine which schools need more parental support and target community involvement efforts towards those schools.

Exemplary Programs and Practices

TSPR identified numerous "best practices" within KISD. Through commendations in each chapter, this report highlights model programs, operations and services provided by KISD administrators, teachers and staff. Other school districts throughout Texas are encouraged to examine

these exemplary programs and services to see if they can be adapted to meet their own needs. TSPR's commendations include the following:

- ***KISD has a high rate of student participation and performance on ACT and SAT examinations.*** Compared to its peers, KISD has the second highest percent of students (70 percent) who took the Academic College Test (ACT) or the Scholastic Aptitude Test (SAT) in 2000-01. KISD's average SAT score is 1058 and its average ACT score is 21.8, which are the highest among the peer districts and surpass both the regional and state averages. The regional averages are 946 for the SAT and 19.5 for the ACT, and the state averages are 990 for the SAT and 20.3 for the ACT. KISD encourages students throughout the year to sign up for the ACT or SAT. The district also offers fee waiver options for students who cannot pay the registration fees. These strategies have increased testing participation and improved performance on the tests.
- ***KISD has reduced its dropout rate by offering alternative programs for at-risk students.*** KISD provides alternative programs for students through the Hill Country High School (HCHS) and the Disciplinary Alternative Education Program (DAEP). HCHS offers an individualized and self-paced proficiency-based learning system and offers special services including a career center that provides vocational testing, job information and job counseling. DAEP offers a highly structured learning environment with a focus on helping students with disciplinary problems to take more responsibility for their actions. These programs have been instrumental in keeping the district's dropout rate below the state average in 1998-99 and 1999-2000.
- ***KISD effectively uses teachers as school technologists to provide responsive, cost-effective technology support at each school.*** KISD has an effective program to provide first level diagnostic support at each school. School technologists are capable of solving a number of problems without having to contact the Technology Department. Their familiarity with handling technology problems also enables them to solve more complex problems with phone support from the Technology Department.
- ***The district established the Kerrville Public School Foundation to fund innovative teaching approaches and educational projects.*** The district established a foundation to support innovative teaching approaches, academic projects and continuing education. The foundation's activities have resulted in field trips to the state capitol, Reading Renaissance Workshops, microscopes for the

science department, software purchases and books for the Reading Recovery program.

- ***KISD's local food service organization builds teamwork and increases employee morale through professional development, community service and employee recognition activities.*** KISD has a local collaborative food service association composed of various Child Nutrition Department staff that has boosted morale and facilitated professional development. KISD has developed its own employee association to further professional staff development.
- ***Providing information regarding board activities and board policies on the district Web site improves communications with employees, parents and the community.*** Board agendas, policies and the superintendent's weekly memos to the board are posted on the district's Web site, helping KISD communicate important events to its employees, parents and the community. By posting extensive information about its activities, the board helps its employees, parents and community understand the issues facing the school district.
- ***The district performs an annual salary survey to determine market competitiveness.*** KISD's Human Resources Department conducts an annual salary and benefit analysis to determine market competitiveness. The survey findings help set compensation goals for the district budget. Administrators, directors and the board use the information to make decisions on how best to allocate available district funds.
- ***The district has established a thorough and well-executed budgeting process.*** The budget process at KISD is extremely thorough and solicits input from all key, district decision makers. The assistant superintendent of Business and Finance meets with each budget manager to explain the process, review the budget worksheet line by line and address any questions that might arise.
- ***The district uses cooperative agreements to efficiently and cost-effectively procure items.*** KISD uses several cooperative-purchasing agreements that help control product costs while reducing the workload by reducing the number of separate competitive bids. This practice allows the district to obtain a variety of goods and equipment at reasonable prices and eliminates some of the effort and expense associated with the bidding process.
- ***The Transportation Department transfers special program students between buses at a central transfer location.*** The

Transportation Department keeps special program transportation costs low and productivity high by transferring special program students between buses at a central transfer location. Transfers maximize bus capacity, consolidate trips and limit long, cross-town routes that result in more productive services and cost savings.

Savings and Investment Requirements

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

TSPR recommended 77 ways to save KISD nearly \$3 million in gross savings over a five-year period. Reinvestment opportunities would cost the district nearly \$900,000 during the same period. Fully implementing all recommendations in this report could produce net savings of more than \$2 million by 2006-07 (**Exhibit 5**).

Exhibit 5
Summary of Net Savings
TSPR Review of Kerrville Independent School District

Year	Total
2002-03 Initial Annual Net Savings	\$213,649
2003-04 Additional Annual Net Savings	\$420,053
2004-05 Additional Annual Net Savings	\$480,704
2005-06 Additional Annual Net Savings	\$496,925
2006-07 Additional Annual Net Savings	\$548,776
One Time Net (Costs)/Savings	(\$73,833)
TOTAL SAVINGS PROJECTED FOR 2002-2007	\$2,086,274

A detailed list of costs and savings by recommendation appears in **Exhibit 6**. The page number for each recommendation is listed in the summary chart for reference purposes. Detailed implementation strategies, timelines and estimates of fiscal impacts follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions necessary to achieve the proposed results. Some items should be implemented immediately, some over the next year or two and some over several years.

TSPR recommends that the KISD board ask district administrators to review these recommendations, develop an implementation plan and

monitor its progress. As always, TSPR is available to help implement its proposals.

EXECUTIVE SUMMARY

Exhibit 6 Summary of Costs and Savings by Recommendation

	Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07	Total 5-Year (Costs) or Savings	One- Time (Costs) or Savings
Chapter 1: District Organization and Management								
1	Create a board audit committee to address district finance and audit issues. p. 28	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Eliminate routine executive sessions before each regular board meeting. p. 30	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Group instructional support operations effectively. p. 33	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Adopt staffing standards for school administrative and support staff. p. 37	\$99,733	\$299,200	\$299,200	\$299,200	\$299,200	\$1,296,533	\$0
5	Develop measurable goals and evaluation tools at the district level to improve parental involvement. p. 52	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Develop opportunities for meaningful community discussion about existing facilities and anticipated facility needs. p. 54	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 1 Total	\$99,733	\$299,200	\$299,200	\$299,200	\$299,200	\$1,296,533	\$0

Chapter 2 Educational Service Delivery								
7	Increase resources allocated to the gifted and talented program. p. 83							
		(\$9,330)	(\$18,660)	(\$18,660)	(\$18,660)	(\$18,660)	(\$83,970)	\$0
8	Ensure all gifted and talented students are identified and served. p. 85							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Develop and implement a plan to increase the number of students taking Advanced Placement courses and exams. p. 86							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Increase participation of all minority students in AP courses and AP exams. p. 88							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Ensure efficient use of the pre-referral procedures. p. 95							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 2 Total	(\$9,330)	(\$18,660)	(\$18,660)	(\$18,660)	(\$18,660)	(\$83,970)	\$0
Chapter 3 Personnel Management								
12	Review and align job titles and develop a procedure for notifying the Human Resources Department regarding any job title changes. p. 111							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Secure personnel files and retrain staff in personnel files security. p. 112							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Develop electronic processes and templates to increase							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0

	productivity. p. 114							
15	Redesign the exit interview form to capture termination reasons and train supervisors on its importance and use. p. 122	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Set specific recruitment goals and develop strategies that target the desired applicant. p. 125	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Implement a retirement incentive plan that considers district impact. p. 127	\$0	\$6,196	\$68,647	\$84,868	\$136,719	\$296,430	\$0
18	Review and update job descriptions to provide a clear understanding of the essential tasks of each position. p. 130	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 3 Total	\$0	\$6,196	\$68,647	\$84,868	\$136,719	\$296,430	\$0
Chapter 4 Facilities and Use Management								
19	Update and expand the long-range facilities plan. p. 141	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,000)
20	Include the director of Maintenance on district management teams. p. 143	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Automate the work order process to track orders by facility, frequency and cost. p. 147	\$0	\$0	\$0	\$0	\$0	\$0	(\$900)
22	Develop a preventive	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	maintenance plan to help reduce maintenance costs. p. 149								
23	Contact an energy consultant to conduct an energy management audit of all KISD facilities. p. 151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 4 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,900)
Chapter 5 Asset and Risk Management									
24	Structure the next bank depository agreement to sweep daily balance into overnight investments. p. 160	\$0	\$43,349	\$43,349	\$43,349	\$43,349	\$173,396		\$0
25	Adopt a policy that all tax collections are deposited into the district's general operating fund within one business day of receipt. p. 161	\$1,316	\$1,755	\$1,755	\$1,755	\$1,755	\$8,336		\$0
26	Procure zippered bags that can be locked to secure food service cash during transport to the district bank and establish written procedures to reconcile the cash report to the deposit slip. p. 162	\$0	\$0	\$0	\$0	\$0	\$0		(\$420)
27	Establish an accident prevention program and appoint a safety monitor to each school to reduce workers' compensation costs. p. 171	\$0	\$0	\$0	\$0	\$0	\$0		\$0

28	Assign individual accountability for fixed asset custody to principals and department heads. p. 175	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapter 5 Total		\$1,316	\$45,104	\$45,104	\$45,104	\$45,104	\$181,732	(\$420)
Chapter 6 Financial Management								
29	Provide Texas Association of School Business Officials training for the district's staff accountant and bookkeeper. p. 189	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Develop procedures and require monthly reports for special revenue funds to enable the district to receive all allowable grant funds. p. 190	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	Cross-train accounts payable and payroll processing duties and establish step-by-step procedures. p. 194	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Develop procedures to more accurately estimate and monitor revenues and to adjust expenditure budgets when revenue estimates are not met. p. 202	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Establish a general fund balance policy, develop administrative procedures to achieve and maintain the	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	balance and require reports to the board. p. 206							
34	Adopt a board resolution restricting the use of the net proceeds from the land sale without specific approval by the board and invest the net proceeds. p. 207	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$550,000	\$0
35	Review tax office operations and develop a long-term plan. p. 209	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Adopt a formal policy for tracking and periodically reporting on the status of audit and other report recommendations. p. 212	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	Hire an internal auditor who reports directly to the board. p. 214	(\$25,875)	(\$51,750)	(\$51,750)	(\$51,750)	(\$51,750)	(\$232,875)	\$0
	Chapter 6 Total	\$84,125	\$58,250	\$58,250	\$58,250	\$58,250	\$317,125	\$0
Chapter 7 Purchasing								
38	Develop and implement purchasing monitoring procedures to improve compliance with state law and board policy. p. 224	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Develop policies, procedures and limits for credit card use. p. 227	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	Implement an automated inventory management	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$5,000)	(\$5,000)

	system and conduct regular inventory counts that are recorded to the district's financial records. p. 229							
41	Establish a contracting process and assign a staff member in the Finance Department to monitor vendor compliance. p. 231	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	Implement an automated textbook inventory system in the district's middle and high schools to improve textbook accountability. p. 234	\$2,728	\$2,628	\$2,628	\$2,628	\$2,628	\$13,240	(\$6,935)
43	Implement a process for delivery and receipt of all textbooks at the district's Maintenance warehouse. p. 236	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapter 7 Total		\$1,728	\$1,628	\$1,628	\$1,628	\$1,628	\$8,240	(\$11,935)
Chapter 8 Food Service								
44	Reduce staffing to achieve industry meals per labor hour standards. p. 247	\$26,344	\$52,687	\$52,687	\$52,687	\$52,687	\$237,092	\$0
45	Restrict vending operations and concessions during the lunch period. p. 252	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46	Introduce brand name items in the high school cafeteria to	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	increase participation. p. 253							
47	Include the director of Child Nutrition in all decisions that affect food service operations. p. 255	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	Develop and administer an annual survey to evaluate food service operations. p. 257	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Allocate custodial costs to the Child Nutrition Department budget. p. 261	\$14,410	\$34,583	\$34,583	\$34,583	\$34,583	\$152,742	\$0
50	Automate food service financial and performance reports. p. 262	\$0	\$0	(\$1,800)	(\$1,800)	(\$1,800)	(\$5,400)	(\$12,000)
51	Develop a phased capital replacement plan for food service equipment. p. 265	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 8 Total	\$40,754	\$87,270	\$85,470	\$85,470	\$85,470	\$384,434	(\$12,000)
Chapter 9 Student Transportation								
52	Develop a departmental mission statement, goals and objectives and expand the existing performance monitoring program to measure productivity and service quality. p. 278	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	Establish the Transportation Department as an internal service	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	fund. p. 280							
54	Upgrade the Transportation Department's existing radio system. p. 282	(\$626)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$15,650)	(\$11,866)
55	Provide annual retraining to all personnel who drive buses and evaluate their driving performance annually. p. 284	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56	Design routes and schedules based on an analysis of student demographic data and established routing and scheduling guidelines. p. 287	\$0	\$56,872	\$56,872	\$56,872	\$56,872	\$227,488	(\$175)
57	Adopt and commit funds to a bus replacement plan. p. 290	\$0	(\$108,000)	(\$108,000)	(\$108,000)	(\$108,000)	(\$432,000)	\$0
58	Conduct preventive maintenance inspections on school buses every 3,000 miles. p. 292	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 9 Total	(\$626)	(\$54,884)	(\$54,884)	(\$54,884)	(\$54,884)	(\$220,162)	(\$12,041)
Chapter 10 Safety and Security								
59	Expand the Safe and Drug Free Schools committee's scope to add districtwide security issues as a component of safe schools. p. 298	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60	Replace the cores on external school door locks, establish a	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,151)

	tracking system that matches a core with all assigned keys and implement a written replacement policy. p. 300							
61	Have staff require visitors to sign-in at the office and wear a badge. p. 304	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	Resurface the area surrounding the upper elementary school's merry-go-round for a soft landing, or remove the merry-go-round. p. 305	\$0	\$0	\$0	\$0	\$0	\$0	(\$366)
63	Develop a consistent set of emergency signals for all schools. p. 306	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64	Develop a reintegration program that provides Disciplinary Alternative Education Program students with access to social services and counseling. p. 312	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Chapter 10 Total	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,517)
Chapter 11 Computers and Technology								
65	Develop a training plan for Technology Department staff members. p. 319	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$20,000)	\$0
66	Develop a rotating on-call schedule for Technology Department staff. p. 321	\$0	\$0	\$0	\$0	\$0	\$0	\$0

67	Create a more effective communication process to inform the district of technology-related issues. p. 323	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68	Develop a district policy for personal computer configurations and install configuration control software to restrict user ability to alter hardware configurations. p.326	\$0	\$0	\$0	\$0	\$0	\$0	(\$16,198)
69	Establish a policy that defines the Technology Department's role and authorizes it to define technology standards and approve hardware and software purchases. p. 328	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70	Require new technology products to be tested before they are placed in use. p. 329	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71	Require all Technology Department staff and school technologists to use the problem-tracking software. p. 331	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,980)
72	Use the total capabilities of the district's problem-tracking software. p. 332	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73	Update and document all	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	district technology policies, procedures and standards. p. 334							
74	Link the technology plan's requirements with the annual Technology Department budget submission. p. 335	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75	Require the use of the district's automated tools to collect PEIMS data. p. 336	\$0	\$0	\$0	\$0	\$0	\$0	\$0
76	Revise the disaster recovery plan and require data archive tapes to be stored at an off-site location. p. 338	(\$51)	(\$51)	(\$51)	(\$51)	(\$51)	(\$255)	\$0
77	Acquire a network management tool to enable staff to efficiently direct the district' technology infrastructure. p. 343	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$13,842)
	Chapter 11 Total	(\$4,051)	(\$4,051)	(\$4,051)	(\$4,051)	(\$4,051)	(\$20,255)	(\$32,020)
	Savings	\$254,531	\$607,270	\$669,721	\$685,942	\$737,793	\$2,955,257	\$0
	Costs	(\$40,882)	(\$187,217)	(\$189,017)	(\$189,017)	(\$189,017)	(\$795,150)	(\$73,833)
	Total	\$213,649	\$420,053	\$480,704	\$496,925	\$548,776	\$2,160,107	(\$73,833)

Total Savings	\$2,955,257
Total Costs	(\$868,983)
Net Total	\$2,086,274

Chapter 1

DISTRICT ORGANIZATION AND MANAGEMENT

This chapter examines the Kerrville Independent School District (KISD) organization, management and planning in four sections:

- A. Board Governance
- B. District Management
- C. Planning and Evaluation
- D. Community Involvement

To effectively manage a school district, elected officials and district staff must cooperate and understand the differences in their roles. The board's role is to set instructional and operational goals and objectives for the district; determine the policies by which the district will be governed; approve the plans to implement those policies; and provide the funding necessary to carry out the plans.

The staff is responsible for implementing the plans approved by the board and recommending modifications necessary to ensure the operation of all district programs and duties. The superintendent, as the chief executive officer of the district, recommends the level of staffing and the amount of resources necessary to operate and accomplish the board's goals and objectives.

BACKGROUND

KISD is the largest school district in Kerr County, located in the Texas Hill Country about 62 miles northwest of San Antonio. The district covers 167 square miles and includes the city of Kerrville. The area attracts hundreds of artists who support a variety of arts and cultural events. Today more than a million tourists visit the area annually.

KISD began as a dependent school district in 1909, owned and operated by the city of Kerrville until 1923. In that year, the Legislature created a new district, allowing rural residents to send their children to Kerrville schools without having to pay tuition. Today the district is known statewide for its strong academic programs. The district is Recognized by the Texas Education Agency (TEA), and all of its regular schools are either Recognized or Exemplary. The class of 2001 had a 96.4 percent Texas Assessment of Academic Skills (TAAS) cumulative pass rate.

Chapter 1

DISTRICT ORGANIZATION AND MANAGEMENT

A. BOARD GOVERNANCE

Under the Texas Education Code, the Board of Education of a Texas independent school district is a corporate body, elected by the public with the "exclusive power and duty to oversee the management of the public schools of the district." The board, as a legal agent of the State of Texas, derives its status from the Texas Constitution and the Legislature. It must follow state and federal statutes, as well as regulations and relevant court decisions.

The seven-member Board of Trustees listed in **Exhibit 1-1** governs KISD. In 1999 the district changed to single-member districts with each board member elected for a three-year term. The terms are staggered, and board elections for about one-third of the board members are held annually on the first Saturday in May.

Exhibit 1-1
KISD Board Members
May 2002

Member	Years of Experience	Profession	End of Term
David Sprouse, President	4	Physician	2004
David Dozier, Vice President	2	Retired engineer	2003
Lynn LeMeilleur, Secretary	2	Attorney	2003
Rolinda Schmidt	6	Real estate developer	2005
Virginia Graham	7	Homemaker	2004
Janda Castillo	5	Teacher	2003
John Dal Santo*	0	Retired educator	2005

Source: KISD Superintendent's Office, May 2002.

**Elected to the board on May 4, 2002.*

KISD board meets every third Tuesday of the month for a regular board meeting. In addition, the board may hold special or called meetings when necessary. The public can provide input at regular and special meetings during a public comment session. Regular board meetings begin at 6 p.m.

with a scheduled executive session beginning 30 minutes before each meeting. Most meetings are held in the boardroom of the Administration Building located at 1009 Barnett Street in Kerrville. Occasionally board meetings are held at schools, for example, to introduce to the community the new elementary school opening in fall 2002.

The superintendent prepares the board agenda and reviews it with the board president. Agendas for regular meetings are posted at the Administration Building and on the district Web site. Board packets are distributed to board members and senior staff on the Friday before the meeting. There are no standing board committees. Board members participate in a number of district wide committees outside of the board, including two committees established to monitor the building of the two new schools.

Board training requirements are defined in KISD board policies, which are posted on the district Web site. KISD policy requires board members to comply with any training required by the State Board of Education, including local district orientation for new members, an annual team-building session and continuing education. The Texas State Board of Education sets training requirements for new and existing board members in Texas Administrative Code 61.1. The state board requires 16 hours of training annually for new board members and eight hours annually for existing board members. KISD policy also requires the district to provide board members with opportunities to "develop a broad and comprehensive understanding of the district." **Exhibit 1-2** lists training hours for each KISD board member for 2001-02.

Exhibit 1-2
KISD Board Member Training
May 2001 - May 2002

Member	Hours of Training
Rolinda Schmidt	17.25
David Sprouse	19.00
Virginia Graham	9.00
Janda Castillo	23.75
David Dozier	10.00
Lynn LeMeilleur	22.00
Keith Williams*	10.00

*Source: KISD Superintendent's Office, May 2002.
 Note: *Keith Williams did not run for reelection in May 2002.
 John Dal Santo was elected to that position.*

All board members met or exceeded their training requirements for 2001-02.

FINDING

Annual goal-setting workshops help the KISD board operate effectively and support the board's strong working relationship with the superintendent and senior staff. The superintendent and board hold an annual goal setting workshop in the spring of each year. Each board member meets individually with each senior administrator to discuss an evaluation of the prior year and needs for the coming year. During this discussion, each department head outlines targets for the coming year and provides supporting material for each board member. The 2001 goal-setting workshop was held on April 7, 2001 at Starkey Elementary. **Exhibit 1-3** displays examples of targets the board identified for Human Resources.

**Exhibit 1-3
 KISD Annual Goal Setting Workshop
 April 7, 2001
 Sample Human Resources Targets for 2001-02**

Targets	Potential Issues
Salary Issues	Adjust teachers 0-6 years to be equitable with market.
	Generate competitive salaries for paraprofessional and auxiliary staff
	Continue adjustments to administrative salaries to place all employees within range for pay grade.
Benefit Issues	Reinstate \$20,000 fixed retirement incentive.
	Retain disability benefit.
	Retain catastrophic sick leave bank for employees.
	Retain summer training and earned-off days.
Recruitment and Morale Issues	Initiate \$500 stipend for 84 teachers with masters degree.

	Consider \$1,500 stipend for certified math, bilingual and E.D (behavior modification) teachers.
	Restore some of the local leave days.
	Initiate employee satisfaction survey.
	Continue district compensation committee (DCC) and broaden representation.
	Continue child development center at a competitive rate as an employee benefit.
	Explore community incentives for outstanding teacher performance.

Source: Human Resources Goal Setting Packet, 2001.

After the individual sessions, the board discusses and prioritizes the targets or needs. Each board member votes for their top priorities. These prioritized targets or needs become part of the budget process for the coming year.

These in-depth discussions help the administration communicate a variety of needs or targets early in the planning process. The workshop setting fosters candid communication while the prioritization process helps to focus board members on shared issues rather than individual agendas. In their interviews with TSPR, board members identified this annual goal-setting process as a key factor in the success of the board and its ability to work together as a unit.

COMMENDATION

Annual goal setting helps the KISD board effectively manage its role as a policy-making organization.

FINDING

The KISD Finance Department provides extensive monthly financial information to the board that is useful and understandable. The assistant superintendent of Business and Finance prepares financial information that is included in each board packet. **Exhibit 1-4** lists the type of information included in the monthly financial reporting to the board.

Exhibit 1-4 Monthly Financial Reporting KISD Board

Report	Description
Narrative report by superintendent (prepared by the assistant superintendent of Business and Finance)	Provides information on new projects, trend information and explains any changes in the report's format.
Cash and Investment Report	Lists all investments by type and fund, includes both book and market value and all changes to investments over the past month.
Cash Disbursements	Summarizes all cash disbursements over the past month by fund.
Property Tax Collection Report	Lists current and delinquent taxes for the month and year-to-date and percentage of collections for this year and the past year.
Budget /Expenditure Comparison	Compares actual expenditures to the approved budget by fund, function and object and provides percentage expended to date.
Disbursements from Construction Account - Monthly Expenditures by Project	Lists all disbursements from the Construction Fund by project.
Capital Project Budgets - Control Budget for all Projects	Summarizes capital project information.
Capital Project Budgets -Tally Elementary School and Tivy High School	Provides individual capital project expenditures to budget comparison, including all change orders from inception of the project.
Quarterly Investment Report	Narrative report that provides a summary of investment activity for the period.
Request for Grant Approval	Request by principal for approval of grants.

Source: KISD March 2002 Monthly Financial Report.

This kind of clear financial information provided on a regular basis in an understandable format helps the board in its oversight role. It provides information for decision-making and increases the board's ability to respond in a timely manner.

COMMENDATION

Monthly financial information supports the board in its oversight and decision-making roles.

FINDING

The KISD board uses a variety of ways to communicate with its employees, parents and the community. Board agendas, policies and the superintendent's weekly memos to the board are posted on the district's Web site, helping KISD communicate important events. The KISD Web site also provides information on the upcoming board elections, information on board members and board policies including all local policies.

The superintendent prepares and distributes a *KISD Bulletin* after every regular board meeting that gives an overview of the board meeting events. The superintendent's secretary sends copies to every employee. The superintendent also sends each employee an update called *Insight*. This publication is sent to employees three or four times a year to alert staff about significant changes in the district such as changes to the health insurance program.

By posting extensive information about its activities, the board helps its employees, parents and community understand the issues facing the school district and become more informed voters.

COMMENDATION

Providing information about board activities and board policies improves communications with employees, parents and the community.

FINDING

The KISD board is responsible for accomplishing the district's mission and goals, but it has not adequately addressed the district's continuing financial problems. District expenditures exceeded revenues for three of the last four years. KISD financial problems limit the district's ability to accomplish its mission and achieve its goals. While there is ample evidence of strong planning efforts, the results in the financial area have been less than expected.

The general fund balance dropped by 78 percent since 1997-98. Building programs based upon estimates of increased student enrollment have continued without modification, even though the district has not realized the growth expected at the time of the bond election in 1999. Management letter comments made by the district's auditors over several years focus

upon a need for more timely federal reporting, yet this problem was not addressed until 2001-02. The severity and length of these problems require additional action by the board.

A number of school districts use a board-level audit and finance committee to provide critical oversight in an increasingly complex area. This committee is often the only standing committee of the board. This committee participates in the selection of the external auditor, oversees the internal audit of the district and asks the hard financial questions that are then addressed by the administration.

Recommendation 1:

Create a board audit committee to address district finance and audit issues.

By providing additional oversight of the district's financial problems, the board may be able to resolve issues more quickly. This committee should have a formal purpose, a specific membership of usually three members and identified responsibilities. The committee's mandate should include specific activities such as meeting with the district's auditors to review the financial statement and quarterly workshop meetings to review financial performance. This committee should also have a limited term of existence during which the board will evaluate the committee's role and the district's continuing need for the committee.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and board president develop a recommendation for the creation and specific responsibilities of the audit committee.	September 2002
2.	The full board reviews and approves the recommendation.	October 2002
3.	The board president appoints members to the committee.	November 2002
4.	The board audit committee holds an organizational meeting, selects a chairperson and begins work.	December 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Executive sessions held at the beginning of each regular board meeting may be perceived by the public as non-compliance with the Open Meetings Act. Each regular monthly meeting of the KISD board begins with an executive session held at 5:30 p.m. before the open meeting begins at 6:00 p.m. The purpose of the meeting is to allow board members to eat dinner and discuss items allowed under Title 5, Chapter 551, Texas Government Code. However, a review of board minutes for the past year indicates that additional executive sessions are often held later in the meeting to deal with specific items such as the hiring of professional employees. The district also held six called meetings with executive sessions during the past year to discuss the sale of property.

The review team compared practices regarding executive sessions in each of the peer districts and found that none of the districts hold routine executive sessions at the beginning of each regular board meeting. **Exhibit 1-5** describes when each peer district holds executive sessions.

**Exhibit 1-5
Peer Districts' Use of Executive Sessions**

Peer District	Use of Executive Sessions
Marble Falls	Posts an executive session for the end of each regular board meeting. Used only if needed to discuss approved items such as personnel.
Brenham	Rarely uses executive sessions. The district has had only two in the past year.
Midlothian	Posted only when needed.
Levelland	Can be held at any time during the board meeting as needed.
Aransas County	Posts an executive session as a rule for every regular board meeting at the end of the meeting if needed.

Source: Telephone interviews with peer districts, May 2002.

The Texas Government Code permits executive sessions for a limited number of reasons including discussing personnel matters, discussing sale of real property, hearing student and employee grievances and conducting legal discussions with school attorneys. Holding executive sessions for the convenience of board members is not one of those reasons. By holding routine executive sessions before each regular meeting, the district risks non-compliance with the Open Meetings Act and presenting an air of secrecy to board meetings that can be harmful to district community relations.

Recommendation 2:

Eliminate routine executive sessions before each regular board meeting.

Executive sessions should be scheduled only when necessary and appropriate under Chapter 551 of the Texas Government Code.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent develops a recommendation to eliminate the regularly scheduled executive session.	September 2002
2.	The board reviews and approves the recommendation.	September 2002
3.	The superintendent modifies the board agenda to implement the elimination of the session.	October 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1

DISTRICT ORGANIZATION AND MANAGEMENT

B. DISTRICT MANAGEMENT

As specified in Section 11.201 of the Texas Education Code, the superintendent is the chief executive officer of the district and is responsible for:

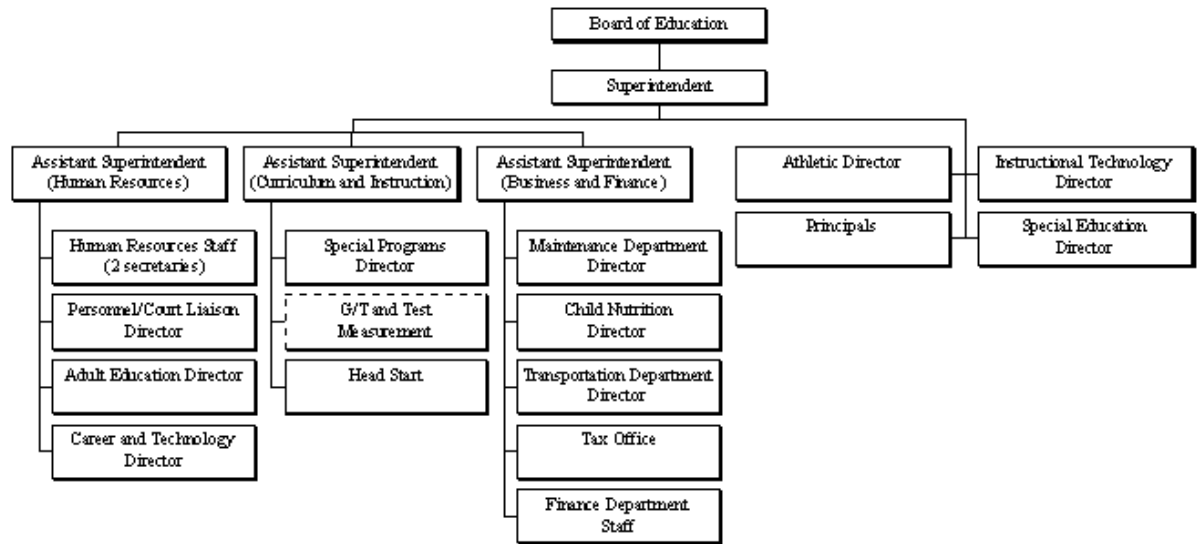
- Assuming administrative responsibility and leadership for the planning, operation, supervision and evaluation of the education programs, services and facilities of the district and for the annual performance appraisal of the district's staff;
- Assuming administrative authority and responsibility for the assignment and evaluation of all personnel of the district other than the superintendent;
- Making recommendations regarding the selection of personnel of the district other than the superintendent as provided by Section 11.163 of the Texas Education Code;
- Initiating the termination or suspension of an employee, or the non-renewal of an employee's term contract;
- Managing the day-to-day operations of the district as its administrative manager;
- Preparing and submitting to the Board of Trustees a proposed budget as provided by Section 44.002 of the Texas Education Code;
- Preparing recommendations for policies to be adopted by the Board of Trustees and overseeing the implementation of adopted policies;
- Developing or causing to be developed appropriate administrative regulations to implement policies established by the Board of Trustees;
- Providing leadership for the attainment of student performance in the district based on indicators adopted under Section 39.051 of the Texas Education Code and other indicators adopted by the State Board of Education or the district's Board of Trustees;
- Organizing the district's central administration; and
- Performing any other duties assigned by action of the Board of Trustees.

Section 11.253(a) of the Texas Education Code requires "each school district to maintain current policies and procedures to ensure that effective planning and site-based decision-making occur at each school to direct and support the improvement of student performance." Site-based decision-making (SBDM) has provided a way for teachers, parents and community

members to help central and school administrators make decisions about improving student performance.

KISD's organizational structure is presented in **Exhibit 1-6**.

**Exhibit 1-6
KISD Organization
2001-02**



Source: KISD superintendent, March 2002.

KISD's central administration includes the superintendent, three assistant superintendents and nine directors. Five central office positions plus the principals report directly to the superintendent. The assistant superintendent of Human Resources is responsible for human resources, staff development, student truancy, community education and the career and technology instructional program. The assistant superintendent of Curriculum and Instruction is responsible for instructional support and special programs. The assistant superintendent of Business and Finance is responsible for finance, transportation, maintenance, child nutrition and the tax office.

Exhibit 1-7 compares KISD's central administration to that of its peer districts. KISD has more central administrators than its peers. It is the only district in the comparison to have its own tax office and an adult education director position funded 80 percent by outside funds. Two of the peer districts, in comparison, contract out or use a cooperative for many of their operations. Marble Falls contracts out child nutrition, and Brenham outsources the transportation function. Levelland uses a cooperative for special education services. Marble Falls also relies upon supervisors and

paraprofessional level staff for human resources, maintenance and transportation.

Exhibit 1-7
Comparison of Central Administrator Positions
2001-02

Position	Kerrville	Marble Falls	Midlothian	Levelland	Brenham
Superintendent	1	1	1	1	1
Deputy Superintendent	0	0	0	1	0
Assistant Superintendent Human Resources	1	0*	1	1	1
Assistant Superintendent Curriculum and Instruction	1	1	1	1	1
Assistant Superintendent Business and Finance	1	1	2	1	1
Assistant Superintendent Operations	0	0	1	0	1
Adult Education Director	1	0	0	0	0
Career and Technology Director	1	1	0**	0**	0**
Athletics Director	1	0**	1	1	0
Child Nutrition Director	1	*	0	1	0
Maintenance Director	1	0**	0	1	2
Transportation Director	1	0**	0	1	*
Instructional Technology Director	1	1	1	1	1
Special Education Director	1	1	1	*	1
Tax Office Assessor	.5	0	0	0	0

Student Services Director	0	1	0	1	0
Instructional Director	0	1	1	0	1
Total	12.5	8	10	11	10

Source: Telephone interviews with peer districts May 2002 and KISD organization chart. Aransas County was not included in the comparison.

**Indicates that district participates in a multiple district cooperative or that the functional area has been contracted out.*

***Indicates that the functional area is supervised by a non-administrative position.*

Exhibit 1-8 compares the average salaries of Kerrville ISD staff to its peers and state averages. KISD salaries are below the state average in every category. KISD average teacher salaries are lower than state average salaries by \$1,661 but exceed the average teacher salary of three of its peers: Marble Falls, Brenham and Levelland. Principal salaries are also lower than the state average but exceed three of its peer districts: Marble Falls, Levelland and Aransas County. KISD average central administration salaries are lower than the state average and exceed only one of its peers, Levelland. Professional support salaries are lower than the average professional support salaries in all but one of the peer districts and lower than the state average.

**Exhibit 1-8
KISD Salary Comparison
2000-01**

Staff Category	Kerrville	Marble Falls	Brenham	Midlothian	Levelland	Aransas County	State Average
Teachers	\$36,700	\$35,867	\$36,418	\$37,576	\$36,421	\$36,811	\$38,361
Principals	\$57,318	\$56,500	\$60,335	\$68,479	\$54,005	\$56,770	\$63,144
Central Administration	\$69,443	\$74,904	\$69,869	\$77,211	\$63,767	\$72,113	\$69,916
Professional Support	\$42,750	\$44,374	\$43,962	\$46,916	\$39,896	\$43,896	\$45,514

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

Teachers are assigned to schools based upon staffing ratios developed as part of the district's strategic plan. The teacher-to-student ratio in 2000-01 was 14 to 1, slightly lower than the state average of 14.8 to 1. Aide positions are assigned based upon the needs of special programs such as special education and compensatory education. Other school staffing is allocated by school without regard to individual student enrollments.

FINDING

KISD's organizational structure does not group instructional operations effectively. The district revised its organizational structure in August 2001 creating two additional assistant superintendent level positions: an assistant superintendent of Curriculum and Instruction and an assistant superintendent of Business and Finance, but did not revise the reporting relationships of subordinates to the senior positions.

The original assistant superintendent position was redefined as the assistant superintendent of Human Resources. At this same time, the special education cooperative that the district had used for a number of years was disbanded, and special education responsibilities were moved in-house. The district did not realign the director reporting relationships to group similar functions.

When similar operations are scattered throughout the district with different reporting relationships, the district does not function as efficiently as possible. Resources may not be shared as needed and planning may not be coordinated appropriately.

Recommendation 3:

Group instructional support operations effectively.

The district should group instructional operations under one senior administrator to allow groups to communicate better and share resources. The Special Education and the Career and Technology directors should report to the assistant superintendent of Curriculum and Instruction.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent reviews the director-level reporting relationships of the district staff.	October 2002
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2.	The superintendent develops a plan to reassign functions to logically group related operations and submits the plan to the board for approval.	November 2002
3.	The board reviews and approves the reassignments.	December 2002
4.	The superintendent reassigns staff.	January 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

KISD has more school administrators, professional support and school clerical staffing than needed to efficiently operate its schools, according to standards established by the Southern Association of Colleges and Schools (SACS). Each elementary school, regardless of size has a principal, one or two assistant principals, a counselor, a diagnostician, two or three secretaries and a nurse. Peterson Middle School has a principal, two assistant principals, 1.5 counselors, a diagnostician, three secretaries and a nurse. Tivy High School has a principal, three assistant principals, a part time administrative assistant who is classified as an administrator, 3.5 counselors, a diagnostician and six secretaries.

Interviews with senior staff indicated that the assignment of diagnosticians to individual schools has been implemented over the last three years. These positions deal with all kinds of student problems, not simply special education assessments. The positions are credited by the administration at least in part for the increase in test scores across the district. More importantly they are part of the district model to address the needs of all children in the district.

SACS accredits more than 12,000 public and private institutions, from pre-kindergarten through the university level, in 11 states in the Southeastern United States including Texas. SACS recommends minimum personnel standards based upon the enrollment in a given school.

Exhibits 1-9 displays SACS minimum personnel standards for elementary schools based on enrollment.

Exhibit 1-9 SACS Minimum Personnel Requirements for Elementary Schools

Number of Students	Principal	Administrative or Supervisory Assistants	Secretaries or Clerks
1-263	0.5	0.0	0.5
264-439	1.0	0.0	1.0
440-659	1.0	0.0	1.0
660-879	1.0	0.5	1.5
880-1,099	1.0	1.0	1.5
1,100-1,319	1.0	1.5	2.0
1,320-Up	1.0	2.0	2.0

Source: Southern Association of Colleges and Schools (SACS) Standards for the Accreditation of Elementary Schools, Standard 5 Human Resources, approved by the Commission on Elementary and Middle Schools, 2002-03 School Year.

SACS also recommends minimum personnel requirements for middle schools, based on enrollment, in its *Accreditation Standards 2000: Additional Standards Unique to Middle Schools*. The SACS minimum standards for middle schools are presented in **Exhibit 1-10**.

Exhibit 1-10
SACS Minimum Personnel Requirements for Middle Schools

Number of Students	Principal	Administrative or Supervisory Assistants	Secretaries or Clerks
1-249	1.0	0.0	0.5
250-499	1.0	0.5	1.0
500-749	1.0	1.0	1.5
750-999	1.0	1.0	1.5
1000-1249	1.0	1.5	2.0
1,250 - 1,499	1.0	2.0	2.0

1,500 - up	*	*	*
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Source: SACS Policies, Accreditation Standards 2000: Additional Standards Unique to Middle Schools.

*One full-time equivalent staff member shall be added where needed for each additional 250 students over 1,500.

SACS further recommends minimum personnel requirements for high schools, based on enrollment, in its *Accreditation Standards 2000: Resources, Human Resources*. The SACS minimum standards for high schools are shown in **Exhibit 1-11**.

Exhibit 1-11
SACS Minimum Personnel Requirements for High Schools
Accreditation Standards 2000: Human Resources

Number of Students	Principal	Administrative or Supervisory Assistants	Secretaries or Clerks
1-249	1.0	0.0	1.0
250-499	1.0	0.5	2.0
500-749	1.0	1.0	3.0
750-999	1.0	1.5	3.5
1000-1249	1.0	2.0	4.0
1250-1499	1.0	2.5	4.5
1500-Up	*	*	4.5

Source: SACS Commission on Secondary and Middle Schools, 2000.

*One full-time equivalent staff member shall be added where needed for each additional 250 students of 1,500.

Exhibit 1-12 compares KISD's staffing to SACS standards, with differences between SACS standard and actual district positions shown in the Difference column.

Exhibit 1-12
KISD Schools Comparison of SACS Standards to Actual Staffing
By School and Position

School	Enrollment	Position	SACS Standard	Actual Positions	Difference Over/(Under)
Daniels Elementary	719	Principal	1.0	1.0	0.0
		Assistant Principal	1.0*	1.0	0.0
		Secretaries or Clerk	2.0*	2.0	0.0
Starkey Elementary	375	Principal	1.0	1.0	0.0
		Assistant Principal	0.0	1.0	1.0
		Secretaries or Clerk	1.0	2.0	1.0
Nimitz Elementary	543	Principal	1.0	1.0	0.0
		Assistant Principal	0.0	1.0	1.0
		Secretaries or Clerk	1.0	2.0	1.0
Tally Elementary	467	Principal	1.0	0.0	(1.0)
		Assistant Principal	0.0	0.0	0.0
		Secretaries or Clerks	1.0	0.0	(1.0)
Tivy Upper Elementary**	386	Principal	1.0	1.0	0.0

		Assistant Principal	0.0	2.0	2.0	
		Secretaries or Clerk	1.0	3.0	2.0	
Peterson Middle School	683	Principal	1.0	1.0	0.0	
		Assistant Principal	1.0	2.0	1.0	
		Secretaries or Clerk	2.0*	3.0	1.0	
Tivy High School	1,409	Principal	1.0	1.0	0.0	
		Assistant Principal	3.0	3.5	0.5	
		Secretaries or Clerk	5.0*	6.0	1.0	
		Total			9.5	

Source: Compiled from SACS Standards and KISD Employee Listing by Assignment Group February 2002, and estimated 2002 fall enrollments provided by the assistant superintendent Business and Finance.

**Note: SACS recommended half-time positions were rounded to full-time positions for comparison purposes.*

Tally Elementary was shown with no staffing based upon our understanding that staffing for these positions will be reassigned from existing staff at other elementary schools.

***Tivy Upper Elementary School will become B. T. Wilson Sixth Grade Campus beginning in the fall 2002.*

KISD's staffing for administrative and clerical positions at the schools exceeds recommended SACS standards. Based on SACS minimum standards referenced in **Exhibits 1-9** through **1-11**, KISD is overstaffed by 9.5 positions.

Recommendation 4:

Adopt staffing standards for school administrative and support staff.

KISD can control school support costs by using staffing formulas based upon the SACS minimum standards for schools. These standards allow the district to eliminate 4.5 administrative positions and five clerical positions resulting in significant cost savings. The standards established by SACS are minimums that should be adjusted to reflect special circumstances.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and senior staff review existing staffing for all schools using SACS standards to determine individual school staffing needs.	October 2002
2.	The superintendent recommends to the board minimum school support staffing allocations for all schools.	November 2002
3.	The board reviews and approves recommended staffing guidelines.	December 2002
4.	The superintendent freezes hiring for any overstaffed positions and appropriately transfers excess personnel pending full implementation of the new staffing guidelines at the beginning of the next school year.	January 2003

FISCAL IMPACT

Implementing this recommendation will eliminate 4.5 school administrative positions and 5 clerical positions, resulting in annual savings of \$299,200. The calculation for this fiscal impact is shown below:

Eliminate 4.5 school administrative positions:		
Annual salary based upon entry level for assistant principals	\$43,896	
Variable benefits rate	X 1.15	
	\$50,480	
Number of positions	X 4.5	

Total annual salary and benefits		\$227,160
Eliminate 5 clerical positions:		
Annual salary based upon entry level for clerical positions	\$12,529	
Variable benefits rate	X 1.15	
	\$14,408	
Number of positions	X 5	
Total annual salary and benefits		\$72,040
Total fiscal impact for eliminating the 9.5 positions:		\$299,200

First year estimates are reduced by two-thirds based on the hiring freeze and attrition ($\$299,200/3 = \$99,733$).

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Adopt staffing standards for school administrative and support staff.	\$99,733	\$299,200	\$299,200	\$299,200	\$299,200

Chapter 1

DISTRICT ORGANIZATION AND MANAGEMENT

C. PLANNING AND EVALUATION

Planning is a vital ingredient in district management. Proper planning establishes the district's mission; identifies goals and objectives; sets priorities; identifies ways to complete the mission; and determines performance measures and benchmarks to chart progress toward the achievement of the district's goals and objectives. Planning anticipates the effect of decisions; indicates the possible financial consequences of alternatives; focuses on educational programs and methods of support; and links student achievement to the cost of education.

The Texas Education Agency (TEA) encourages planning by requiring district's to prepare and submit certain planning documents including an annual budget, district and campus improvement plans, technology plans, an annual report on student achievement goals, a biennial district evaluation report and a district performance report. To meet Texas Education Code requirements, the district also must form a district-level committee to develop the district improvement plan (DIP) and school-level committees to develop campus improvement plans (CIP). The district-level committee also must consult with the superintendent concerning the planning, operation, supervision and evaluation of the district's educational program as per Education Code 11.252(f).

Other plans and reports not specifically required by law are nonetheless essential to sound district operations and can have a significant impact on district management and fiscal accountability. These planning efforts include the calculation and planning of student enrollment projections; facilities planning; planning for food service, textbook acquisition and distribution, and school staffing; and districtwide budgeting and financial planning. These plans must be accurate and must be used by the district for a school district to operate effectively.

Section 21 of the Texas Education Code (TEC) outlines how to implement site-based decision-making (SBDM). SBDM is a process in which the schools become the primary unit of leadership toward improving student achievement. KISD has developed campus improvement teams (CITs) that work together with the Faculty Community Advisory Council to facilitate SBDM. The teams consist of the principal, elected members of the school staff, two parents, two business representatives, two community leaders and one central staff member. Each year the CITs adopt a campus improvement plan to identify what each school will do to achieve school

and district objectives. The director of special programs monitors all CITs and regularly evaluates the CIPs.

FINDING

KISD has exceeded TEC requirements to establish district and school-level planning and decision-making committees by developing numerous additional advisory committees that enhance district functions. The district's committees are composed of teachers, parents, administrators, central staff, business representatives, community members, board members, council members and students, allowing many community members to interact and participate in district decision-making.

KISD's committees help in several areas such as curriculum and educational services, facility renovations and construction, technology purchases and community involvement activities. Committee members provide volunteer and fund-raising resources as well as expertise and consultation in certain areas.

For example, in 2000-01 committees called the Charette Task Force were formed to provide consultation and input on classroom size, layout and square footage during the planning and design phase of a new KISD elementary school and high school. Committee members included teachers, community leaders and government city planners.

KISD's Curriculum Writing Team has 82 members that write and update the district's curriculum. The team consists of two to three master teachers in all core subject areas from every grade level at each school. Teachers are selected by the principals and the assistant superintendent of Curriculum and Instruction. Benefits to the district are significant as many districts have only director-level staff members to address this function.

Each school also has an active Parent Teacher Organization (PTO). KISD PTOs organize two major fund raisers annually. Starkey Elementary's PTO held a fund raiser in 2001-02 that provided \$21,000 for the school. Daniels Elementary's fall fundraiser in 2001-02 raised \$16,000, of which \$10,000 went toward library books and accelerated reading activities. The remaining funds are being used for miscellaneous needs throughout the school.

Exhibit 1-13 lists each advisory committee, the committee's function and its total number of members. KISD members include teachers, administrators and central staff. Non-KISD includes parents, students, council members, business representatives, community members and board members.

Exhibit 1-13
KISD Advisory Committees
2001-02

Advisory Committee	Function	KISD Members	Non-KISD Members	Total Members
Charette Task Force - Tivy High School (2000-01)	Plan and design new school construction. *includes 4 KISD students	27	12*	39
Charette Task Force - Fred H. Tally Elementary (2000-01)	Plan and design new school construction.	25	14	39
Curriculum Writing Team	Write and update the district's curriculum.	82	0	82
Curriculum Advisory Committee (CAC)	Write and update policies related to curriculum and identify needs and goals for curriculum development.	29	0	29
Best Instructional Practices Committee	Research and document instructional practices identified by the CAC as the most valued practices in the district for KISD teachers to model instruction methods.	9	0	9
Kilgo Instructional Trainers	Teach high-level reading and math skills addressed on TAAS to students in grades 3-12. Kilgo trainers have received extensive training from Margaret Kilgo on reading and math strategies.	15	0	15
Literature Alignment Committee (Grades 4-12)	Expose students to a wide variety of literature by identifying titles used in specific grade levels for class-wide instruction.	12	0	12

Insurance and Benefits Advisory Committee	Facilitate communication between personnel management and employees.	15	0	15
Faculty Community Advisory Council	Monitor and evaluate the DIP.	13	5	18
District Communication Committee	Facilitate direct communication between all schools and the superintendent.	20	0	20
Special Olympics	Plan and facilitate the annual Special Olympics track meet and activities.	4	2	6
Technology Advisory Committee	Advise and assist the technology department in formulation of district technology policies, objectives and long-term goals.	32	1	33
Hill Country High School Advisory Board	Monitor and evaluate the campus improvement plan.	1	10	11
Head Start Self Assessment Advisory Board	Implement an annual self assessment of the program to evaluate performance standards and the accomplishment of program goals and objectives.	8	20	28
Nimitz Campus Improvement Team (CIT)	Monitor and evaluate the campus improvement plan.	7	6	13
Nimitz Parent Teacher Organization (PTO)	Support a partnership between school and parents, including fund-raising and advisory activities.	0	10	10
Tivy High School CIT	Monitor and evaluate the CIP.	12	4	16

Tivy High School PTO	Support a partnership between school and parents, including fund-raising and advisory activities.	2	7	9
Tivy Athletic Boosters	Support a partnership between school athletic program and parents, including fund-raising.	0	5	5
Tivy Band Boosters	Support a partnership between school band program and parents, including fund-raising.	0	8	8
Tivy H.S. Career & Technology Advisory Board	Advise Career & Technology Department of current technology-related trends.	4	19	23
Tivy H.S. Project Graduation	Prepare graduating students for careers and adulthood.	3	9	12
Daniels Elementary CIT	Monitor and evaluate the campus improvement plan.	5	5	10
Daniels Elementary PTO	Support a partnership between school and parents, including fund-raising and advisory activities.	3	1	4
Daniels Language Proficiency Assessment Committee (L.P.A.C.)	Identify, monitor and make educational decisions based on law for Limited English Proficient students.	2	1	3
Daniels Mentoring Program	Provide one-on-one assistance to students in need of extra, individualized help.	0	6	6
KISD Dyslexia Committee	Monitor the KISD Dyslexia plan for accountability and compliance and serve as a resource to each campus' dyslexia program.	11	0	11

KISD At-Risk Committee	Monitor the KISD At-Risk plan for accountability and compliance and serve as a resource to each school's At-Risk program.	9	0	9
KISD Title I School Support Committee	Disseminate information regarding Title I to each school, monitor campus improvement plans for Title I compliance and assist schools with Title I accountability reports and records.	11	0	11
KISD Multicultural Parent Committee	Promote parental involvement in KISD for the purpose of improving student achievement.	16	3	19
KISD Safe & Drug Free Schools and Communities Advisory Council	Review Title IV federal program applications, monitor and evaluate Title IV programs and make recommendations regarding program effectiveness. *includes 6 KISD students	12	17*	29
Peterson Middle School CIT	Monitor and evaluate the campus improvement plan.	11	5	16
Peterson Middle School PTO	Support a partnership between school and parents, including fund-raising and advisory activities.	0	15	15
Peterson Middle School Advisory and Communication Team (A.C.T.)	Address campus concerns and make recommendations to the Campus Improvement Team.	10	0	10
Peterson Middle School L.P.A.C.	Identify, monitor and make educational decisions based on law for Limited English Proficient students	0	1	1
Peterson Middle	Provide one-on-one	1	7	8

School Mentoring Center	assistance to students in need of extra, individualized help.			
Peterson Middle School Organizational Skills Class	Provide assistance using counselors and volunteers to students having problems with organization skills.	0	2	2
Tivy Upper Elementary CIT	Monitor and evaluate the Campus Improvement Plan.	9	5	14
Tivy Upper Elementary PTO	Support a partnership between school and parents, including fund-raising and advisory activities.	0	30	30
Tivy Upper Elementary Technology Committee	Identify and discuss technology needs at Tivy Upper Elementary.	3	2	5
Tivy Upper Elementary Destination Imagination	Promote creativity in 5th and 6th grade Gifted and Talented students through opportunity to submit projects to an annual competition.	1	1	2
Tivy Upper Elementary Bilingual L.P.A.C.	Identify, monitor and make educational decisions based on law for Limited English Proficient students.	2	1	3
Tivy Upper Elementary DARE Program	Educate students on effects of taking drugs.	0	4	4
Tivy Upper Elementary Mentoring Program	Provide one-on-one assistance to students in need of extra, individualized help.	1	14	15
Starkey Elementary Character Counts	Educate students and parents.	5	0	5
Starkev	Determine annual	8	0	8

Elementary Accelerated Reader Committee	incentives and awards for students that earn points by reading Accelerated Reader books and taking computerized tests on those books.			
Starkey Elementary CIT	Monitor and evaluate the campus improvement plan.	10	7	17
Starkey Elementary PTO	Support a partnership between school and parents, including fund-raising and advisory activities.	0	24	24
Starkey Elementary L.P.A.C.	Identify, monitor and make educational decisions based on law for Limited English Proficient students.	3	1	4
Starkey Mentoring Program	Provide one-on-one assistance to students in need of extra, individualized help.	1	55	56
Starkey Elementary Playground Committee	Provide planning and consultation on ideas and purchases for playground improvement.	8	4	12

Source: KISD Office of the Superintendent, 2001-02.

Advisory committees give various district stakeholders an avenue for input in the district's decisions. A TSPR survey shows in **Exhibit 1-14** that parents have a positive image of district leadership.

Exhibit 1-14
KISD Parent Survey Responses
February - March 2002

Survey Question	Strongly Agree or Agree	Strongly Disagree or Disagree
The district provides a high quality of services.	69.9%	15.1%

School board members listen to the opinions and desires of others.	37.4%	16.5%
The superintendent is a respected and effective instructional leader.	43.2%	25.2%

Source: Texas School Performance Review (TSPR) Surveys, February - March 2002.

Note: Percentages may not equal 100 percent due to no responses on some questions.

KISD's efforts to include a large number of community members in the district's advisory committees and decision-making has improved the decision-making process. This relationship with the community is critical for achieving support from businesses, organizations and volunteers.

COMMENDATION

KISD has developed a variety of innovative advisory committees to enhance educational services and involve many community stakeholders in the district's decision-making processes.

FINDING

KISD uses a comprehensive planning process to establish clear goals for the district and focus resources on district priorities.

The process begins with a five-year strategic plan developed in August 1997 and revised in 1998. KISD is now in the fifth year of the plan, which is divided into five domains: curriculum and instruction, staff development, technology, fiscal and business management and performance standards. Each domain has broad goals. These goals are defined by beliefs, background, results and a long-range objective.

Annually, senior managers chart their individual progress against these goals. The long-range objectives in each domain are linked to a specific improvement plan or process. The district plans to revise the process for the next strategic plan to include external and internal assessments as well as measuring progress to date.

The district has additional planning documents besides the strategic plan. These planning documents are described in **Exhibit 1-15**.

Exhibit 1-15
KISD Planning Documents

Plan	Brief Description	Frequency
Budget Calendar	The calendar includes activities needed to develop operating budget. The calendar includes all major district stakeholders and the financial processes in the district.	Annually
Budget	The budget is the financial operating plan for the district. The budget development process includes analysis of the other plans and various five-year projections, including the following: budget; property values; student enrollment; state funding estimates; maintenance and construction schedules; and salary and stipend schedules.	Annually, amended as needed
District Improvement Plan (DIP)	Five major districtwide goals with related objectives and strategies that address district needs. The annual goal setting process is the beginning step in the development of the DIP.	Annually, updated quarterly
Campus Improvement Plan (CIP)	Individual campus plans that contain campus goals, objectives and strategies. School participants also help develop the DIP.	Annually, updated quarterly
Long Range Technology Plan	Five-year plan for years 1999-2003 that assesses needs and develops strategies to address these needs. Elements in this plan are included in the DIP.	Five year, updated annually
KISD Instructional Planning Model	This plan was a goal in the strategic plan. It includes a five-step process to improve student performance	Annually
Long Range Facility Plan	This plan examined facility issues and needs at a given point in time.	October 1998, not updated

Source: KISD Superintendent's Office, March 2002.

This planning process benefits KISD by providing adequate time to make appropriate decisions and adequate information to support the decision-making process.

COMMENDATION

KISD's extensive planning process provides a strong foundation for decision-making.

Chapter 1

DISTRICT ORGANIZATION AND MANAGEMENT

D. COMMUNITY INVOLVEMENT

Effective partnerships with the community can improve a school district's educational services and use of resources. Districts should design community-involvement programs that support the unique characteristics of both the school district and the community's various stakeholders, which include parents, local businesses, public officials, non-parent taxpayers and students.

Successful community-involvement programs include strategies for external communication with stakeholders and internal communication within the district. Other essential program components include soliciting business support, developing methods for recruiting volunteers and conducting outreach activities designed to encourage parent and community participation in the district.

Due to budgetary constraints, KISD does not dedicate a department to community relations and must rely on a variety of positions to share these responsibilities. Community involvement activities at KISD take place largely at the school level. Principals develop business partnerships, volunteer programs, fund-raising initiatives and parental involvement activities.

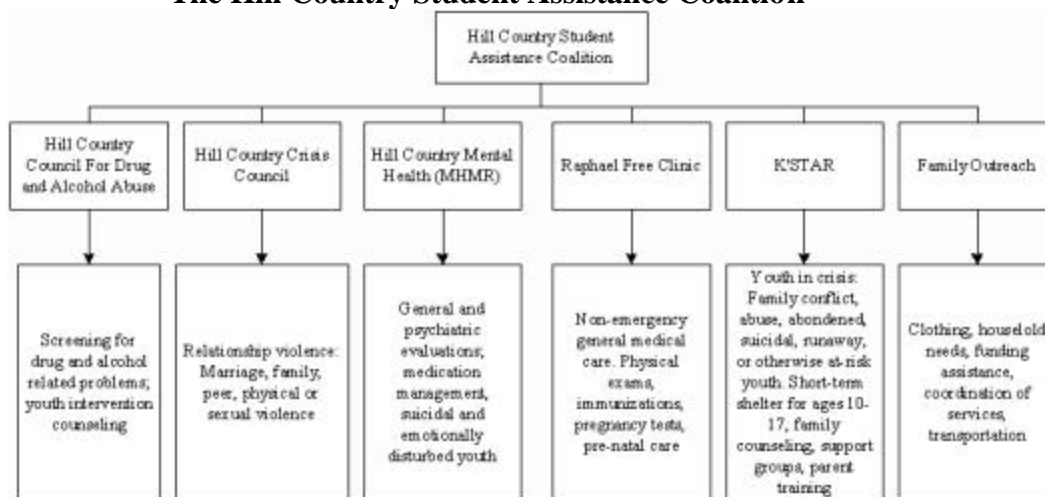
FINDING

KISD solicits community health resources to benefit students and parents. Local affiliates of nonprofit organizations are involved in the schools through the Hill Country Student Assistance Coalition (HCSAC). HCSAC is a voluntary alliance of Kerrville health agencies formed in 2000 to provide services to school-age children for whom parents/guardians request services at the recommendation of their area school districts. The mission of the HCSAC is to coordinate and provide a continuum of health services to assist students in reaching their full potential. The lead counselor is the liaison between HCSAC partners and KISD schools.

Exhibit 1-16 displays partners and associated services available to KISD through HCSAC.

Exhibit 1-16 **KISD Non-Profit Partnerships**

The Hill Country Student Assistance Coalition



Source: KISD, Department of Counseling, 2001-02.

Benefits from these organizations include free goods and services for KISD students and parents such as health screening and assessment, basic medical care, counseling services, parent education and training classes, clothing and funding assistance, crisis services and mental health needs.

COMMENDATION

KISD's collaborative partnerships with community health organizations benefit students and parents.

FINDING

The district established a separate fund-raising arm to support innovative teaching approaches, academic projects and continuing education. Interested community members, with the assistance of the KISD board and superintendent, developed the Kerrville Public School Foundation in 1988-89. The district established the foundation as a 501(c) 3 nonprofit organization in 2000-01, and 15 board members consisting of community leaders and parents govern it.

The foundation secures donations from local organizations and obtains revenue through fund-raising efforts such as dinners and auctions. An endowment fund generates interest for the foundation at an average of

\$7,500 a year. The Kerrville Public School Foundation has generated more than \$60,000 since 2000-01.

The foundation's activities have resulted in valuable projects such as field trips to the state capitol, Reading Renaissance Workshops, microscopes for the science department, software purchases and books for the Reading Recovery program.

COMMENDATION

The district established the Kerrville Public School Foundation to fund innovative teaching approaches and educational projects.

FINDING

KISD allows various after-school, weekend and summer programs to use its facilities. Providing facilities to outside groups and organizations raises awareness of the district's programs and promotes community support.

For example, every Saturday adults and children use the district's gymnasiums for YMCA volleyball and basketball leagues. Since the YMCA does not have a facility for their activities, the district offers use of the facilities at no charge. In return, the YMCA participated in a district fundraiser to resurface the athletic field's track.

KISD also donates facilities and coaching staff volunteers for a popular community event called the Senior Games. The district partners with the Chamber of Commerce to produce the event that supports the majority of retirees in Kerrville. The Senior Games is a non-profit organization that donates funds for improving KISD athletic facilities at which the Senior Games events are held.

COMMENDATION

KISD promotes community support by opening its facilities for community use.

FINDING

KISD communicates internally and externally on a regular basis through a variety of media. The district disseminates information through internal newsletters, school newsletters, board briefs, a district newspaper, a detailed Web site and a local TV cable station.

The district holds the District Communications Committee (DCC) meeting once a month. One representative from each school meets with the

superintendent to discuss issues needing attention. Each concern and the superintendent's response is recorded and distributed on the intranet Web site and in hard copy to each school's DCC representative.

A monthly internal newsletter titled *Insights* is produced by the superintendent's office and is available to all KISD employees. *Insights* contains information about staff interests such as retirement benefits, health insurance news and charity events benefiting KISD employees.

KISD publishes *Close-Up* two times each school year. This newspaper includes stories highlighting student achievement, successful programs at schools, advertisements for businesses at which students are employed and creative field trips. *Close-Up* is available at all schools and throughout Kerrville at locations such as community organizations, the local chamber of commerce, grocery stores and libraries.

The *KISD Bulletin* is available to employees and interested community members at the central office. This document is written by the superintendent's office to summarize all details from each board meeting. The *Bulletin* also contains notices about future board meetings.

The district Web site links readers to information about KISD such as the school calendar, community partnerships, employment opportunities and student performance by school. Comments at focus groups of community members were positive about KISD's effort to make information available.

A local cable station has allocated air-time to KISD for the community to view student achievements, presentations of student projects and information about upcoming events at the schools.

COMMENDATION

KISD uses a variety of media to communicate with employees, parents and the community.

FINDING

KISD has no documentation for how much parents participate in school activities. Goals for achieving parental involvement are set out in the CIPs, but they are generally not measurable or consistently assessed. These goals are not included in the DIP.

In KISD, parental involvement initiatives take place largely at the school level through parent workshops and other methods for communicating with parents about activities offered at each school. Each school offers free parenting workshops and seminars such as "Raising Responsible

Children," and "Helping Your Child Succeed in School." Schools also offer parent/child sessions with reading specialists. Counselors track attendance at their school, and levels of participation vary widely. The district publishes upcoming events on a district parental involvement calendar, but there is no comprehensive list of parent participation levels or activity evaluations.

The director of Special Programs is responsible for monitoring federal funds granted by the Elementary and Secondary Education Act's (ESEA) Title I program. A comprehensive parental involvement program is a requirement of Title I funding. A Title I district must show that it consults with parents in planning to meet its students' educational needs. TEA suggests Title I recipients provide services such as literacy training to increase parental involvement.

KISD distributes an equal amount of Title I funds to each school for parental involvement activities. KISD's parental involvement budget for 2001-02 is shown in **Exhibit 1-17**.

Exhibit 1-17
KISD Title I Parental Involvement Budget
2001-02

Category	Amount
Parent Training, Contract Services	\$500
Parent Training, Babysitting	\$500
Parent Seminars, Extra-Duty Pay	\$2,000
Parent Training, Supplies	\$2,200
Parent Training, Food/Refreshments	\$1,000
Total	\$6,200

Source: KISD, Department of Special Programs, 2001-02.

The district organized the Multicultural Parent Committee (MPC) that meets once each month. Committee members include the director of Special Programs, counselors and some community members. Meetings include discussions about successful parent workshops at each school and ideas to increase parental involvement with the purpose of improving student achievement.

Despite efforts by KISD schools to reach out to parents, focus groups with parents and community members indicated that while some schools are

succeeding, others are lacking an adequate level of parental involvement. Community leaders told the review team that "parent education at the district is weak" and "other districts are much stronger in parent education." Suggestions were made for a district-level position to coordinate this effort.

Other concerns about parental involvement were reflected in comments at the public forum such as "school information very often does not go home in Spanish" and "many Hispanic parents do not feel welcome or even know about activities offered by the district." Some Hispanic parents at focus groups voiced feelings of being left out of parent activities and were concerned that they are not involved in their children's education. Involving parents in children's education is essential to a quality education program.

In schools where several positions share common responsibilities, centralized planning is particularly important to avoid duplication of efforts and to use resources efficiently. Some Texas districts that have several departments sharing community involvement responsibilities include well-defined goals and regular evaluations of the parental involvement program in the district's strategic plan to ensure all schools are focused on this important function.

An effective district community involvement plan should include well-defined goals, measurable objectives and systematic evaluations. It should also outline roles and responsibilities and identify who will be responsible for achieving goals and objectives.

Recommendation 5:

Develop measurable goals and evaluation tools at the district level to improve parental involvement.

Participation levels and workshop evaluations should be tracked and reported centrally to avoid duplication of activities and inefficient use of resources. Since the MPC has widespread membership, it can be an efficient mechanism for coordinating evaluation efforts, setting districtwide goals and recruiting/distributing volunteer translators.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Special Programs contacts peer districts to compare parental involvement activities.	October 2002
2.	The director of Special Programs and MPC prepare an evaluation and attendance tracking report by ethnicity for	November 2002

	parental involvement programs by school.	
3.	The director of Special Programs and MPC meet to discuss ideas that can be developed into districtwide parental involvement goals.	December 2002
4.	The director of Special Programs presents the district goals to the superintendent.	February 2003
5.	The superintendent reviews and approves the goals.	February 2003
6.	The district begins operating under the approved plan.	March 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

There is a lingering concern by some members of the community about building two new schools. Comments made by teachers, parents and district staff in the surveys as well as comments in various focus groups indicate that a number of people in the district have significant concerns about the need for new schools, the location of the new facilities and the impact of the cost of these facilities on district operations. Some of these comments include:

- The central office administration is viewed with great distrust throughout the community and for good reason. The superintendent and financial director have not always been truthful or disclosed all facts.
- I feel parents were not told the truth about a lot of things. Education is very important. However, the school district had you think we needed a new high school because some teachers did not have a classroom and more students were moving into the district every year.
- I do not feel the KISD has a very good grasp of the needs of their students. They have a hiring freeze for teachers and aides, their middle school is in need of repairs, and they are using out-dated learning materials. Yet they are spending large sums of money to build a new elementary and high school and have no increase in student population.
- I feel the district is not spending money wisely, such as building a new high school in an undesirable area of town - when they could have re-modeled the current one. Too many elected people want to be able to say we have a "state of the art" high school here in

Kerrville, Texas. Education takes a back seat to have bragging rights!!!

- Our district has two new schools under construction now but it's questionable how much the teacher input was considered when designing the facilities.
- I feel that the superintendent has not been honest. If that is not the case - circumstances have pointed to many people that there is a breakdown in communication. There is a committee in place for communication purposes, but the responses are not clear or believable. The school board is easily misled in the direction only the superintendent has in mind. The morale is extremely low on the campuses.
- Our district is in the process of building two new schools - one elementary, the other a high school. The elementary is being built where there are not very many students - this will not help the schools that are overcrowded and will not stop students from being transferred. The high school is on an old garbage dump area and not far from the sewage treatment plant. The odor is horrible - what kind of planning is this?
- In my opinion, the school board misrepresented the bond issue. A bond passed to build a new high school and elementary school. The taxpayers were deceived about the overcrowding. There is plenty of space on the property at the current high school to build additional classrooms. The bond passed by a small margin the second time it was brought to election. A poor site location was chosen for the high school. It is near the "city dump."
- Despite declining student population numbers and public opinion, KISD is building a new high school and an additional elementary school. The high school will be adjacent to the city landfill! These expensive and unnecessary projects come at the expense of teachers' salaries and taxpayers.
- Our superintendent sold a new school to the community on the platform that our present school is too small and our attendance is growing. Our population has actually decreased and the new school is smaller than our current school. At least its new!

These concerns are present despite extensive planning efforts by the board and the administration and despite substantial community representation on committees involved in decision making for the new facilities. If the board and superintendent do not address the concerns, the district faces an uphill fight to continue to improve district facilities and operations.

The Fort Worth ISD superintendent uses a monthly roundtable to gain insight on community concerns. Once a month on Thursday at noon the superintendent is available at a given school to hear community, parent and employee concerns and opinions and to share how the district is

addressing these issues. The give and take discussion format in an informal setting provides the superintendent with information that may not be available from other sources.

Recommendation 6:

Develop opportunities for meaningful community discussion about existing facilities and anticipated facility needs.

The district should engage the community in a thoughtful discussion about how the need for the new facilities was developed and what steps the district is taking to address the decline in student enrollment. This discussion could include a series of newspaper articles, town hall meetings or other activities that provide for substantial communication. The district should also survey the community to determine the results of these initiatives.

Addressing the issue again may not eliminate all concerns, but it will demonstrate the district's willingness to listen to these concerns and to address them in an appropriate manner.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent or board members meet with various staff and community groups to identify ways to engage the community in meaningful discussions about district facilities.	October 2002
2.	The superintendent works with the board and the administration to develop an action plan to engage the community.	November 2002
3.	Using the plan, the superintendent and the administration work with the community to understand community concerns and to communicate district perspectives.	December 2002
4.	Based upon the issues identified by working with the community, the superintendent develops steps to address identified issues.	January 2003
5.	The superintendent conducts a survey to determine results of the discussions.	March 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

5.	The superintendent conducts a survey to determine results of the discussions.	March 2003
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FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

EDUCATIONAL SERVICE DELIVERY

This chapter examines the Kerrville Independent School District's (KISD's) educational service delivery system in seven sections:

- A. Student Performance
- B. Instructional Resources
- C. Dropout Prevention/Alternative Education
- D. Gifted and Talented Education
- E. Special Education
- F. Bilingual/English as a Second Language Education
- G. Career and Technology Education

An effective educational service delivery system is accountable for student achievement and uses human and financial resources in a well-planned and coordinated manner to accomplish its task.

BACKGROUND

KISD selected five independent school districts to serve as its peer districts for comparison purposes: Aransas County, Brenham, Levelland, Marble Falls and Midlothian. The Texas Education Agency (TEA) provided information on the state-mandated student achievement test scores, the Texas Assessment of Academic Skills (TAAS) and other student performance measures, such as the Scholastic Aptitude Test (SAT).

Demographic, staffing and financial data for each district and school are reported in TEA's Academic Excellence Indicator System (AEIS) reports. These reports are sent to each school and district and are available on TEA's Internet Web site (www.tea.state.tx.us). The latest AEIS data, published by TEA in November 2001, are for 2000-01. The latest Public Education Information Management System (PEIMS) data are for 2001-02.

Exhibit 2-1 presents demographic information for KISD, the selected peer districts, Regional Education Service Center XX (Region 20) and the state.

Exhibit 2-1
Demographic Characteristics of KISD,
Peer Districts, Region 20 and State
2001-02

	Student	Ethnic Group (Percent)	Economically
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District	Enrollment						Disadvantaged	
	Number	5 Year Percent Change*	African American	Hispanic	Anglo	Other	Percent	5 Year Percent Change*
Brenham	4,716	(4.8%)	29.9%	13.8%	54.7%	1.7%	39.0%	(0.5%)
Midlothian	4,699	22.9%	2.4%	11.6%	84.8%	1.0%	15.5%	(24.0%)
Kerrville	4,689	(0.5%)	3.8%	34.8%	60.0%	1.4%	46.5%	(0.2%)
Marble Falls	3,648	8.2%	2.1%	27.9%	68.5%	1.6%	42.0%	(4.5%)
Aransas County	3,337	(5.5%)	4.6%	30.1%	55.3%	9.9%	46.9%	(7.1%)
Levelland	3,024	(12.4%)	5.7%	54.7%	39.5%	0.2%	53.4%	1.1%
Region 20	337,299	5.5%	7.0%	64.2%	27.3%	1.4%	61.0%	0.2%
State	4,150,741	6.6%	14.4%	41.7%	40.8%	3.1%	50.5%	4.1%

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

**Percent Change is defined as 2001-02 values minus 1997-98 values divided by 1997-98 values.*

KISD has decreased in student enrollment over the past five years. KISD has a lower percentage of African American and Hispanic students, and a higher percent of Anglo students when compared to state and regional averages. KISD's percent of economically disadvantaged students is similar to Aransas County and Marble Falls and is about four percent less than the state average.

Exhibit 2-2 shows instructional expenditures for KISD, its peer districts and the state in 2001-02. KISD has the lowest instructional expenditures per student among its peer districts and is also below the state average. Its per student expenditures are also lower than the state average. Compared with its peer districts, KISD has the highest percent of instructional expenditures allocated to regular education and ranks the lowest in the percent of instructional expenditures spent on gifted and talented education and on compensatory education. With the exception of percent spent on career and technology education, KISD's percent of budgeted expenditures allocated to programs other than regular education is lower than the state average.

Exhibit 2-2
Budgeted Instructional Expenditures in KISD, Peer Districts and State
2001-02

District	Total Expenditures	Instructional Expend Per Student*	Percent Regular	Percent Gifted and Talented	Percent Special Education	Percent Career and Technology	Percent Bilingual/ESL	Percent Compensatory
Midlothian	\$17,078,236	\$3,692	74.3%	1.6%	13.2%	5.1%	0.3%	5.4%
Brenham	\$16,960,123	\$3,726	65.2%	1.3%	15.2%	6.7%	0.6%	6.2%
Kerrville	\$15,017,741	\$3,292	76.1%	0.1%	12.4%	4.4%	2.4%	4.3%
Marble Falls	\$13,016,931	\$3,695	71.2%	3.3%	9.2%	4.8%	4.3%	7.2%
Levelland	\$11,788,233	\$3,964	68.3%	1.7%	13.7%	5.4%	1.8%	8.3%
Aransas County	\$11,460,681	\$3,504	70.4%	2.4%	12.1%	3.8%	1.8%	9.4%
State	\$14,973,118,799	\$3,607	66.4%	1.7%	14.4%	3.9%	4.1%	7.1%

Source: TEA, PEIMS, 2001-02.

*Includes instruction and instructional leadership expenditures.

As seen in **Exhibit 2-3**, KISD percent of students enrolled in gifted and talented education and in Bilingual/ESL programs is lower than the state average. Percent of KISD students enrolled in special education and in career and technology programs is higher than the state average.

Exhibit 2-3
Student Enrollment by Program
KISD, Peer Districts and State
2001-02

District	Percent Gifted and Talented	Percent Special Education	Percent Career and Technology	Percent Bilingual/ESL
Midlothian	10.3%	13.4%	21.8%	2.8%
Levelland	7.4%	14.3%	32.5%	3.1%
Aransas	7.0%	14.3%	17.1%	4.3%

County				
Brenham	6.9%	11.3%	28.8%	5.1%
Marble Falls	5.2%	12.2%	17.2%	7.6%
Kerrville	5.0%	13.4%	22.9%	3.2%
State	8.2%	11.7%	19.3%	13.1%

Source: TEA, PEIMS, 2001-02.

Exhibit 2-4 shows the percent of expenditures by instructional function for KISD, the peer districts and the state for 2001-02. Although KISD spends the lowest amount per student compared with its peer districts and the state, it has the highest percent of instructional expenditures. KISD also spends the highest percent on central administration compared to its peer districts and the state. While it spends just over the state average for student transportation and slightly less than the state average on food services, KISD spends less than four of its peer districts in these categories. In comparison to its peer districts and the state, the district spends the smallest percent on instruction-related services.

Exhibit 2-4
Percent of Budgeted Expenditures by Instructional Function
KISD, Peer Districts and State
2001-02

Expenditures by Function	Kerrville	Levelland	Brenham	Midlothian	Marble Falls	Aransas County	State
Instruction (11,95)	58.0%	56.2%	50.9%	50.2%	47.0%	45.9%	51.0%
Instruction-Related Services (12,13)	1.1%	2.3%	2.6%	1.9%	1.8%	3.9%	2.7%
Instructional Leadership (21)	1.6%	1.0%	1.8%	0.8%	1.7%	0.9%	1.2%
School Leadership (23)	4.9%	4.6%	4.8%	5.6%	4.6%	5.5%	5.2%
Support Services-Student (31,32,33)	4.3%	3.3%	3.9%	4.2%	4.4%	4.7%	4.0%
Student	2.8%	4.0%	3.4%	2.2%	3.4%	4.1%	2.6%

Transportation (34)							
Food Services (35)	4.5%	5.1%	5.9%	3.6%	4.8%	5.4%	4.8%
Cocurricular Co curricular/Extra-curricular Activities (36)	2.5%	4.2%	2.9%	2.9%	3.1%	2.9%	2.2%
Central Administration (41,92)	6.0%	4.7%	3.4%	3.3%	4.4%	4.1%	3.5%
Plant Maintenance and Operations (51)	10.0%	10.0%	9.6%	8.0%	9.9%	13.1%	10.1%
Security and Monitoring Services (52)	0.0%	0.2%	0.2%	0.1%	0.0%	0.7%	0.6%
Data Processing Services (53)	1.3%	2.1%	0.6%	1.6%	1.4%	0.7%	1.1%
Other	3.0%	2.3%	9.9%	15.6%	13.7%	8.1%	10.8%
Per Pupil Expenditures	\$5,523	\$6,935	\$7,065	\$7,244	\$7,592	\$7,484	\$6,907

Source: TEA, PEIMS, 2001-02.

Exhibit 2-5 shows the percent of professional staff in various categories for KISD, peer districts and the state. KISD is just below the state average for teachers and slightly above the state average for campus administration. KISD exceeds the state average and its peer districts for educational aides. Compared to the state and its peers, the district also has the lowest percent of professional support. With just 6.7 percent of minority teachers, KISD falls significantly behind the state average in this category.

**Exhibit 2-5
Professional Staff
KISD, Peer Districts and State
2001-02**

Professional	Brenham	Midlothian	Marble	Kerrville	Levelland	Aransas	State
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Staff			Falls			County	Average
Teachers	53.0%	52.6%	50.3%	49.6%	49.5%	45.6%	50.5%
Professional Support	5.8%	7.5%	6.4%	4.4%	6.4%	8.1%	8.9%
Campus Administration	2.4%	3.6%	2.2%	3.3%	2.6%	2.3%	2.7%
Central Administration	1.4%	0.6%	0.6%	1.1%	1.6%	0.9%	1.0%
Educational Aides	15.0%	10.5%	12.6%	17.6%	12.9%	11.1%	10.3%
Auxiliary Staff	22.4%	25.2%	27.9%	24.0%	27.0%	32.0%	26.5%
Percent Minority Teachers	6.1%	6.5%	8.1%	6.7%	8.6%	8.4%	27.5%

Source: TEA, PEIMS, 2001-02.

TEA assigns annual ratings to each district and school based upon TAAS performance and dropout rates and data quality. The accountability system includes five ratings for districts: Exemplary, Recognized, Academically Acceptable, Academically Unacceptable and Unacceptable: Data Quality. TEA added the Unacceptable: Data Quality category and the school-level Acceptable: Data Issues rating in 1999.

To receive an Exemplary rating, at least 90 percent of all students, as well as 90 percent of African American, Hispanic, White, and Economically Disadvantaged students, must pass the TAAS reading, writing and mathematics tests. To achieve a Recognized rating, 80 percent of all students and each student group must pass the same TAAS reading, writing and mathematics tests. Since 2000, to be rated Academically Acceptable, 50 percent of each student group must pass the TAAS tests. Beginning in 2000, scores for students with disabilities and from the TAAS Spanish version of reading and mathematics in grades 3 through 6 were included in the accountability calculations. Although the state accountability system also considers dropout rates, TAAS is the primary determining factor in ratings. According to TEA, failure to meet TAAS standards is the primary reason that a school is rated low-performing.

As shown in **Exhibit 2-6**, for the last three years KISD has received a Recognized rating from TEA.

Exhibit 2-6
Accountability Ratings
KISD and Peer Districts
1996-97 through 2000-01

	1996-97	1997-98	1998-99	1999-2000	2000-01
Aransas County	Academically Acceptable	Recognized	Academically Acceptable	Recognized	Recognized
Kerrville	Recognized	Academically Acceptable	Recognized	Recognized	Recognized
Marble Falls	Academically Acceptable	Academically Acceptable	Academically Acceptable	Academically Acceptable	Academically Acceptable
Brenham	Academically Acceptable	Academically Acceptable	Academically Acceptable	Academically Acceptable	Academically Acceptable
Midlothian	Academically Acceptable	Academically Acceptable	Recognized	Recognized	Recognized
Levelland	Academically Acceptable	Academically Acceptable	Academically Acceptable	Recognized	Recognized

Source: TEA, Academic Excellence Indicator System (AEIS), 1996-97 through 2000-01.

With the exception of its alternative education school, KISD schools were rated either Recognized or Exemplary for 2000-01. The alternative school received an Acceptable rating (**Exhibit 2-7**).

Exhibit 2-7
KISD School Enrollment and
Accountability Ratings
2000-01 and 2001-02

School	Grade Levels	2001-02 Enrollment	2000-01 TEA Rating
Daniels Elementary	K-4	638	Recognized
Starkey Elementary	PK-4	559	Exemplary
Nimitz Elementary	EE-4	572	Exemplary
Tivy Upper Elementary	5-6	728	Recognized
Peterson Middle	7-8	676	Recognized

Tivy High	9-12	1,360	Recognized
Kerr County Juvenile Facility	4-11	42	Academically Acceptable
Hill Country High School	9-12	43	Academically Acceptable
District	EE-12	4,689*	Recognized

Source: TEA, AEIS, 2000-01 and PEIMS, 2001-02.

**District total does not include Head Start, which is not rated.*

Chapter 2

EDUCATIONAL SERVICE DELIVERY

A. STUDENT PERFORMANCE

TAAS performance serves as the primary factor in determining a district's accountability ratings. TAAS is administered in grades 3-8 and 10 and includes a reading and mathematics test in grades 3-8 and 10 and a writing assessment in grades 4, 8 and 10. Science and Social Studies tests are included at grade 8, but are not included in determining accountability ratings. Because there are five tests administered in grade 8, this grade level usually has the lowest percent of students passing all tests taken. The Spanish version of TAAS is given in grades 3-6.

The TAAS administration schedule changed in 2000 with the addition of the Spanish version of TAAS for grades 3-6, the State Developed Alternative Assessment (SDAA) for special education students in grades 3-8 and the Reading Proficiency Test in English (RPTE) designed to measure annual growth in English reading proficiency of second language learners. Starting in 2003, TAAS will be administered in grades 9 and 11. The exit level examination will be moved to grade 11 and will include Science, Social Studies, English Language Arts and Mathematics. A Science test will be added to grade 5.

FINDING

KISD continued to improve its TAAS scores over a five-year period. Between 1996-97 and 2000-01, TAAS scores have steadily increased in KISD, Region 20 and the state overall. KISD had the highest TAAS scores among the peer districts in 1996-97 and 1997-98. In 1998-99, 1999-2000 and 2000-01, KISD had the second highest TAAS scores among its peer districts. For 2000-01, KISD TAAS scores exceeded the regional average by 10.2 points and the state average by 7.4 points. KISD increased the percent of students passing all tests taken by 6.9 percent between 1996-97 and 2000-01 (**Exhibit 2-8**).

Exhibit 2-8
TAAS Passing Rates
KISD vs. Peer Districts, Region 20 and State
1996-97 through 2000-01

District	1996-97	1997-98*	1998-99**	1999-2000**	2000-01**	Percentage Point Change

						from 1996-97 to 2000-01***
Kerrville	83.7%	84.4%	87.1%	88.1%	89.5%	5.8
Midlothian	81.2%	83.7%	89.6%	91.2%	93.7%	12.5
Aransas County	81.0%	84.0%	79.5%	86.5%	84.3%	3.3
Marble Falls	80.2%	81.8%	80.6%	83.0%	87.0%	6.8
Brenham	71.8%	73.3%	76.4%	79.1%	80.2%	8.4
Levelland	71.6%	76.2%	80.2%	81.9%	83.3%	11.7
Region 20	66.6%	72.3%	74.4%	77.1%	79.3%	12.7
State	73.2%	77.7%	78.3%	79.9%	82.1%	8.9

Source: TEA, AEIS, 1996-97 through 2000-01.

*Recalculated from original posting to include special education and grade 3 and 4 Spanish TAAS.

**Recalculated from original posting to include special education and grade 3-6 Spanish TAAS.

***Percentage Point Change is defined as 2000-01 percentage minus 1996-97 percentage.

KISD TAAS performance exceeded both regional and state performance at all grade levels and subject areas between 1996-97 and 2000-01 (**Exhibit 2-9**). KISD TAAS scores increased over the five-year period (1996-97 to 2000-01) in all grade levels and subject areas with the exception of grade 6 reading, grade 8 social studies and grade 10 writing.

Exhibit 2-9
TAAS Passing Rates
KISD vs. Region 20 and State
1996-97 and 2000-01

	Reading	Mathematics	Writing	Science	Social Studies	All Tests Taken
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Grade Level*	1996-97	2000-01	1996-97	2000-01	1996-97	2000-01	1996-97	2000-01	1996-97	2000-01	1996-97	2000-01
Grade 3												
KISD	89.7%	97.0%	91.1%	96.4%							84.5%	94.2%
Region 20	74.1%	84.6%	74.2%	80.4%							65.1%	74.9%
State	81.5%	86.8%	81.7%	83.1%							74.2%	78.2%
Grade 4												
KISD	86.9%	96.1%	92.8%	97.8%	92.3%	95.3%					82.2%	92.5%
Region 20	75.9%	90.3%	75.4%	90.5%	84.5%	89.0%					64.2%	80.3%
State	82.5%	90.8%	82.6%	91.3%	87.1%	89.2%					72.0%	81.6%
Grade 5												
KISD	88.6%	93.1%	91.4%	96.6%							84.9%	90.6%
Region 20	80.7%	89.9%	81.9%	94.4%							73.6%	87.8%
State	84.8%	90.2%	86.2%	94.6%							79.2%	88.2%
Grade 6												
KISD	95.4%	88.9%	93.5%	96.3%							91.1%	88.6%
Region 20	80.9%	83.0%	75.8%	88.2%							70.3%	78.7%
State	84.6%	85.6%	81.8%	91.4%							76.8%	82.7%
Grade 7												
KISD	92.6%	93.6%	88.1%	96.5%							86.2%	92.2%
Region 20	81.7%	87.5%	74.5%	87.8%							69.8%	81.7%
State	84.5%	89.4%	79.7%	89.6%							75.1%	84.3%
Grade 8												
KISD	91.7%	93.0%	84.0%	92.5%	81.1%	91.6%	90.9%	95.3%	80.1%	76.4%	68.9%	71.2%
Region 20	81.0%	90.3%	70.2%	90.6%	78.4%	83.9%	82.3%	92.9%	62.9%	74.3%	51.3%	65.4%
State	83.9%	91.9%	76.3%	92.4%	80.7%	85.8%	84.6%	91.8%	67.4%	77.0%	57.3%	69.2%

Grade 10												
KISD	94.2%	95.5%	86.1%	92.7%	96.4%	90.9%					82.4%	84.5%
Region 20	83.6%	87.6%	66.3%	85.4%	86.4%	86.5%					61.6%	75.1%
State	86.1%	90.0%	72.6%	89.3%	88.5%	89.1%					67.8%	80.3%

Source: TEA, AEIS, 1996-97 and 2000-01.

KISD has a well-developed process for reviewing TAAS results and modifying instruction based on student performance. In July, KISD central office administrators, campus administrators and program directors attend a three-day retreat to analyze TAAS data for the past three years by subject area, grade level, campus, special populations, ethnic groups and TAAS objectives.

As part of the analysis, TAAS objectives in which student performance fell below 80 percent are highlighted and reviewed. KISD staff also examine across grade levels to identify any objectives associated with poor performance. The TAAS analysis is summarized in tabular and graphic form, showing results by TAAS objective and grade level for meeting minimum expectations (passing) and for mastering all objectives.

The results of the analysis are presented in a KISD Student Performance Report that breaks out TAAS results by grade level across three years collectively for all students and then for Hispanic, Anglo, African American, Economically Disadvantaged, Title I, At-Risk, Gifted and Talented (G/T) and Special Education students. The report details the test results by year, grade level and each group. Data are shown by three measures: Texas Learning Index (TLI), percent meeting minimum expectations and percent mastering all objectives.

During the two staff development days at the start of the KISD school year, district administrators review TAAS results and discuss the analyses. KISD teachers meet by grade level to review TAAS results and the item analysis performed by the Academic Excellence Indicator System-IT (AEISIT), a software program that the Education Service Center in Region 10 developed. The AEISIT program provides reports by TAAS objective and TAAS item for classrooms, student groups or individual students. Each KISD school has an individual trained in the use of AEISIT who can generate TAAS analyses for the current and previous years.

Based on TAAS data analysis results, KISD teachers identify the TAAS targets (TEKS objectives) needing improvement. Teachers analyze TAAS results by target from the weakest to the strongest performance. Each

grade level or department performs an item analysis of each TAAS release test and identifies the factors causing low success rates for specific items as well as strategies for improvement. TAAS release tests are tests that have already been administered and are used by schools as benchmark or practice tests.

KISD uses TAAS analysis data to determine the time allocation for improvement of identified targets and to develop a calendar of instruction based upon inclusion of TAAS targets in the curriculum. KISD also creates a timeline for the mastery of each TEKS item and its assessment. KISD grade level and department teams meet with the principals to analyze checkpoint and benchmark test results and develop plans to address class-wide and individual weaknesses. Checkpoints refer to the assessment of a few TAAS objectives at a time. Benchmarks refer to an entire TAAS Release Test.

The KISD assessment calendar, based on a six-week period, includes checkpoints and benchmarks. KISD has developed an assessment calendar for each grade level. For example, grade 1 and 2 students take district-developed TAAS-like tests in May (grade 1) or in February and May (grade 2). Grades 3-8 students take a combination of checkpoint tests and two to three benchmark tests before the official TAAS tests. High school students take checkpoint tests in English II, Algebra I and Geometry.

KISD offers a wide range of assistance to students with low TAAS performance. Students in K-4 can get assistance through programs such as Reading Rescue, a program administered by paraprofessionals trained in Reading Recovery strategies, and Sequoia, a computer-based reading program for elementary students. Students at all schools can participate in Creative Education Institute (CEI) Labs or receive after-school tutoring. Middle school students can use computer-based reading programs such as PLATO. Each school also has a mentoring program. The district uses TAAS results to determine staff development needs.

COMMENDATION

KISD uses group and individual student performance data to guide instructional decisions for improving student performance.

FINDING

KISD student participation in the Academic College Test (ACT) and the Scholastic Aptitude Test (SAT) exceeds regional and state averages. KISD has the second highest percent of students who took the ACT or the SAT in 2000-01 and the highest percent of students who met the criterion.

KISD's average SAT and ACT scores are also the highest among the peer districts and surpass both the regional and state averages (**Exhibit 2-10**).

The Academic College Test (ACT) includes English, mathematics, reading and science reasoning, with scores ranging from 1 to 36 on each component. The ACT composite is the average of the four component scores. TEA selected a score of 21 on the ACT and a score of 1,110 on the SAT to represent high levels of performance on college entrance exams. The Scholastic Aptitude Test (SAT) includes a verbal and a mathematics component. Scores range from 200 to 800 for each test component. The combined total is the most frequently reported score and ranges up to a maximum of 1600.

Exhibit 2-10
College Entrance Examination Scores
KISD vs. Peer Districts, Region 20 and State
2000-01

District	Percent of Students Taking Examinations	Percent of Students Meeting the Criterion	Average SAT Score	Average ACT Score
Midlothian	72.7%	33.9%	1011	21.6
Kerrville	70.0%	39.4%	1058	21.8
Marble Falls	68.6%	29.3%	1007	20.9
Brenham	54.3%	28.5%	1015	20.4
Aransas County	53.6%	24.6%	972	19.8
Levelland	48.1%	18.9%	967	20.6
Region 20	64.0%	22.5%	946	19.5
State Average	62.2%	27.3%	990	20.3

Source: TEA, AEIS, 2000-01.

KISD aligned its K-12 curriculum to the ACT and SAT objectives in 1999-2000. KISD high school teachers and staff encourage students throughout the year to sign up for the ACT or SAT. The district also offers fee waiver options for students who cannot pay the ACT or SAT registration fees. These strategies have increased participation in the tests and improved performance on the tests.

COMMENDATION

KISD has a high rate of student participation and performance on ACT and SAT examinations.

FINDING

KISD has set student performance and conduct expectations through the Kerrville ISD Graduate Profile and integrates them into its curriculum. The District Curriculum Team aligned the KISD curriculum to the Graduate Profile to make sure that the objectives in the Graduate Profile were addressed in the curriculum before graduation.

The Graduate Profile, which was developed by a committee of community members, business members, parents, teachers, administrators and students, serves as a guide for the KISD's curriculum philosophy and vision. The KISD Graduate Profile outlines expected knowledge, skills and conduct of KISD graduates in four areas: communication skills, knowledge/academics, citizenship and problem-solving skills. Each of the four areas describes achievement levels required of KISD graduates.

In the Communication Skills area, graduates are expected to:

- communicate accurately and effectively,
- demonstrate social communication skills, and
- demonstrate comprehensive interpersonal skills.

In the knowledge/academics area, KISD graduates are expected to:

- demonstrate knowledge of career planning and goal setting,
- use technology skills,
- appreciate cultural diversity,
- implement financial management,
- use geography/map reading,
- employ life-management and goal-setting skills,
- demonstrate mathematics, reading, writing and science applications,
- exhibit values and
- practice wellness.

In the area of Citizenship, the KISD graduate is expected to demonstrate:

- a knowledge of government,
- an appreciation for leadership,
- an understanding of economics and
- community involvement.

In the area of Problem Solving Skills, the KISD graduate is expected to employ:

- problem-solving and thinking skills and
- critical thinking skills.

The Graduate Profile specifies how the KISD graduate should demonstrate each of these skills or behaviors. For example, the graduate will demonstrate communicating accurately and effectively by completing an application, developing a resume, producing business/personal letters, demonstrating effective interview skills, utilizing correct grammar, practicing appropriate telephone and e-mail etiquette and demonstrating public speaking skills.

COMMENDATION

KISD integrates student performance conduct expectations into its instructional program.

FINDING

KISD has a transitional first grade to increase student preparedness and success. KISD provides parents of kindergarten students or new students who enter KISD in grade 1 and who are not prepared for grade 1 the option of placing their child in a one-year transitional program. The transitional program is designed to enrich the kindergarten curriculum and give these students an additional year to mature. Students who are placed in the transitional program are academically on grade level but are not physically or developmentally ready for grade 1. The parents of these students are given the option of their child spending a year in this program, which is designed to enrich the kindergarten curriculum and give students an additional year to mature. KISD has developed extensive screening procedures to identify students who will benefit from this program.

The KISD transitional program uses children's literature in all content areas. To teach writing, teachers advance the children through pre-writing, drafting, editing and writing. The pre-writing step is experience-based. Teachers read to children then brainstorm questions the children raise to create story beginnings or endings. In the drafting stage, children do a mind map of a story, outlining what they want to write. In the writing step, children put these ideas into complete sentences. In the last step, the children edit their story. To teach math, children engage in high application math using manipulatives, hands-on and real life applications such as measurements.

KISD's retention rates at the kindergarten and grade 1 levels exceed the peer districts' and the state's rates. At 14.5 percent, KISD's kindergarten retention rate is more than five times the state average rate and is nearly twice as high as the retention rate at Levelland ISD, which rates second among the peer districts. Kindergarten retention rates for the other peer districts range between 1.3 percent in Aransas County and 7.7 percent in Levelland. The state average is 2.3 percent. KISD's grade 1 retention rate is 46.5 percent higher than the state's average rate. KISD's retention rates for grades 2-8 are generally lower than the state average (**Exhibit 2-11**).

Exhibit 2-11
Retention Rates by Grade
KISD vs. Peer Districts and State
2000-01

Grade Level	Kerrville	Marble Falls	Brenham	Midlothian	Levelland	Aransas County	State Average
Kindergarten	14.5%	3.4%	2.6%	3.6%	7.7%	1.3%	2.3%
1	8.5%	7.9%	2.9%	4.2%	0.0%	6.5%	5.8%
2	1.3%	6.6%	1.3%	0.8%	0.0%	1.5%	3.1%
3	0.7%	5.3%	1.1%	1.2%	0.0%	0.0%	2.2%
4	0.7%	5.9%	2.4%	0.0%	0.0%	0.0%	1.3%
5	0.4%	1.0%	0.0%	0.0%	0.0%	3.0%	0.8%
6	2.0%	3.3%	0.3%	0.0%	0.5%	0.0%	1.6%
7	0.7%	0.9%	0.0%	0.3%	0.5%	6.7%	2.8%
8	0.9%	1.2%	0.0%	0.4%	1.0%	2.6%	1.9%

Source: TEA, AEIS, 2000-01.

KISD's transitional program could also contribute to the high passing rates of its students in grades 3 and 4 on the TAAS in 2000-01. More than 96 percent of the students in grade 3 (the grade in which the test is first given) passed TAAS reading and math. During grade 4 when writing is added to the test, more than 95 percent of the KISD students passed TAAS writing. TAAS performance of KISD students in grades 3 and 4 exceed regional and state performance (**Exhibit 2-12**).

Exhibit 2-12
KISD Grades 3-4 TAAS Performance
KISD vs. Region 20 and State
2000-01

	Reading	Math	Writing	All Tests Taken
Grade 3	97.0%	96.4%	N/A	94.2%
Region 20	84.6%	80.4%	N/A	74.9%
State	86.8%	83.1%	N/A	78.2%
Grade 4	96.1%	97.8%	95.3%	92.5%
Region 20	90.3%	90.5%	89.0%	80.3%
State	90.8%	91.3%	89.2%	81.6%

Source: TEA, AEIS, 2000-01.

COMMENDATION

KISD's transitional first grade program helps students perform well in school.

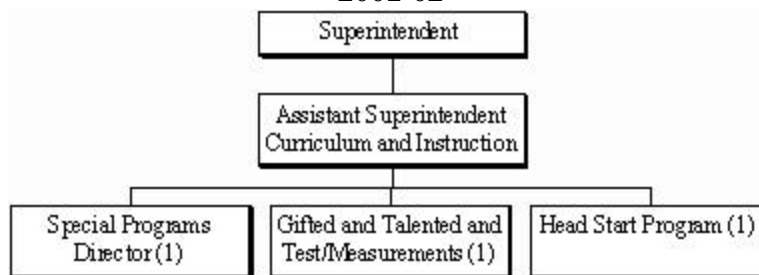
Chapter 2

EDUCATIONAL SERVICE DELIVERY

B. INSTRUCTIONAL RESOURCES

Instructional resources, the materials available to ensure successful learning, include fiscal and human resources as well as instructional materials and direction. **Exhibit 2-13** presents the district's organization chart for the education services delivery.

Exhibit 2-13
KISD Education Service Delivery Organization
2001-02



Source: KISD Department of Curriculum and Instruction, 2001-02.

KISD faculty in 2001-02 includes of 317.7 teachers. **Exhibit 2-14** shows percent of teachers and teacher experience for KISD, the peer districts and the state. KISD has a more experienced faculty than its peer districts and the state. On average, KISD teachers have 14.3 years of teaching experience overall and 8.6 years experience with the district (2000-01 data).

Exhibit 2-14
Teacher Experience
KISD vs. Peer Districts and State
2001-02

Teacher Experience	Brenham	Midlothian	Marble Falls	Kerrville	Levelland	Aransas County	State Average
Percent of Teachers	53.0%	52.6%	50.3%	49.6%	49.5%	45.6%	50.5%
Beginning Teachers	5.7%	4.6%	4.0%	3.1%	4.3%	3.5%	7.8%
1-5 Years Experience	23.1%	16.2%	20.2%	15.8%	17.8%	18.7%	27.8%

6-10 Years Experience	19.6%	23.3%	19.4%	21.2%	14.6%	21.3%	18.1%
11-20 Years Experience	26.9%	31.9%	31.6%	32.1%	35.2%	36.3%	24.7%
More than 20 Years Experience	24.7%	24.0%	24.8%	27.7%	28.0%	20.2%	21.6%

Source: TEA, PEIMS, 2001-02.

KISD's average is just above the state average for teachers with a bachelor or master degree. Compared to its peer districts, KISD has the second highest percentage of teachers with a master degree and the third highest percentage of teachers with doctorate degrees (**Exhibit 2-15**).

Exhibit 2-15
Teacher Degrees
KISD vs. Peer Districts and State
2001-02

Degree	Brenham	Levelland	Marble Falls	Kerrville	Aransas County	Midlothian	State Average
No Degree	1.9%	0.4%	0.4%	0.2%	0.0%	0.0%	1.4%
Bachelor	78.4%	78.9%	76.9%	75.6%	67.1%	79.4%	75.3%
Master	18.5%	20.7%	21.6%	23.6%	32.9%	20.3%	22.8%
Doctorate	1.1%	0.0%	1.1%	0.6%	0.0%	0.3%	0.5%

Source: TEA, PEIMS, 2001-02.

In 2000-01, KISD had eight teachers on permit, or 2.4 percent of its faculty. District Teaching Permits are activated by the local school district and approved by the Commissioner of Education for a degreed person who is uniquely qualified to teach a particular assignment and does not hold any type of teaching credential. A district can activate a Temporary Exemption Permit for a certified, degreed teacher who is not certified for a particular classroom assignment. This exemption cannot be renewed. Four of the six districts had teachers on permit in 2000-01.

FINDING

KISD has an effective curriculum alignment and updating process. KISD curriculum alignment refers to the coordination of the written, taught and assessed curriculum; the articulation of skills and knowledge across all grade levels (K-12); and the alignment of instruction within grade levels and departments and across schools. KISD uses a curriculum vertical planning (across grade levels) team process to align and update its curriculum. The curriculum vertical planning team consists of representative members of the Graduate Profile Committee; the assistant superintendent of Curriculum and Instruction; the Curriculum Advisory Team, composed of principals and teacher representatives; and curriculum writers for each core area, including social studies and science. The curriculum writers' teams, comprised of two teachers per grade level and subject area, are K-12 master teachers. Master teachers are teachers whose classroom experience, certifications and training put them in the position of guiding instructional improvement at their school.

KISD has curriculum guides for each grade level and subject area. These guides are available in hard copy and electronically on the KISD Web site. The KISD curriculum guides contain aligned student objectives, aligned instructional strategies, aligned instructional resources and aligned assessments. KISD's curriculum alignment process began in 1998-99 with the development of the Graduate Profile, training of administrators and teachers in curriculum alignment and curriculum management and the establishment and training of the curriculum writing teams in 1999.

Curriculum writers received subject area-specific training in curriculum alignment, brain research, TAAS analysis and best instructional practices. Curriculum writers worked in 1999 and 2000 with outside experts on alignment with the Graduate Profile, ACT/SAT and PSAT objectives, national standards and TAAS objectives. The district distributed printed and electronic copies of the KISD-aligned objectives for implementation to all teachers.

KISD updates its curriculum guides regularly. The district has developed a *Curriculum Planning 5-Year Schedule* spanning 1998-99 to 2002-03. The document outlines curriculum-related tasks to be implemented each year and specifies criteria for curriculum updating. In 2000, the curriculum writers, who are master teachers, aligned their best instructional materials, activities and strategies to KISD curriculum objectives.

These practices have also been aligned to the Professional Development Assessment System (PDAS), the system that public schools in Texas use to assess teachers' performance and have become part of KISD's automated, Web-based program (the Kerrville Instructional Improvement Model) that administrators and teachers can access for instructional improvement ideas and resources.

In 2000, KISD implemented OASIS, an automated curriculum system for K-12, in all content areas. OASIS combines KISD's objectives, best instructional practices and resources and up-to-date information about TAAS into a single system. OASIS also aligns each KISD objective with TAAS Release Test questions, *Clarifying Activities and Assessment in Math* and *Snapshots in Science*. These guides, developed by the University of Texas/Dana Center, clarify the TEKS and indicate how they relate to curriculum and assessment. OASIS also includes clarifications from the TEA's Educator's Guide and favorite Web sites. In 2001, KISD's curriculum writers updated the best practices and resources in each core area and began the alignment of assessment, enrichment and remediation activities to each KISD objective.

The KISD curriculum writers also developed and added to OASIS weekly lesson plans for kindergarten and grade 1. These lesson plans are especially useful for new teachers and their mentor teachers. An outside consultant aligned the new TAKS objectives in the OASIS system. KISD principals developed a plan in 2001 to ensure that all KISD objectives, not just TAAS objectives, are taught. This plan ensures KISD that the instructional focus is not narrowed specifically to TAAS.

KISD has developed a long-range plan for curriculum development. The long-range plan is divided into three phases of curriculum development: plan and develop curriculum, update and implement curriculum and review and update annually. The plan identifies the content areas that will be addressed for each of the phases annually from 1999-2000 through 2005-06.

COMMENDATION

KISD has a well-planned, clearly defined and implemented process for curriculum alignment and updating.

FINDING

KISD uses an innovative and cost effective staff development model involving study groups. In 2000-01, KISD implemented the study group model developed by North East ISD to use for staff development. The study group model involves small groups performing action-based research to solve a single school issue or concern and improve student academic performance. Action-based research involves teachers as researchers; it is school-based and is guided by instructional personnel researching what is going on in the classroom. Groups consist of three to five teachers or a mix of teachers and administrators. Study groups can consist of grade level teams, vertical teams, teams studying specific

education books or issues/concerns teams. Staff members are asked to join a group based on their interests and needs.

The issues or problems that study groups address are closely linked to their Campus Improvement Plan and to the campus needs assessment. Study groups typically focus on campus climate, student achievement, improving homework results, designing instructional strategies, improving teacher communication with students and parents and curriculum alignment. For example, Daniels Elementary School had 16 study groups in 2001-02. These study groups addressed topics such as Curriculum for "Higher Achievers," curriculum writing aligned to OASIS, creating a vertically aligned Grade 1 writing curriculum and building literacy centers that align with TEKS. The groups met regularly and followed preset rules.

KISD has implemented both campus-based and district-wide study groups. The groups meet for a minimum of 18 hours a year and may continue for three years. Study groups foster collaboration and innovation in a relatively risk-free environment. The concept appeals to teachers who may feel that getting traditional staff development never really addresses their specific needs. The study groups contributed to the quality of instruction at KISD by researching or developing instructional materials that are added to the district curriculum. Study groups contributed a large portion of the materials in the OASIS curriculum.

COMMENDATION

KISD uses study groups as an innovative staff development strategy to improve instruction and student performance.

FINDING

KISD has developed and uses a comprehensive Program Evaluation Model. The district's Leadership Committee identifies three programs a year for in-depth evaluation using the evaluation model. The seven-step Program Evaluation Model includes three evaluation phases: organization and design; information collection; and analysis and conclusion. The model details in a step-by-step fashion all activities evaluators have to perform and has associated forms and examples (**Exhibit 2-16**).

**Exhibit 2-16
KISD Program Evaluation Process**

Steps	Purpose	Activities
Step 1	Select a steering committee and	Evaluation leader selects a committee, identifies a resource person, schedules committee meetings and

	organize.	establishes a deadline for the evaluation report.
Step 2	Describe the program being evaluated.	Evaluators describe the program under evaluation and where and how it has been implemented, state the goal of the program and articulate expected outcomes.
Step 3	Select the focus of the evaluation.	Evaluators define the purpose of the evaluation and identify specific concerns about the program that should be investigated.
Step 4	Select the evaluation method.	Evaluators select the methodology associated with expected outcomes, define quantitative and qualitative measures, develop a data collection schedule and specify the population from whom data will be collected.
Step 5	Collect data and document results.	Evaluators collect data from the target population using the specified data collection instruments.
Step 6	Analyze and interpret the results.	Evaluators analyze the data and document results. Evaluators describe program implementation, whether and how it varies from the original plan and document the data obtained by each evaluation methodology.
Step 7	Prepare report including recommendations.	Evaluators prepare a report that shows the degree to which the program met each expected outcome and support their conclusions. The report includes a cost/benefit analysis and a recommendation of whether the program should be continued as is, modified, or discontinued. The report also includes suggestions on how the program's weaknesses can be remedied and how its strengths can be perpetuated.

Source: KISD Program Evaluation Model.

The evaluation committee forwards the report and recommendations to the superintendent. The superintendent reviews the report with the principals and respective directors. Before recommendations are implemented, the district checks whether the recommended changes are in compliance with pertinent federal or state laws and regulations. KISD involves the Faculty Community Advisory Council (FCAC) and the site-based decision-making committees in planning and implementing major program changes.

COMMENDATION

KISD uses a Program Evaluation Model to conduct annual in-depth evaluations and improve programs based on evaluation results and recommendations.

FINDING

KISD curriculum prepares students for end-of-course exams. One measure of an effective curriculum is to examine the percent of students who pass end-of-course exams. The percent of students passing end-of-course exams can be used as a partial measure of how well the curriculum is preparing students (**Exhibit 2-17**).

Exhibit 2-17
End-Of-Course Examination Scores
Percent of Students Passing
KISD vs. Peer Districts and State
2000-01

District	Algebra I	Biology 1	English II	U.S. History
Kerrville	73.5%	90.0%	73.8%	93.8%
Midlothian	63.5%	89.7%	84.4%	86.1%
Brenham	55.8%	83.3%	47.9%	68.1%
Marble Falls	51.4%	78.3%	81.9%	90.1%
Aransas County	46.4%	84.0%	84.7%	86.7%
Levelland	44.1%	77.4%	58.4%	80.1%
State	49.2%	79.9%	75.1%	74.3%

Source: TEA, AEIS, 2000-01.

Compared to its peer districts, KISD ranks first in the percent of students passing Algebra I, Biology I and U.S. History end-of-course exams. The percent of KISD students who pass end-of-course exams in these areas exceeded the state average by 10 to 24 points.

COMMENDATION

KISD curriculum prepares students for end-of-course examinations.

Chapter 2

EDUCATIONAL SERVICE DELIVERY

C. DROPOUT PREVENTION/ALTERNATIVE EDUCATION

Texas has set dropout prevention as one of its primary goals. TEA considers the dropout rate as one of four criteria in assigning annual accountability ratings to districts and schools, along with performance on the TAAS, attendance and data quality. TEA requires districts to report information on students who leave school, which is used to determine a district's dropout rate. Districts must use the guidelines in the TEA Leaver Codes and Definitions to report information on students who withdraw from school. School districts must also develop a comprehensive dropout prevention plan that addresses how schools will work to prevent students from dropping out of school.

KISD's primary dropout prevention programs are the Hill Country High School and the Disciplinary Alternative Education Program (DAEP). Hill Country High School is an alternative academic program that serves the educational needs of young adults for whom a traditional setting is not appropriate. The DAEP is housed at Peterson Middle School and serves students in grade 6 through 12 who are assigned to the program as a result of inappropriate behavior at their home school.

FINDING

KISD's programs have been effective in reducing its dropout rate. In 1997-98, KISD had the second highest dropout rate among its peers. During the next two years (1998-99 and 1999-2000), KISD's dropout rate steadily decreased and by 1999-2000, it ranked third lowest among peer districts and below the state average (**Exhibit 2-18**).

Exhibit 2-18
Annual Dropout Rates
KISD vs. Peer Districts and State
1997-98 through 1999-2000

District	1997-98	1998-99	1999-2000
Brenham	1.8%	1.1%	0.0%
Kerrville	1.7%	1.2%	0.8%
Aransas County	1.4%	0.7%	0.4%

Levelland	0.8%	0.8%	1.3%
Marble Falls	0.6%	0.8%	1.5%
Midlothian	0.2%	1.0%	0.8%
State Average	1.6%	1.6%	1.3%

Source: TEA, AEIS, 1997-98 through 1999-2000.

Note: 2000-01 Dropout Rates not available until October 2002.

Hill Country High School was established in 1990 to serve students who, for various reasons, are unable to participate in a regular high school program and who are at risk of dropping out of school. HCHS serves students 16 to 21 years old from several hill country districts including Kerrville, Ingram, Banderas, Comfort and Medina. Students have to apply to the program and provide recommendations. Attendance is considered a privilege.

As an academic school, each year Hill Country High School serves 40 to 50 students who are self-motivated, are willing to follow the school's rules and procedures and do not require disciplinary actions. The school has a staff of seven (5.25 FTEs): a principal, two full-time teachers, two half-time teachers, a counselor who is at the school one day a week and a secretary. One of the full-time teachers teaches math and social studies and the second teaches English and is certified in Spanish. The half-time teachers are certified in science (biology) and diversified education. To be admitted, a student must:

- be between 16 and 21;
- have accumulated a minimum of six high school credits;
- not currently be under disciplinary sanction or expulsion by another school;
- provide supporting documentation that the regular high school program does not meet the applicant's needs because the applicant is:
 - a teen parent or pregnant student;
 - a married student;
 - in severe economic need; and/or
 - a previous dropout;
- be a transfer from another similar program;
- be below grade level;
- be unable to graduate because of credit deficiencies; or
- be in a crisis situation.

Hill Country High School offers a proficiency-based learning system that is individualized and self-paced. Students progress at their own rate using computer-assisted instructional technology, textbooks and small group or one-on-one instructional strategies. Hill Country High School uses the American Preparatory Institute curriculum, the Plato Learning System (a computer-assisted learning resource) and NovaNet. NovaNet is a competency-based computer program that is aligned with the TEKS and with TAAS.

The American Preparatory Institute, recognized by the Texas Education Agency as accredited, offers a high school diploma program. The American Preparatory Institute curriculum is individualized, competency-based and delivered through a student-directed instructional system. Students must demonstrate 70 percent mastery of course content to receive credits. Academic courses may not include electives or upper level courses offered at area schools. The academic program requires a minimum of 22 credits to graduate, and students have to earn a minimum of half a credit a month and pass all sections of the TAAS. Students are required to attend school four hours a day for five days a week.

Hill Country High School students clock in and out daily by themselves on the computer. Teachers check timesheets regularly and monitor students' work, offering one-on-one instruction and assistance. In addition to academic services, HCHS offers a career center that provides vocational testing; job information and counseling; child care services; child development and parenting classes; individualized TAAS tutoring; and personal counseling. HCHS students go to Tivy High School for vocational training.

An assistant principal, three full-time teachers and an aide administer DAEP, which generally serves 20 students in grade 6 through 12. Students are assigned to the program for a minimum of 10 days to a full school year. DAEP offers a highly-structured learning environment that encourages students to take more responsibility for their actions.

DAEP students' home campus teachers provide the work assignments. The program focuses both on the academic and the behavioral needs of students. Because of space limitations, the district offers the program in the afternoon between 4:00 and 9:00 p.m. In 2000-01, KISD's DAEP served 181 students; 114 (63 percent) from Tivy High School, 61 (33 percent) from Peterson Middle School and six (3 percent) from Tivy Upper Elementary. Of these students, 33 of them (18 percent) were returnees.

COMMENDATION

KISD has reduced its dropout rate by offering alternative programs for at-risk students.

Chapter 2

EDUCATIONAL SERVICE DELIVERY

D. GIFTED AND TALENTED EDUCATION

Texas state law requires all school districts to identify and provide services for gifted/talented students. In 1990, the State Board of Education (SBOE) adopted the *Texas State Plan for the Education of Gifted/Talented Students*. In 1996, the State Board of Education updated the plan to incorporate Texas Education Code Section 29.123 requirements. The updated plan forms the basis for program accountability for state-mandated services for gifted/talented students.

KISD adopted the definition of a gifted and talented student in Section 21.121 of the Texas Education Code, which is a student "who performs or shows the potential for performing at a remarkably high level of accomplishment when compared with others of the same age, experience or environment." The gifted and talented (G/T) student, according to this definition, exhibits high performance capability in an intellectual, creative or artistic area; possesses an unusual capacity for leadership; or excels in a specific academic field. KISD serves gifted and talented students in grade 3 through 12. The district received a waiver from the Texas Education Agency allowing identification to be delayed until the end of grade 2. All students in K-2 receive an enriched activity once a week and one thematic lesson once each six weeks. The enriched activities address critical thinking skills, creative thinking and problem solving. Teachers may have G/T activities with all students or with an informally identified group of students. If lower ability students are included, teachers tier the activities to offer the appropriate amount of challenge. Teachers may use a teacher aide to assist in grouping the students.

A G/T coordinator directs the KISD G/T program. Each school has a G/T facilitator and designated G/T teachers. The schools' G/T Advisory Committees review the program annually and make recommendations to the district G/T Advisory Council. The G/T Advisory Committees, organized by grade level, include the G/T coordinator, principal, G/T facilitator, teacher representatives and parent representatives.

Working with outside consultants, KISD developed a G/T curriculum. Kerrville's Intellectually Talented Elementary Students (KITES) program at the elementary level offers instruction through advanced language arts and math classes or in a special pullout arrangement with G/T trained teachers. Elementary G/T students can also participate in other enriching programs such as Art Club, Honor Choir and Destination Imagination. At the upper elementary and middle school levels, G/T students receive

enriched language arts and math classes. G/T students are also cluster grouped within regular classes in social studies and science classes. In grade 8, G/T students can take Algebra I and Spanish I for high school credit. The high school offers G/T services through Pre-Advanced Placement and Advanced Placement (AP) courses. KISD also has a dual credit arrangement with San Antonio College in English IV, U. S. history, government and calculus and with Schreiner University in English IV.

KISD identifies gifted and talented students through a three-step process of nomination, screening and selection. Administrators, teachers, G/T facilitators, counselors, parents, or community members can nominate students for the G/T program or they can self-nominate. The G/T facilitators distribute and collect the nomination forms. Identification of G/T students involves multiple criteria including IQ test scores, achievement test scores, student product portfolios and teacher ratings. A committee composed of the principal or assistant principal, the G/T facilitator, the G/T coordinator and a counselor selects students for the program.

FINDING

KISD ensures the quality of its G/T teachers by developing specific criteria for their G/T teachers. The district profiles the characteristics of a G/T teacher and specifies guidelines for professional development. KISD has specific criteria for the selection of G/T teachers. A KISD principal must recommend a teacher for the G/T program. Teachers who participate in the KISD G/T program must have completed at least two years of successful teaching experience or specialized experience in G/T education, expressed interest in teaching G/T students, demonstrated their interest by attending local workshops, completed self-instructional training modules or undertaken self-selected professional growth. The teachers also must have expressed willingness to undertake a minimum of 30 hours of special G/T training and be familiar with the curriculum in the grade levels of G/T students they will teach.

KISD has recognized that teaching G/T students requires special skills and attributes. KISD formalized these skills and attributes as part of their G/T plan. KISD has identified four areas of skills and attributes necessary for teaching G/T students:

- Relative to self: the G/T teacher has nine attributes such as personal confidence in ability to work with gifted students, enthusiasm for learning, flexibility and ability to evaluate student progress.
- Relative to students: the G/T teacher has six attributes such as perceiving and responding positively to individual differences and

providing appropriate differentiated activities based on different styles.

- Relative to other people: the teacher possesses three attributes including the ability to work well with others.
- Relative to the learning environment: the teacher possesses four attributes including the identification and use of community resources such as people, field trip sites and real life situations.

KISD has set specific guidelines for staff development of G/T teachers. In addition to the minimum of 30 hours of training for new program staff, KISD G/T guidelines require a minimum of six training hours annually for program staff. The district also requires administrators with G/T program responsibility to have six hours of training and encourages them to attend update trainings. In addition, G/T teachers and administrators receive time off to attend professional conferences and workshops. KISD's G/T program has 60 elementary teachers, 29 upper elementary teachers, 30 middle school teachers and 19 high school teachers.

COMMENDATION

KISD supports the quality of its G/T program through teacher selection criteria and staff development guidelines.

FINDING

The KISD G/T program uses a comprehensive program evaluation model. The G/T program evaluation model, based on the District Model Evaluation, has a defined purpose, expected outcomes, quantitative and qualitative measures and stated concerns. The 2001 program evaluation focused on whether the program functions existed at or above the acceptable level in each of the five sections of the state plan for gifted education. Concerns guiding the evaluation addressed whether the curriculum and instruction were appropriate, whether G/T teachers receive adequate support and whether program options meet G/T students' needs. The evaluation set five expected outcomes:

- Instruments and procedures used to assess students for program services measure diverse abilities and intelligences and provide students an opportunity to demonstrate their talents and strengths.
- A flexible system of viable program options that provide a learning continuum district-wide that reinforces the strengths, needs and interests of G/T students.
- Curriculum and instruction meet the needs of G/T students by modifying the depth, complexity and pacing of the general school program.

- All program personnel have knowledge to offer appropriate options and curricula for G/T students.
- The district regularly encourages community and family participation.

The quantitative measures consisted of a comparison between actual and expected program results and a review of student achievement data. The qualitative measures focused on views of program staff, evaluation of instructional materials, evaluation of new materials under consideration and assessing student efforts toward learning.

The KISD G/T evaluation model also specified the evaluation methodology associated with each expected outcome and the sample of parents, students, teachers and principals by school. It states how evaluation instruments will be distributed and collected, the person responsible for each, and the timeline for the distribution, collection/compilation, analysis and report. The evaluation report summarizes results overall and by grade levels (3-4, 5-6, 7-8, 9-12), shows the extent to which each expected outcome has been met, includes a cost-benefit analysis and makes recommendations. The recommendations fall into three categories: overall program recommendations, solutions to remedy known weaknesses; and perpetuation of strengths. The G/T program also conducts more limited, annual evaluations that are based on teacher, parent and student surveys. The surveys are tailored to each school and grade level.

COMMENDATION

KISD uses an effective program evaluation model to determine program strengths and weaknesses and identify modifications.

FINDING

KISD resources allocated to the G/T program in 2001-02 are significantly below the state average. In 2001-02 KISD allocated 0.1 percent of its budget to G/T compared with a state average of 1.7 percent. KISD's expenditures, at \$40 per G/T student, are 4.2 percent of the state average of \$959. KISD also has the lowest percent of G/T expenditures and expenditures per student among its peer districts, which have allocated 1.3 to 3.3 percent of total budgeted expenditures to their G/T programs (**Exhibit 2-19**).

Exhibit 2-19
Number and Percent of Gifted/Talented Students and Teachers
KISD vs. Peer Districts and State
2001-02

District	G/T Student Enrollment		G/T Teachers		Expenditures for G/T	
	Number	Percent	Number*	Percent	Amount Per Student	Percent**
Midlothian	484	10.3%	0.7	0.2%	\$580	1.6%
Brenham	324	6.9%	0.1	0.03%	\$683	1.3%
Kerrville	234	5.0%	1.0	0.3%	\$40	0.1%
Aransas County	232	7.0%	18.0	7.2%	\$1,178	2.4%
Levelland	223	7.4%	0.9	0.4%	\$878	1.7%
Marble Falls	189	5.2%	6.7	2.6%	\$2,256	3.3%
State	339,270	8.2%	6,438.7	2.3%	\$959	1.7%

Source: TEA, PEIMS, 2001-02.

*Expressed in Full Time Equivalents.

**G/T expenditures include Instruction and Instructional Leadership.

The 2001 evaluation of the G/T program by a KISD evaluation team identified the need for more resources. While the differentiated curriculum approach the district has been using is low cost, evaluation results indicated that the program implementation among the elementary campuses varied and was not consistent. The evaluators recommended that the district use an itinerant G/T teacher to serve all elementary schools. This teacher could spend one or more days each week at every campus in pull-out programs to provide more consistency across campuses and grade levels and increase G/T program knowledge and awareness among regular elementary school teachers.

The evaluation team also recommended that the district provide a stipend to G/T teachers in pull-out programs and that principals give G/T teachers a release day to gather resources at the Region 20 education service center. The evaluation also suggested more clearly defining the G/T program at the secondary level. Because the AP program in KISD is open enrollment, one-half of the teachers did not know which students were G/T and whether these students were sufficiently challenged. Students enrolled in AP classes were not sure whether or not they were G/T students. Some of

the students and their parents wanted additional activities at the secondary level in addition to AP classes.

Recommendation 7:

Increase resources allocated to the gifted and talented program.

KISD should increase the resources it allocates to the G/T program by implementing the recommendations of its 2000-01 evaluation team. The program should assign an itinerant teacher to the elementary schools, give teachers of G/T students a release day to gather resources and plan and provide G/T teachers in pullout programs with stipends.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Curriculum and Instruction and the G/T coordinator review the 2000-01 evaluation results, develop a plan to implement the recommendations and specify resources needed for implementation.	October 2002
2.	The assistant superintendent of Curriculum and Instruction presents the plan to the superintendent.	November 2002
3.	The G/T coordinator and the director of Human Resources interview teachers interested in the position of itinerant G/T teacher for the elementary level and select one of the teachers.	December 2002 - January 2003
4.	The district gives G/T teachers a day off for planning or gathering resources.	January 2003
5.	The district gives stipends to G/T teachers in pull-out programs.	January 2003

FISCAL IMPACT

The fiscal impact is based on the assumption that the district will reassign one teacher as an itinerant G/T teacher for an annual stipend of \$1,000. The district will offer \$500 stipends to four trained G/T teachers at each of the three elementary schools and at the upper elementary: 16 x \$500 = \$8,000. The G/T teachers will receive one additional day off for planning or resource gathering (138 teachers have G/T training x \$70/day for certified teacher substitutes = \$9,660). Costs for 2002-03 are projected as half that of other years since the recommendation will not be implemented until January 2003.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
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Increase resources allocated to the gifted and talented program.	(\$9,330)	(\$18,660)	(\$18,660)	(\$18,660)	(\$18,660)
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FINDING

G/T programs should represent the composition of the general student population. Minority students are underrepresented in the KISD gifted and talented programs. Although KISD has 40 percent minority students, only 12 percent (28 students) of KISD's 234 G/T students are minority students. In 2001-02, the KISD gifted and talented programs had nine percent Hispanic students and three percent African American, Asian-Pacific and Native American students (**Exhibit 2-20**).

Exhibit 2-20
Gifted and Talented Program Enrollment
KISD Schools
2001-02

Grade Level	Number of G/T Students	Percent Hispanic	Percent Anglo	Percent Other Minorities
Grade 3	14	0.0%	100.0%	0.0%
Grade 4	13	0.0%	84.6%	15.4%
Grade 5	15	6.7%	93.3%	0.0%
Grade 6	21	9.5%	85.7%	4.8%
Grade 7	18	0.0%	94.5%	5.5%
Grade 8	27	3.7%	96.3%	0.0%
Grade 9	29	6.9%	89.6%	3.4%
Grade 10	32	21.9%	78.1%	0.0%
Grade 11	26	11.5%	88.5%	0.0%
Grade 12	39	12.8%	82.0%	5.1%
Total	234	9.0%	88.0%	3.0%

Source: KISD Department of Curriculum and Instruction, March 2002.

In an effort to increase minority students in the G/T programs, KISD sends a reminder to teachers every January asking them to look closely at minority students as they nominate students for the G/T program. At

Daniels Elementary School, where the KISD Bilingual/ESL program is located, notices are sent out to parents in both English and Spanish. The G/T coordinator asks teachers to inform parents about the program through their school newsletters and to collect samples throughout the year of minority students who show exceptional ability. The G/T coordinator encourages the G/T Advisory Committees to give consideration to minority students during its annual August selection process. In addition, KISD uses different screening instruments, including the non-verbal Sages Reasoning Test and student portfolios, to identify gifted minority students.

Socorro ISD succeeded in increasing the representation of Hispanic students in its G/T program to a level approaching their overall district representation by aggressively identifying G/T students from ethnically and linguistically diverse backgrounds. Socorro ISD students are 89 percent Hispanic and 52 percent limited English proficient (LEP); 87 percent of the district's G/T students are Hispanic. Socorro ISD identified tests, measures and expertise that best suited its student population. Socorro ISD uses Raven, a reasoning ability instrument that uses no language, combined with Spanish Assessment of Basic Education, an achievement measure in Spanish and the expertise of its LEP director in the G/T identification and screening process.

Recommendation 8:

Ensure all gifted and talented students are identified and served.

The district should increase the participation of Hispanic and other minority students in the gifted and talented program. KISD should make all school administrators and gifted and talented program facilitators aware of the under-representation of Hispanic and other minority students in the program. The district should review strategies used by other districts like Socorro that succeeded in making their G/T programs more ethnically and linguistically diverse.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Curriculum and Instruction, the G/T coordinator and the district's G/T Advisory Council review the strategies the schools use to identify and assess students for the program.	October 2002
2.	The G/T coordinator contacts districts with gifted and talented programs that are representative of their populations and examines their strategies.	October 2002
3.	The assistant superintendent of Curriculum and Instruction and the G/T coordinator develop strategies targeted at under-	November - December

	represented groups.	2002
4.	The G/T coordinator and campus G/T facilitators implement the targeted strategies.	January 2003
5.	The G/T coordinator and the assistant superintendent of Curriculum and Instruction monitor the programs to determine the effectiveness of the targeted strategies.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

In 2000-01 KISD ranked below the state average in percent of KISD students taking AP courses, percent taking AP exams and percent of scores exceeding criterion. KISD uses a number of strategies to encourage students to take AP courses. The high school counselor gives presentations to parents at the pre-registration meetings about the AP program and its benefits. The district also offers financial assistance to low-income students who take AP exams; these students only have to pay \$5. KISD offers dual enrollment classes with Schreiner University and San Antonio College in English IV, Government, U.S. History and Calculus. The district received a grant this year to pay tuition for students who take dual-credit courses on the campus of the college.

Exhibit 2-21 shows the percent of students taking AP courses in KISD, peer districts and the state.

**Exhibit 2-21
Advanced Course Completion and
Advanced Placement Examinations
KISD vs. Peer Districts and State
2000-01**

District	Percent of Students completing Advanced Courses	Percent of AP Students Tested	Percent of all AP Scores Exceeding Criterion*	Percent of AP Examinees with Scores Exceeding Criterion*
Marble Falls	25.1%	17.6%	31.5%	48.5%
Midlothian	19.0%	7.4%	42.9%	48.5%
Kerrville	17.1%	11.7%	45.1%	62.3%

Levelland	16.2%	16.7%	20.6%	21.7%
Aransas County	13.9%	29.4%	28.5%	33.9%
Brenham	12.9%	8.6%	36.2%	35.9%
State Average	20.1%	14.3%	50.1%	54.0%

Source: TEA, AEIS, 2000-01.

**Meeting minimum score to receive course credit.*

Although KISD students who took the AP exams performed better than students in the peer districts and the state, the district ranked fourth among peer districts in the percent of students taking AP exams. The concept behind the AP program is to provide college-level courses to high school students to ease the transition to college. The percent of advanced courses that a student completes, according to the College Board, the entity that manages the SAT, is one of the best predictors of success on the SAT and in college.

To encourage more students to participate in its program, Hamilton ISD increased the number of subjects in which students can take advanced placement courses. Hamilton ISD also encouraged students to participate in AP course and to take placement exams. As a result of these strategies, Hamilton ISD increased the percent of students taking advanced courses and AP exams above its peer districts, the region and the state. Hamilton ISD students' AP scores of "3" or higher, scores that colleges and universities use for credit, also increased to 76.2 percent.

Recommendation 9:

Develop and implement a plan to increase the number of students taking Advanced Placement courses and exams.

KISD should develop a plan to increase the number of students taking AP courses and exams that incorporate a staff development schedule, staff development for teachers of AP courses, and compensation methods such as paying stipends to teachers teaching AP courses to motivate these teachers to recruit students for AP courses. Teachers and administrators should begin informing parents and students in middle school about the AP program and its academic and financial benefits, such as getting college credit and reducing college costs.

The district should increase community awareness of the program through advertisements in its newsletters and articles in the local newspaper. School and district administration should recruit parent organizations and school improvement teams to advocate for the program. The middle and high school should invite representatives of local colleges and universities to speak about the benefits of having college credit through the AP program. The district should apply for a grant from a local foundation such as the Peterson Foundation to assist students in paying for AP tests.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The AP coordinator and the high school counselor review the strategies the school uses to encourage students to take AP courses and exams.	October 2002
2.	The AP coordinator contacts districts with higher levels of participation in AP courses and exams and studies their strategies.	October 2002
3.	The AP coordinator and counselor develop an AP plan and submit it to the superintendent for review and approval.	November - December 2002
4.	The AP coordinator and counselor implement the plan.	January 2003
5.	The AP coordinator monitors changes in the number of students taking AP courses and AP exams to determine the effectiveness of the strategies.	May 2003
6.	The AP coordinator and counselor modify the plan as needed.	June 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Minority student participation in AP courses and tests in KISD is low. In KISD there is a significant disparity in the participation of the number of Anglo students and minority students in AP courses. Of the 402 students who enrolled in AP courses during 2001-02, only 12.2 percent (49 students) were minority students (**Exhibit 2-22**).

Exhibit 2-22
KISD Students in AP Courses by Ethnicity
2001-02

AP Course	Number of Students	Percent Hispanic	Percent Anglo	Percent Other Minorities
English IV Dual	56	7.1%	92.9%	0.0%
Government Dual	66	6.1%	90.9%	3.0%
U.S. History Dual	81	8.6%	88.9%	2.5%
Calculus Dual	25	4.0%	84.0%	12.0%
English III AP	77	13.0%	85.7%	1.3%
English IV AP	24	4.2%	87.5%	8.3%
Environmental Science AP	6	16.7%	83.3%	0.0%
Biology II AP	14	21.4%	78.6%	0.0%
Economics AP	40	7.5%	92.5%	0.0%
Spanish IV AP	13	38.5%	61.5%	0.0%
Total*	402	9.7%	87.8%	2.5%

Source: KISD Advanced Academics coordinator.

**Duplicated numbers because the same students can participate in more than one AP course.*

Although the percent of Hispanic students taking AP exams from 1998-99 and 2000-02 has slightly increased, the percent taking AP courses has actually decreased (**Exhibit 2-23**).

Exhibit 2-23
Participation of KISD Students in AP Courses and Exams by
Ethnicity
1998-99 through 2000-01

Percent Students	1998-99	1999-2000	2000-01
Hispanic students who took AP courses	8.2%	5.6%	5.7%
Hispanic students tested	0.0%	1.8%	3.4%
Anglo students who took AP courses	21.9%	24.0%	22.3%
Anglo students tested	18.9%	17.1%	14.5%

Source: TEA, AEIS, 1998-99 through 2000-01.

The KISD G/T coordinator said that the district recognizes the need to increase the participation of minority students in AP courses and AP exams but the district's efforts have not been effective. The G/T coordinator makes presentations to parents about the AP program during pre-registration meetings. Administrators and teachers also encourage students to take AP or dual credit courses.

Recommendation 10:

Increase participation of all minority students in AP courses and AP exams.

The district should tailor its overall campaign to increase the participation of all minority students in the AP program by stressing to minority students and parents the educational and financial benefits of taking AP courses and exams. The district should explain the low cost opportunities to take the exams. To increase community awareness, the district should advertise the AP program in its newsletters and include articles in the local newspaper.

School and district administration should recruit minority representatives of parent organizations and school improvement teams to advocate the program to minority parents and students. The middle and high school should invite former minority students to discuss how participation in the AP program has helped them in college. The district should also invite minority representatives of local colleges and universities to speak about the benefits of having college credit through the AP program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The AP coordinator contacts districts whose AP programs have been successful in enrolling minority students and studies their strategies.	October - November 2002
2.	The AP coordinator and counselor develop strategies to encourage minority students to take AP courses and exams.	December 2002
3.	The AP coordinator and counselor implement the strategies.	January 2003
4.	The AP coordinator monitors changes in the number of minority students taking the AP exams to determine the effectiveness of the strategies.	May 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

EDUCATIONAL SERVICE DELIVERY

E. SPECIAL EDUCATION

Under the federal Individuals with Disabilities Education Act (IDEA), districts must provide appropriate public education for all children with disabilities regardless of the severity of the disability. The act requires districts to provide educational services in the "least restrictive environment" and to include students with disabilities in state and district assessment programs. Districts also are required to develop an individual education plan (IEP) for each of these children with input from regular education teachers. The IEP has to provide special education students with curricula that are related to those of children in regular education classrooms.

The 1997 amendments to the IDEA define an effective special education program as having the following elements:

Pre-referral intervention in regular education: When a student experiences an academic problem in the regular education program, an intervention can and should occur to solve the problems. If steps taken to solve the problem by the regular education teacher don't produce results, the problem should be referred to special education staff.

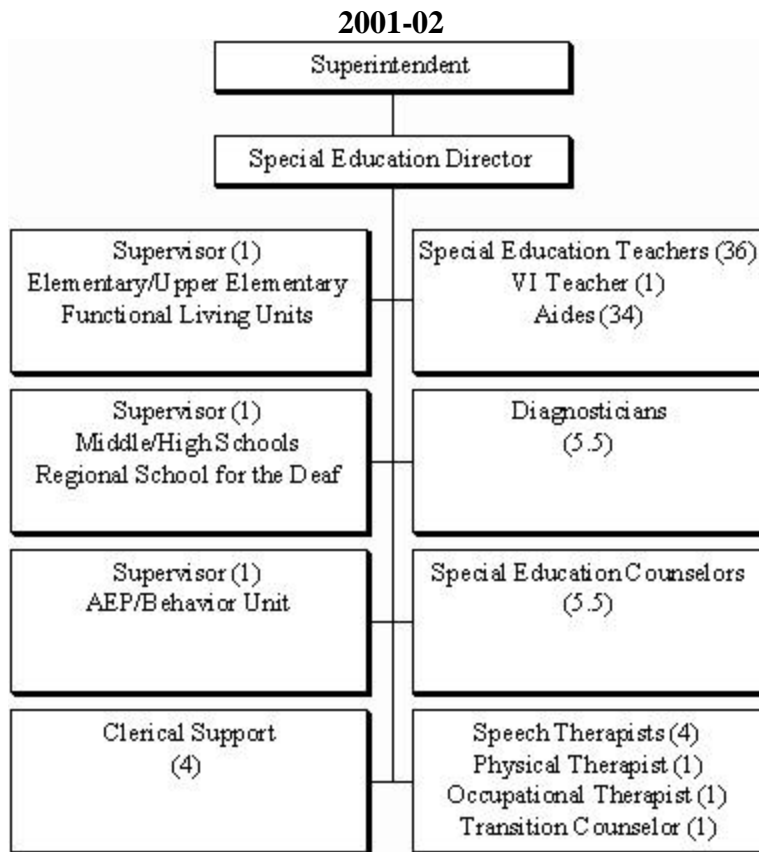
1. *Referral to special education for evaluation:* Referring a student to special education means writing an official request supported by documentation. The referral information must include an explanation of steps that have been taken in regular education to solve the student's problem before the referral.
2. *Comprehensive nondiscriminatory evaluation:* Once a student has been referred, the district must provide a comprehensive nondiscriminatory evaluation, commonly referred to as an assessment, within a prescribed amount of time.
3. *Initial placement through an Admission, Review, and Dismissal (ARD) committee:* After the evaluation is complete, a meeting is held to discuss the results of the evaluation, decide if the student qualifies for special education services in one of 12 federal special education categories, and, if so, write a plan for the student's education. The ARD committee includes the parent, at least one regular education teacher of the child, at least one special education teacher, a representative of the district who is knowledgeable about the curriculum and district resources, an individual who can interpret the instructional implications of the

evaluation results, the child, if appropriate, and other individuals who have knowledge or special expertise regarding the child.

4. *Provision of educational services and supports according to a written Individualized Education Plan:* The individualized education plan (IEP) developed by the ARD committee includes information about the classes, subject areas, developmental areas and/or life skills courses in which the student will be instructed, how much time will be spent in regular education and related needs like speech therapy or counseling.
5. *Annual program review:* Each year after a student's initial qualification and placement, an ARD committee conducts a review to ensure the student's program is appropriate.
6. *Three-year re-evaluation:* Every three years, the student undergoes a comprehensive individual assessment. Another ARD committee meeting is held to discuss the results of the re-evaluation and determine if the student still qualifies for special education services in the same category.
7. *Dismissal from the special education program:* If and when a student no longer meets the eligibility criteria, the ARD makes the decision to dismiss the student from special education..

Until August 2001, KISD served as the fiscal agent for the Cluster VII Special Education Services, a shared service arrangement that coordinated and provided special education services to six other districts. The arrangement was dissolved by mutual consent of the district members in August 2001. **Exhibit 2-24** shows an organization chart of KISD's Special Education Department in 2001-02.

Exhibit 2-24
KISD Special Education Organization



Source: KISD Special Education Department, 2001-02.

The department of Special Education at KISD contracts with two occupational therapists: one for one day a week and one for two days a week. The department also contracts with a psychologist on an as-needed basis to make emotional disturbance determinations and with a home trainer for autistic students for less than one day a week. Because consistency is important, the home trainer coordinates the behavior management program of autistic children between home and school. The home trainer also provides information and support to the parents.

KISD has the full continuum of instructional arrangements for special education students at its six schools.

Mainstream -- To ensure the least restrictive environment appropriate for each student, district personnel first consider providing services in regular education classrooms with supplementary aids or services. Students with disabilities who spend all of their classroom hours in a regular classroom are called "mainstreamed." Special education students who are mainstreamed receive instruction in a regular classroom and can receive reinforcement through content mastery classes that are available at all

schools to all students with disabilities. Each school has one content mastery teacher.

Resource - Students are assigned to the resource classroom based on recommendation of the ARD committee. The district offers resource classes in the core subjects at all schools in reading, language arts and math. Students may be placed in one or more of these classes based on their educational needs. Resource classes follow the students' IEPs, which are correlated to the TEKS, and stays in sequence with the regular classes. These students have a combination of regular classes and resource classes. The majority of students identified for the program are served through this instructional setting.

Vocational Adjustment class (VAC) - This setting provides educational and vocational services to eligible secondary students. Students are instructed in job readiness skills and are monitored in on-the-job placements.

Self-Contained classes - Students with severe disabilities who cannot be appropriately served in a regular classroom are served in a separate "self-contained" classroom. Different types of self-contained classes are available at every KISD school.

Behavior Improvement classes - These self-contained classes allow students with emotional disturbances and behavior disorders to be mainstreamed on a regular campus to the extent possible. These classes are available for all grade levels throughout the district. The district provides an additional off-campus behavior unit for secondary students at the Doyle Center.

Functional Living Units - KISD has functional living units in place at Daniels Elementary, Peterson Middle and Tivy High School. The units assure that the needs of educable mentally retarded students and severely and profoundly disabled students are met and that life skills training takes place within a functionally based curriculum.

Adaptive Physical Education - These classes provide specialized physical education curriculum for students who are unable to benefit from the regular physical education program. The physical education teacher at each school, with the support of a special education teacher, provides these classes following an initial evaluation by the physical or occupational therapist.

Homebound - This program provides at-home services for all grade level students who cannot attend school because of illness, injury or expulsion. In 2001-02, KISD provided services to nine students.

Pre-school - KISD provides a full-inclusion pre-school program for children with disabilities who are three to five years old. Students with disabilities who participate in the pre-school program move to pre-kindergarten classes where the special education and regular education teachers work in a co-teaching arrangement. The Preschool Program for Children with Disabilities (PPCD) is located at Nimitz Elementary School.

KISD serves students with visual and auditory impairments. The district has a visual impairment teacher (VI teacher) who serves students with visual disabilities. KISD houses the Regional Day School Program for the Deaf, which is open to any school district in the Kerr and Bandera counties, and serves as the administrator. There are 11 students (six from KISD and five from neighboring districts) in the program at the Tivy Upper Elementary School.

In each of these settings, appropriate curriculum modifications and services are provided to all students. ARD committees, composed of parents and professional staff, determine program eligibility and participation, individual educational plans (IEPs) and placement in, and dismissal from, the special education program. IEPs are developed for each student with a disability.

Exhibit 2-25 presents special education number and percent of students and expenditure figures in 2001-02 for KISD, peer districts and the state. Although the percent of KISD special education students is higher than the state average, KISD's percent of expenditures for special education is lower than the state's average, as are its per student expenditures. KISD's per student expenditures are 52.1 percent of the state's per student expenditures.

Exhibit 2-25
KISD Budgeted Expenditures for Special Education
KISD vs. Peer Districts and State
2001-02

District	Number of Students Enrolled	Percent of Students	Budgeted Special Education Expenditures	Percent of Budgeted Expenditures	Per Student Expenditure
Kerrville	630	13.4%	\$1,858,710	12.4%	\$2,950
Midlothian	629	13.4%	\$2,261,382	13.2%	\$3,595
Brenham	534	11.3%	\$2,584,592	15.2%	\$4,840
Aransas County	478	14.3%	\$1,390,533	12.1%	\$2,909

Marble Falls	444	12.2%	\$1,201,847	9.2%	\$2,707
Levelland	433	14.3%	\$1,617,377	13.7%	\$3,735
State	486,725	11.7%	\$2,753,628,704	14.4%*	\$5,657

Source: TEA, PEIMS, 2001-02.

*Includes Instruction and Instructional Leadership.

In December 2001, KISD served 630 special education students. Of the 630 KISD special education students, 59.2 percent have learning disabilities, 14.6 percent have speech impairments and 8.6 percent are emotionally disturbed (**Exhibit 2-26**).

Exhibit 2-26
KISD Students Enrolled in Special Education
Number of Students by Disability
2001-02

Disability	Number of Students	Percent of Students
Orthopedic Impairment	6	1.0%
Other Health Impairment	43	6.8%
Auditory Impairment	9	1.4%
Visual Impairment	9	1.4%
Mental Retardation	19	3.0%
Emotional Disturbance	54	8.6%
Learning Disability	373	59.2%
Speech Impairment	92	14.6%
Autism	11	1.7%
Traumatic Brain Injury	*	0.5%
Noncategorical - Early Childhood	11	1.7%
Total	630	100.0%

Source: TEA, PEIMS, December 1, 2001 count.

*Five or fewer students.

Exhibit 2-27 identifies the number of students enrolled in special education by grade level.

Exhibit 2-27
KISD Students Enrolled Special Education
Number of Students by Grade Level
2001-02

Grade Level	Number of Students	Percent of Students
Early Education	13	2.1%
Prekindergarten	9	1.4%
Kindergarten	21	3.3%
Grade 1	35	5.6%
Grade 2	30	4.8%
Grade 3	51	8.1%
Grade 4	59	9.4%
Grade 5	56	8.9%
Grade 6	62	9.8%
Grade 7	48	7.6%
Grade 8	61	9.7%
Grade 9	85	13.5%
Grade 10	50	7.9%
Grade 11	31	4.9%
Grade 12	19	3.0%
Total	630	100.0%

Source: TEA, PEIMS, December 1, 2001 count.

The percent of students identified as special education students nearly doubles from grade 2 to grade 3, the first year of TAAS. The percent of students identified as special education ranges between 7.6 and 9.7 percent for grades 3 through 8. The largest percent of special education students-- 13.5 percent--are in grade 9.

FINDING

KISD has a higher percent of students identified as special education than the state average. **Exhibit 2-28** shows the percent of special education students and teachers in 1997-98 to 2001-02. KISD has had a larger percent of special education students and teachers than the state average from 1997-98 through 2001-02. KISD reduced the percent of students in special education over the past five years from 14.8 percent in 1997-98 to 13.4 percent in 2001-02.

Exhibit 2-28
Special Education Students and Teachers
KISD vs. State
1997-98 through 2001-02

Special Education	1997-98	1998-99	1999-2000	2000-01	2001-02
Percent of students	14.8%	14.9%	13.3%	13.1%	13.4%
State average	12.0%	12.1%	12.1%	11.9%	11.7%
Percent of teachers	11.7%	11.1%	12.7%	11.7%	17.2%
State average	9.4%	9.5%	9.6%	9.9%	10.0%

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

KISD's pre-referral process is campus-based. Each KISD campus has a Student Assistance Process (SAP), which requires teachers to consider a range of support services for students experiencing difficulties in the regular classroom before referring these students to special education assessments. These include: tutorials; reading assistance programs such as Reading Recovery, Reading Rescue and Accelerated Reader; Creative Education Institute (CEI) and Lexia Labs for reading remediation; summer school; bilingual/ESL services, mentoring; referral to a dyslexia program or a 504 referral so that students can receive reasonable classroom accommodations such as extra time for assignments; use of word processors to expedite writing assignments; calculators for math computation or seating in the front row.

Before a referral is made to Special Education, the child's teachers, counselor and principal meet. The team assembles a referral packet and forwards it to the campus's Special Education supervisor who reviews the information and decides whether to assess the student for special education services.

Over the past three years (1998-99 to 2001-02), KISD reduced the percent of Did Not Qualify (DNQ) referrals to special education. In 1999-2000, KISD had 132 referrals to special education. Thirty-five referrals, or 26.5 percent, were DNQs. In 2000-01 KISD had 128 referrals to special

education. Of these, 29 (22 percent) did not qualify. In 2001-02 (August 2001-May 13, 2002), KISD has had 176 referrals to special education. Of these referrals, 25 (14.2 percent) were DNQs.

In 1999-2000, Smithville ISD implemented a four-phase pre-referral process called Student Success Team (SST). In the first phase, the teacher meets with the parent and also collaborates with a peer teacher and implements recommended classroom modifications. If unsuccessful, the teacher asks the counselor to collect data on the student in the second phase. The teacher also collects data from the parent and reviews with the peer the results of the classroom modifications. In the third phase the SST, a multi-disciplinary team meets to review the information and develop a three- to six-week classroom strategy and support plan. If there is not sufficient progress, the teacher may refer the student to dyslexia, Section 504 or special education. The process helped Smithville ISD decrease its special education referrals by 30 percent in one year.

Recommendation 11:

Ensure efficient use of the pre-referral procedures.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Special Education director reviews referral and DNQ data from each campus.	October 2002
2.	The Special Education director meets with campus Special Education supervisors and counselors to discuss the implementation of the pre-referral process and procedures and review pre-referral documentation.	November 2002
3.	The Special Education director identifies pre-referral and referral training needs and develops a training program for professional staff and teachers.	December 2002
4.	The Special Education director coordinates with the assistant superintendent of Curriculum and Instruction to offer the training.	June 2003
5.	Professional staff and teachers participate in the training.	August 2003
6.	The Special Education director monitors pre-referral data and referrals to Special Education.	August 2003-May 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2

EDUCATIONAL SERVICE DELIVERY

F. BILINGUAL / ENGLISH AS A SECOND LANGUAGE EDUCATION

Chapter 29 of the Texas Education Code requires that students whose home language is different than English and who are identified as limited English proficient (LEP) "shall be provided a full opportunity in participate in a bilingual education or English as a second language program."

All school districts with an enrollment of 20 LEP students in the same grade level are required to offer a bilingual/English as a Second Language (ESL) or an alternative language program. Schools must provide a bilingual education in pre-kindergarten through the elementary grades. Bilingual education, instruction in ESL, or other transitional language instruction approved by TEA, must be provided in post-elementary grades through grade 8. For students in grades 7 through 12, schools are required to provide only instruction in ESL.

School districts are required to identify LEP students and provide bilingual or ESL programs as an integral part of the regular educational program. They are also required to seek certified teaching personnel to ensure that these students have the full opportunity to master the essential knowledge and skills required by the state and assess their achievement of essential skills and knowledge.

Educating students with limited English language proficiency is an important task for Texas public schools. Nearly 500,000 or 12.5 percent of Texas students were enrolled in bilingual or ESL programs in 1999-2000. According to the *Policy Research Report*, "Of the 666,961 students added to the Texas public education system between 1987-88 and 1997-98, more than 60 percent were students receiving bilingual education/English as a second language services." The report notes that the number of Hispanic students increased by 45 percent in the last decade, more than double the growth rate of the total student population. The State Board of Education's *Long-Range Plan for Public Education 1996-2000* states "...enrollment in the state's bilingual education program is projected to increase by 50 percent over the next five years."

The coordination of Bilingual/ESL education in KISD is the responsibility of the director of Special Programs. The KISD Bilingual/ESL program has, in addition to the director, seven coordinators, eight certified bilingual teachers, two ESL teachers and four teacher aides. Three coordinators are

located at three of the elementary schools (Daniels, Starkey and Nimitz), and one coordinator each is located at the upper elementary, middle, high school and alternative education high school.

Exhibit 2-29 presents enrollment and expenditure data for students in Bilingual/ESL programs in KISD, the peer districts and the state.

Exhibit 2-29
Bilingual/ESL Budgeted Expenditures
KISD vs. Peer Districts and State
2001-02

District	Students Enrolled in Bil/ESL	Percent of Total Enrollment	Total Budgeted Expenditures for Bilingual/ESL	Percent of Total Programs Budgeted Expenditures	Per Student Expenditure
Marble Falls	277	7.6%	\$563,282	4.3%	\$2,033
Brenham	242	5.1%	\$95,564	0.6%	\$395
Kerrville	149	3.2%	\$356,710	2.4%	\$2,394
Aransas County	145	4.3%	\$206,402	1.8%	\$1,423
Midlothian	130	2.8%	\$54,262	0.3%	\$417
Levelland	95	3.1%	\$215,614	1.8%	\$2,270
State	542,609	13.1%	\$790,531,036	4.1%	\$1,457

Source: TEA, PEIMS, 2001-02.

In 2001-02, KISD has the third lowest percent of Bilingual/ESL students among its peer districts, the second highest percent of budgeted expenditures and the highest per student expenditures.

FINDING

KISD has established a comprehensive Bilingual/ESL program in all schools to meet student needs. The district has a bilingual program for grades pre-K through 6 and an ESL program for grades 7 through 12. Pre-kindergarten LEP students are located at Starkey Elementary, while LEP students in kindergarten through grade 4 are located at Daniels Elementary School. Bilingual students in grades 5 and 6 attend Tivy Upper Elementary and are served by one teacher. A certified ESL teacher serves

ESL students in grades 7 and 8, and one ESL teacher provides services to ESL students in the high school.

KISD has specific criteria for qualifying program students, differentiated by educational levels: pre-kindergarten, kindergarten and grade 1, grades 2 through 6 and grade 7 through 12. KISD uses the oral and written versions of the IPT tests in English or Spanish for assessing students. Entry criteria typically include the Home Language Survey, IPT scores and a norm referenced test. Exit criteria include TAAS performance (mastered all objectives on TAAS reading), scores above 40th percentile in reading and language arts sections of a norm-referenced test, a score of Non-LEP on the IPT post-test, passing all subjects and a teacher's recommendation.

Each school has a Language Proficiency Assessment Committee (LPAC) with authority over the identification, instructional placement and classification of LEP students. The KISD LPAC at the elementary level consists of a campus administrator, a professional bilingual teacher, a professional transitional language educator and a parent of a LEP student who is not a district employee. The LPACs at the secondary level include a teacher or administrator and a parent of a LEP child who is not a district employee. All LPAC members receive training annually.

The LPAC meets within the first four weeks of student enrollment and thereafter every four weeks as necessary to review new students' data. The committee also determines the eligibility of LEP students in grades 3 through 8 to be exempted from TAAS, take the TAAS in English or take the TAAS in Spanish. The LPAC also determines whether students will leave the bilingual program at the end of the year and monitors the academic performance of LEP/ESL students.

KISD offers a summer program for LEP students before they enter kindergarten or grade 1.

The summer program, located at Daniels Elementary, gives LEP children an opportunity to prepare for school. Instruction focuses on language development and grade-level appropriate essential knowledge and skills. The summer program offers 120 hours of instruction with a student - teacher ratio not to exceed 18:1. The teachers in the program are bilingual or ESL certified.

In 2001-02, KISD established an ESL Support Group at Peterson Middle School to address ESL students' achievement. Central office and campus administrators, regular education teachers and the ESL teacher make up the support group, which suggests strategies for increasing ESL students' academic achievement. In 20002-03, the support group recommended that ESL teachers receive more detailed information about each student

including students' test scores and students' language strengths and weaknesses. The support group also suggested using benchmark tests to monitor ESL students' progress.

COMMENDATION

KISD offers a comprehensive Bilingual/ESL program serving the needs of students at all the schools.

Chapter 2

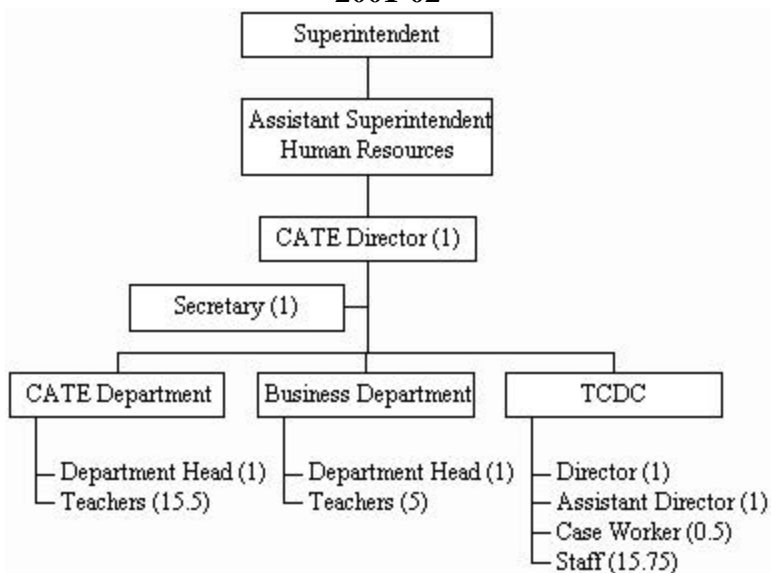
EDUCATIONAL SERVICE DELIVERY

G. CAREER AND TECHNOLOGY EDUCATION

Texas Education Code Section 29.181 emphasizes two goals for career and technology education programs, stating that "Each public school student shall master the basic skills and knowledge necessary for managing the dual roles of family member and wage earner; and gaining entry-level employment in a high-skill, high-wage job or continuing the student's education at the post-secondary level." The Texas Administrative Code (TAC) chapter 74, subchapter A requires school districts to offer "Programs of study for broad career concentrations in areas of agricultural science and technology, arts and communication, business education, family and consumer science, health occupations technology, trade and industry, and technology education that will prepare students for continued learning and postsecondary education in employment settings."

Tivy High School houses KISD's Career and Technology Education (CATE) program. The Peterson Middle School offers CATE courses in Industrial Technology, Family and Consumer Science and Career Investigations. The KISD CATE program, managed by a director and consists of three departments: the CATE Department, the Business Department and the Tivy Child Development Center (TCDC), as shown in **Exhibit 2-30**.

Exhibit 2-30
KISD Career and Technology Education Organization
2001-02



Source: KISD CATE Department, 2001-02.

The KISD CATE Department has partnered with St. Philips College in San Antonio and San Antonio College to offer students college credit. St. Philip's College and KISD offer dual credit for two career and technology classes: Introduction to Aviation and Aviation Science and Medical Terminology. A dual credit option allows a student to earn college credit and also satisfy high school requirements without being charged tuition or fees.

KISD has several articulation agreements with area colleges. An articulation agreement is a formal written contract between a district and a postsecondary institution that coordinates occupational training to eliminate unnecessary duplication of course work. The articulation agreement with San Antonio College is in the area of Computer Aided Drafting and Design Technology for a Tech Prep Associate of Applied Science degree. Specifically, the articulation agreement refers to KISD CATE courses in Business Computer Information Systems I or Business Computer Information Systems II and to Engineering Computer-Aided Drafting.

Another articulation agreement with San Antonio College is in the area of Child Development. Upon completion and meeting all required technical competencies, the courses, which are taught at the high school, will be accepted for college credit and are transferable to San Antonio College and any other college or university that accepts such courses.

KISD offers 64 career and technology classes representing 12 career clusters as shown in **Exhibit 2-31**. All courses available to students of Tivy High School are listed and described in the *Course Description and Curriculum Handbook*. With input from parents and counselors and using interest and aptitude inventories, questionnaires that help identify career interests and one's propensity for success in the identified career, students select a career pathway. Based on their selected career pathway and input from counselors, students select CATE courses. CATE administrators review the demand for each of the courses and survey students within the different tracks about interests in new courses. CATE administrators also review electives that are in high demand and are seen to be compatible with community needs and national trends to determine staffing and feasibility of offering additional programs.

Exhibit 2-31
KISD School to Career Program Offerings by Career Clusters
2001-02

Career and Technology Classes

Agricultural Science and Technology

- Introduction to World Agricultural Science and Technology
- Applied Agricultural Science and Technology
- Introduction to Agricultural Mechanics
- Agricultural Metal Fabrication Technology
- Energy and Environmental Technology
- Wildlife and Recreation Management
- Animal Science
- Equine Science
- Plant and Animal Production
- Plant and Soil Science
- Horticulture Plant Production
- Landscape Design Construction and Maintenance

Business Technology Education

- Career Connections/Keyboarding
- Introduction to Business
- Keyboarding/Word Processing
- Recordkeeping
- Accounting I
- Accounting II
- Business Law
- Business Computer Information Systems I
- Business Computer Information Systems II
- Administrative Procedures Co-op I
- Telecommunication and Networking
- Business Image Management and Multimedia
- International Business
- Banking and Financial Systems
- Business Management/Ownership

Marketing Education

- Marketing Yourself
- Team Marketing Dynamics

Media Technology

- Media Technology I
- Media Technology II

Health Science Technology Education

- Introduction to Health Science Technology

- Health Science Technology Education I

Family and Consumer Science

- Personal Family Development
- Preparation for Parenting
- Child Development
- Teen Parenting I and II
- Early Childhood Professions I
- Early Childhood Professions II
- Hospitality Services I and II
- Culinary Arts I and II
- Individual and Family Life
- Nutrition and Food Science
- Textiles and Apparel Design
- Apparel
- Housing
- Interior Design

Cosmetology

- Cosmetology I
- Cosmetology II

Industrial Technology Education

- Technology Systems
- Communication Systems
- Communication Graphics
- Engineering Graphics
- Architectural Graphics
- Computer Multimedia and Animation Technology
- Problems and Solutions in Technology

Automotive and Transportation

- Automotive Technician I and II

Trade and Industrial Education

- Building Trades I
- Building Trades II
- Introduction to Law Enforcement
- Aerospace Aviation Technology I

Source: KISD Career and Technology Department, 2001-02.

Exhibit 2-32 presents KISD, peer district and state CATE enrollment and expenditure information.

Exhibit 2-32
Career and Technology Budgeted Expenditures
KISD vs. Peer Districts and State
2001-02

District	Number of Teachers*	Student/Teacher Ratio	Student Enrollment		Budgeted CATE Expenditures	
			Number	Percent	Expenditure	Percent of Total Programs
Midlothian	12.7	80.6	1,023	21.8%	\$871,295	5.1%
Marble Falls	12.5	50.2	627	17.2%	\$621,826	4.8%
Levelland	19.6	50.2	984	32.5%	\$641,970	5.4%
Kerrville	18.9	56.9	1,075	22.9%	\$657,604	4.4%
Brenham	23.7	57.3	1,357	28.8%	\$1,130,571	6.7%
Aransas County	9.7	59.0	572	17.1%	\$437,993	3.8%
State	11,844.2	67.7	802,149	19.3%	\$745,133,786	3.9%

Source: TEA, PEIMS, 2001-02.

*Expressed in Full-Time Equivalents.

KISD falls in the middle position among its peer districts in the percent of career and technology enrollment. KISD has the fourth highest student-teacher ratio in CATE. Its student-teacher ratio is lower than the state average. KISD has the second lowest percent of budgeted CATE expenditures compared with peer districts (**Exhibit 2-32**).

FINDING

The KISD CATE program prepares students for postsecondary employment. The KISD CATE program provides students opportunities to develop career interests and gain work experience through the Career Pathway program and coop programs. It also provides postsecondary

education opportunities through articulation agreements and the TEAM (Together Everyone Achieves More) program. KISD also offers all grade 9 students the Career Connections program. Career Connections allows students to explore and learn about different careers, apply career information to their specific career choice using a career planning process, prepare a resume, apply and interview for jobs and secure employment.

The KISD CATE program has five articulation agreements with San Antonio College for Computer Aided Drafting and Design Technology, Child Development and Business Computer Information Systems and with St. Phillips College for Medical Terminology and Aerospace Aviation Technology.

KISD CATE also offers cooperative programs in five areas. These include Health Occupations, Commercial Foods, Office Administration, Trades and Industry and Marketing Dynamics. The major objective of the cooperative program is to prepare students for the working world and teach work ethics. Students study health and safety on the job, resume development and interviewing skills, taxes and insurance, human relations and receive training in the specific program areas.

The Health Occupations cooperative program has 15 students who work in technical areas in doctors' offices and hospitals. Most students are certified nurse's assistants. Several of the students work in animal health clinics. The Family and Consumer Science cooperative program has 11 students enrolled, most of whom work in local food establishments and day care centers. The Office Administration cooperative program has four students enrolled. Local businesses that take part in the program include local offices of physicians, attorneys and real estate companies. In addition to the general objectives of the cooperative program, this program also offers specific clerical training. The Trades and Industry cooperative program has eight students enrolled working in construction, in a cabinet shop, automotive body shop, a warehouse and an engineering firm. The Marketing Dynamics cooperative program has 14 students enrolled. In addition to the above objectives, the program also teaches students different aspects of marketing. The local businesses that participate in this program include Wal-Mart, H.E.B., JC Penny Company, Hastings and other local retail establishments.

KISD also offers a TEAM (Together Everyone Achieves More) class to students in grade 11. The only prerequisite for the program, for which students have to apply, is that they successfully completed English II. KISD has 49 students enrolled in the class. The TEAM class meets for three hours a day and students receive four credits. Taught by three teachers, the class uses an interdisciplinary approach and covers AP English, Marketing Dynamics, U.S. History and Government/Economics.

COMMENDATION

The KISD CATE program prepares students for employment through several programs that offer opportunities to students to gain work experience.

FINDING

KISD uses a comprehensive system to evaluate the CATE program. KISD selected the CATE program for in-depth evaluation in 2001-02. The CATE Advisory Board consists of 35 members and includes community members, business leaders and parents. The board meets monthly and provides input into the program and raises funds for scholarships. Typically, the board raises funds through raffles and awards five \$1,000 scholarships to graduates.

The board divided members into two-member teams, based on their expertise, for the program evaluation. All members who participated in the evaluation have been trained in using the evaluation instrument, which includes every CATE course. The evaluation instrument consists of nine sections: Facilities and Equipment; Instructional Objectives, Occupational Competencies, and Essential Knowledge and Skills; Instructional and Resource Materials; Methods of Instruction; Opportunities for Employment; Enrollment; Local Advisory Committee; Budget; Summary.

Each section of the questionnaire, exclusive of the Summary section, includes several statements for a total of 31 statements. The evaluator rates each statement on a 5-point scale ranging from Poor or Non-existent (1) to Superior Quality (5). For example, the Facilities and Equipment section has statements such as: "The facility is arranged, organized, and maintained to ensure a safe and appropriate environment." In the Summary section, the evaluator identifies the major strengths and weaknesses of the course, develops major recommendations and records any other remarks. KISD plans to conduct a CATE program evaluation annually.

COMMENDATION

KISD has a comprehensive CATE program evaluation system.

FINDING

The KISD Career and Technology Education (CATE) program tracks students and determines their preparedness for post-secondary employment or education. In May prior to graduation and the May following graduation, the Tivy Graduate Tracking program surveys

students. The Follow-up Survey consists of 22 questions and asks students about their plans for the summer following graduation, the fall after graduation, their education and career goals and the type of postsecondary program they plan to attend. The survey asks students the amount of education they plan to achieve by the age of 25. The survey also asks students about their interest in the academic and career and technology subjects they took at Tivy High School, the support they had received from different categories of staff, their attitude toward learning, the district's disciplinary system and how they spend their free time.

KISD CATE staff analyzes the survey responses and presents them in a survey report. The district also prepares a report comparing data from three years to determine changes among the different classes of graduates. According to the survey of 2001 KISD graduates, 11 percent plan to work (down from 42 percent in 1999 and 14 percent in 2000), 4 percent plan to attend school (down from 23 percent in 1999 and 46 percent in 2000), 11 percent plan to attend school and work and 3 percent plan to join the military. The rest did not respond to the question.

Of 2001 graduates who plan to attend a postsecondary institution, 11 percent plan to attend a technical school, 6 percent plan to attend a technical college, 60 percent plan to go to a four-year college and 8 percent do not plan to attend any school. KISD CATE also reviews PEIMS/TEA tracking statistics. PEIMS/TEA tracking statistics show that 34 percent of the 1999 graduates from KISD are enrolled in public postsecondary programs in Texas. According to the KISD Follow-up Survey of 1999 seniors, 30 percent planned to attend a postsecondary program.

KISD's One-Year Follow-up survey uses the same questionnaire with a few modifications. As part of the Follow-up Survey, KISD asks seniors to complete a form recording their name and address after graduation so the district will have their most recent address and, if they agree, the district will release contact information to their fellow graduates. The district also informs seniors, as they complete the Follow-up Survey, that they will receive a similar questionnaire in the future. KISD plans to discontinue the survey because of a low response rate and hold focus groups instead during the summer of 2002.

COMMENDATION

KISD has a graduate follow-up and tracking system and uses the information to assess its CATE program.

Chapter 3

PERSONNEL MANAGEMENT

This chapter examines the personnel functions within the Kerrville Independent School District (KISD) in four sections:

- A. Organization and Management
- B. Staffing, Salaries and Benefits
- C. Recruitment and Hiring
- D. Employee Relations

Personnel costs are typically the largest expenditure of a school district. On average, these expenditures account for 80 percent of a district's total expenditures. As a result, efficient and effective management of human resources is critical to the overall effectiveness of a district.

BACKGROUND

Like all employers, school districts must adhere to federal standards regarding wages and benefits, work hours, hiring practices, promotions, workplace safety, benefits and the work environment. The district must also conform to state standards for pay, reporting new employees, educator qualifications, contractual relationships, performance evaluations and training. KISD uses human resource management tools provided by the Texas Association of School Boards (TASB), a professional organization, to help it comply with employment laws.

Chapter 3

PERSONNEL MANAGEMENT

A. ORGANIZATION AND MANAGEMENT

KISD distributes authority and responsibility for aspects of personnel management to both central office and school administrators (**Exhibit 3-1**).

Exhibit 3-1
KISD Human Resources Responsibilities

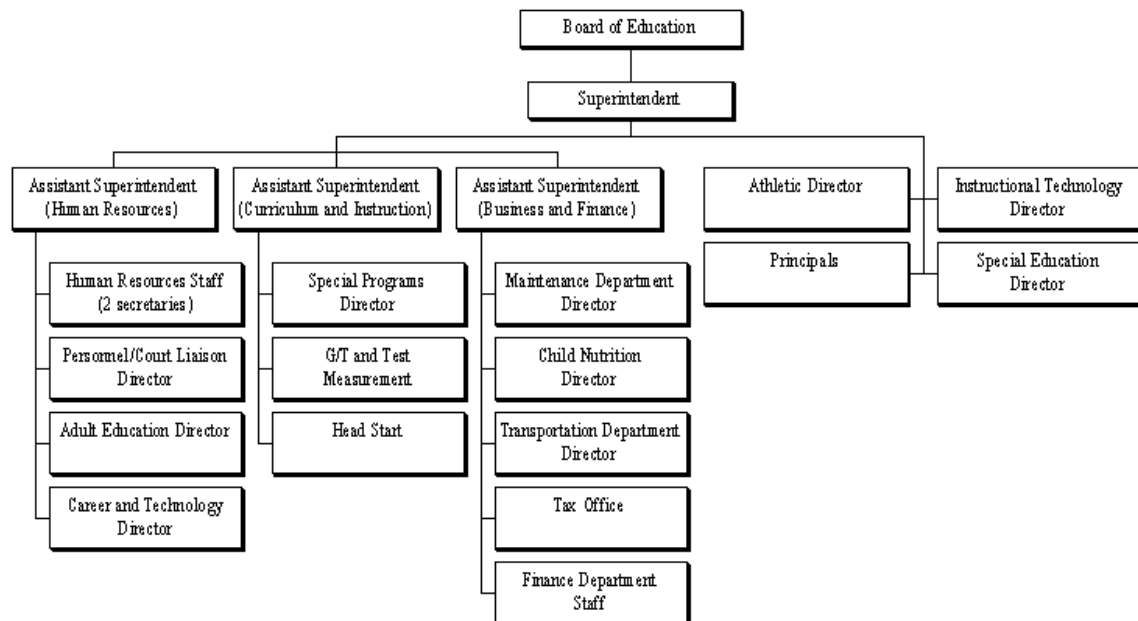
Responsibility	Department
Recruiting staff	Human Resources
Hiring staff	Board, superintendent, administrators
Background checks	Human Resources (criminal history), each department performs its own employment reference checks
Teacher certification verification	Human Resources, school administrators
Salary determinations	Human Resources, superintendent, board
Employee contracts	Human Resources, principals, superintendent, board
Salary adjustment calculations	Human Resources, Finance Department, superintendent, board
Compensation and classification	Human Resources, superintendent, board
Records maintenance and retrieval	Human Resources, superintendent, administrators
Attendance monitoring (employees)	Human Resources, administrators
Benefits administration	Finance Department (and Third Party Administrator)
Employee safety	Finance Department, Lead Counselor
Payroll management	Finance Department
Employee grievances and complaints (In order of appeal)	Supervisor Superintendent Board

New teacher orientation	Human Resources, teacher mentors, principals
Substitute orientation	Human Resources, principals
Transportation staff orientation	Human Resources, Transportation Department director
Training/staff development	Human Resources, Special Projects, administrators
Termination/transfers	All departments, Human Resources, board, superintendent
Determination of staffing levels	Superintendent, Human Resources, board, principals

Source: KISD assistant superintendent of Human Resources, March 2002.

KISD central office coordinates personnel management, providing human resources support to the district's operating departments. **Exhibit 3-2** shows the relationship between the Human Resources Department and the other departments in the district.

Exhibit 3-2
KISD Organization
2001-02



Source: KISD Organization Chart, August 2001.

To assist the district in reaching its organizational goals, the Human Resources Department annually provides an analysis of personnel issues,

such as benefits programs, to the school board. These issues may be included in the District Improvement Plan (DIP) or in the district budget. The assistant superintendent of Human Resources takes an active role in the district's long-range planning process. KISD adopted its strategic plan in 1997 to cover a five-year period ending in 2002. The district began the process of updating its strategic plan in April 2002.

With assistance from one of its two secretaries, the assistant superintendent of Human Resources closely monitors the Human Resources Department's costs to ensure expenditures do not exceed budgeted funds. To assist department administrators, Human Resources Department staff periodically provides them with reports that track use of overtime and substitutes. Department staff also review leave reports to help administrators meet the requirements of the federal Family Medical Leave Act (FMLA). A personnel software application enables the department to run numerous reports and download data into a spreadsheet.

Through its association membership, KISD is able to use TASB policies, market salary information and many of its personnel forms. TASB membership also allows the district to contact a knowledgeable school lawyer for routine legal questions. KISD's employees may view adopted policies on-line through the TASB Web site. As part of its TASB membership, the district participates in salary and other information sharing surveys.

FINDING

Rather than the central administration issuing all decisions, Texas provides school administrators decision-making authority. Legislation has provided for school-level advisory teams to help guide education decisions. Depending on the ability of the board and superintendent to delegate certain decisions to school administrators, many districts practice some level of site-based decision-making. KISD has a strong site-based management philosophy allowing principals and directors flexibility in the daily management of their personnel and budget.

KISD has an effective process to communicate school-specific procedures that result from site-based management decisions. Instead of verbally communicating assignment-specific policies, the district uses hard copy and on-line employee handbooks to document variations between assignments. This reduces the risk of confusion by communicating procedure differences in writing. As a supplement to the district-wide policy manual, each school has its own employee manual that details specific processes and procedures. Substitutes also have a manual that gives general assignment information as well as procedures specific to a particular school. Substitutes may view their manual on the district Web

site. Even though the work location of the substitute may change daily, the substitute has access to position-specific procedures.

Individual school manuals include site-based procedures for reporting attendance or making audit-acceptable corrections to the attendance roster. The substitute manual contains information that helps substitutes understand the expectations of each principal. In districts where site-based decision-making is actively practiced, available site-based material can be an effective communication tool. It also provides a means for central administration to review and correct any individual policies and procedures that may conflict with district policy.

COMMENDATION

The district communicates the variations in site-based policies and procedures by providing employee manuals that provide assignment-specific information.

FINDING

Human Resources Department staff efficiently communicates personnel-related information to employees and managers through KISD's Web-based intranet. While the district Technology Department developed and maintains the intranet, the Human Resources Department uses commercial software to post human resource information on the site.

To assist schools in selecting substitutes who meet the needs of a specific classroom, Human Resources Department staff posts a list of substitute teachers and their experience and education. Posted vacancy notices inform employees of career opportunities within the district. At the beginning of each school year, a listing of new employees and their assignments keeps employees aware of staff changes. With approval from the employee, the Human Resources Department posts photographs of new employees so co-workers can recognize them and welcome them to the district.

The Human Resources Department is also developing interactive personnel assistance on the Web site. The site already provides teachers links to certification requirements. The Human Resources Department plans to develop a process that will allow staff to enter training information directly into a database. Employees and supervisors can also print forms such as a request for transfer, recommendation for employment and authority to deposit paychecks directly into employee bank accounts. The district maintains a searchable database for district-wide personnel policies, which is available to employees on-line. By using the intranet to broadcast personnel news and information, KISD increases

the speed of information dissemination while reducing paper and print costs and use of staff resources. .

COMMENDATION

The district uses technology to make internal personnel communications accessible and efficient.

FINDING

The district organization chart job titles do not match the titles used by employees. For example, the district's organization chart lists the title of assistant superintendent of Business and Finance as supervising district business operations. However, the district Web site, salary schedules and business cards for the position reference the "business manager." Other job descriptions reviewed also had different titles than the KISD telephone directory listings.

During the 2001-02 budget process, the Human Resources Department reduced its staff to assist the district in meeting budget goals. As a result, some personnel activities, such as updating directories, job descriptions and organization charts, are not performed until staff has time, which means published district information may be inaccurate.

The Human Resources Department serves as a focal point for communicating district organization personnel information requests and wage comparison studies. Job titles need to match positions for salary survey comparisons. Businesses want to direct correspondence correctly. The KISD organization chart needs to communicate the district's chain of command and departmental relationships to employees and citizens.

Many Texas districts use standard operating procedures with quality control elements that help keep personnel materials and information up-to-date.

Recommendation 12:

Review and align job titles and develop a procedure for notifying the Human Resources Department regarding any job title changes.

Updates to district materials can occur at a scheduled time, such as after budget adoption or at the start of each school year. The district should confirm the accuracy of personnel materials when distributing or releasing them to the public

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources develops a procedure for departments to notify the Human Resource Department when a position title change is made.	September 2002
2.	The assistant superintendent of Human Resources initiates a position description review to ensure that proposed title changes do not reflect a change in job tasks or level of responsibility.	September 2002
3.	The assistant superintendent of Human Resources assigns alignment and update responsibility to the appropriate Human Resources Department staff member.	November 2002
4.	The assigned Human Resources Department staff member updates official district charts and forms to reflect any changes made during budget, and notifies all departments to change rosters, letterhead, Web pages or other publications.	November 2002 and Ongoing
5.	The assistant superintendent of Human Resources monitors the new procedure for continuous improvement and quality assurance and makes adjustments as necessary.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

While the Human Resources Department adequately secures official employee personnel files, sensitive employee information in other offices is not always properly secured. The Human Resources Department keeps district personnel files in a locked room in locked cabinets. While the cabinets remain unlocked during work hours for easy access by the Human Resources Department staff, the two department secretaries monitor use of the files. The files and file room remained unlocked while the review team was working with the files. However, the team members were never in the room without one of the secretaries monitoring room activity.

The Finance Department maintains employee payroll and insurance information in lateral file cabinets built into the department's short hallway. The files have a lock, but are not always secured from unauthorized access. While waiting to meet with staff, a review team member's unauthorized access to payroll and workers' compensation file drawers went unchallenged. The file area remained unmonitored for 30 minutes while a moderate flow of traffic occurred in the hall. KISD reaffirmed that it will lock this information in the personnel office.

Personnel files contain information that is confidential under federal and state laws. Because certain types of information must be available to different levels of staff, sensitive information relating to employees such as medical or disability records should be kept in a manner that ensures only staff with appropriate authority has access. Generally, personnel departments keep medical records separate from other types of employee records and secured from unauthorized access. Recent federal privacy regulations have increased the need to secure files containing medically-related records. Other federal laws give files containing disability information heightened sensitivity.

Recommendation 13:

Secure personnel files and retrain staff in personnel file security.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources assigns the personnel services administrator/court liaison/truancy officer to review all employee file locations and to note any lapses in policy or procedure.	October 2002
2.	The personnel services administrator/court liaison/truancy officer develops training materials on maintaining privacy and confidentiality of personnel information.	October 2002
3.	The personnel services administrator/court liaison/truancy officer schedules and provides training for staff.	November 2002
4.	The personnel services administrator/court liaison/truancy officer monitors compliance.	December 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Human Resources Department has not automated many of its manual processes. During the 2001-02 budget process, the Human Resources Department reduced a position that handled truancy and personnel issues from 40 hours a week to 20. Prior to the change, the position spent 50 percent of the workweek on truancy duties and 50 percent on personnel duties.

While the part-time personnel services administrator/court liaison/truancy officer position is suppose to devote 10 hours to truancy and 10 hours to

personnel each week, the employee focuses on truancy during the school year, with available time for personnel activities increasing toward the end of the school year into the summer. The combined position issues contact letters for the secondary schools and drafts and files all criminal truancy legal paperwork. The employee makes calls and home visits for secondary schools and calls or home visits for elementary schools as requested. This position also handles the paper work for district-filed court cases against parents who violate the compulsory attendance laws.

Each morning, the employee collects absentee and withdrawal information from each of the schools and creates three spreadsheets with student names and contact information to track letters, court warnings and court cases filed. The employee also types absentee records from the attendance reporting system into various forms required by the justice of the peace. After filing the cases with the justice court, the employee monitors them.

Teachers provide follow-up information to the employee through paper forms that are returned in interoffice mail or picked up at the school. The district has a goal of increasing attendance, which has the potential to increase the truancy officer portion of the position's workload.

Personnel duties include: the employee performing recruitment and applicant processing; monitoring staffing levels; assisting with staff development and policy implementation; coordinating job descriptions; and monitoring the evaluation process. The position also aligns personnel procedures with legal mandates; maintains staffing rosters; compiles feedback on compensation and budget issues; and ensures that staffing needs of the district are aligned with the strategic plan.

The Human Resources Department performs many activities to assist the district and its managers in meeting financial and educational goals or lightening the information request burden required of public employers. In addition to traditional activities such as recruitment and hiring, the Human Resources Department coordinates and tracks employee training activities. As required by law, the Human Resources Department reports new hires to the Office of the Attorney General. The Human Resources Department also provides the district's response to:

- the TASB salary survey;
- Kerr Economic Development Foundation wage salary questionnaire;
- U.S. Census Bureau occupational reports;
- The Equal Employment Opportunity Commission reports;
- Association of Texas Professional Educators salary schedule survey;
- the national survey of salaries and wages in public schools;

- the civil rights compliance report;
- employee directory vendors;
- the Texas State Teachers Association list of newly retired teachers; and
- records requests from media and other private organizations as well as requests from employees and administrators.

The district technology improvement plan includes increased Web site postings and electronic communications. Although the Human Resources Department provides a number of electronic tools as well as training on how to use them, not all staff takes advantage of the technology. For example, the district provides an electronic applicant pool for administrator use. The electronic pool consists of employment applications posted to the intranet so administrators can review all potential candidates from their computer.

Some administrators still request hard copies of applications for review. When this request occurs, the Human Resources Department secretary sends the original applications with a routing slip from school to school for review. The secretary must track the applications to ensure they are returned.

The industry standard for personnel department staffing is one human resources staff member to 100 employees. School districts tend to spread that ratio to one staff member to 200 employees. KISD's Human Resources Department performs personnel functions for the 640 district employees with the equivalent of three employees, which equates to a human resources staff to employee ratio of 1:213.

As workloads increase, many employers use technology to increase productivity without increasing staff. Web-based personnel services, specialized software and automated templates are just a few of the practices used by personnel departments to increase efficiency.

School districts have increased efficiency in monitoring certifications by developing a process with the State Board of Educator Certification (SBEC) that electronically matches the district's list to the SBEC's list and identified certification differences. Districts can redesign processes for increased efficiency by automating manual tasks.

Recommendation 14:

Develop electronic processes and templates to increase productivity.

As examples of processes that can be moved from paper to computer, the part-time personnel services administrator/court liaison/truancy officer

could reduce paperwork by developing procedures for notification by e-mail and postings to each school's internal Web page. This would reduce the number of trips made to schools. The tracking spreadsheet could be created by downloading selected records from the attendance database, which could be linked as a mail merge into the various notices and court paperwork.

Applicant information could be shared more efficiently but scanning application forms or resumes and simultaneously distributing them by e-mail rather than sequential review. Administrators could be trained to use the summary applicant information in the database. This would provide a selection process that would reduce the number of applications for scanning and distribution.

Human resources staff familiar with the daily department processes should be able to identify additional opportunities for efficiency.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources asks Human Resources Department staff to identify processes that could be performed by using e-mail or the department intranet Web site.	September 2002
2.	The assistant superintendent of Human Resources reviews with staff the reasons why processes are performed manually rather than electronically, identifying training, attitude or other possible obstacles to successful change.	November 2002
3.	The assistant superintendent of Human Resources discusses potential process changes with administrators and department directors on the leadership committee to receive input on possible roadblocks to successful implementation.	December 2002
4.	The assistant superintendent of Human Resources develops an implementation schedule for process changes.	January 2003
5.	The assistant superintendent of Human Resources assigns implementation steps.	February 2003
6.	The assistant superintendent of Human Resources assigns Human Resources Department staff to monitor implementation for training and continuous improvement issues.	February 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

PERSONNEL MANAGEMENT

B. STAFFING, SALARIES AND BENEFITS

To service a student population of 4,689, the district employs a staff of 640.8 full time equivalents. The KISD mission focuses on the classroom and staffing patterns support this philosophy. Compared to peer districts with the closest student population, KISD has fewer teachers and support staff, but more administrators and educational aides, which reflect the district focus of providing teaching staff with classroom support. KISD employs the smallest number of support staff of all the peer districts (**Exhibit 3-3**).

Exhibit 3-3
Staff Comparison
KISD vs. Peer Districts
2001-02

District	Student Population	Number of Teachers	Number of Support Staff	Number of Administrators	Number of Educational Aides
Brenham	4,716	349.5	38.4	25.2	99.0
Midlothian	4,699	325.6	46.1	26.4	65.1
Kerrville	4,689	317.7	28.0	28.3	112.7
Marble Falls	3,648	262.1	33.5	14.6	65.7
Aransas County	3,337	252.3	45.0	18.0	61.2
Levelland	3,024	246.8	31.9	21.0	64.2

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

In the 2001-02 budget process, KISD administrators worked closely with the Human Resources Department to identify positions vacated through attrition. As a result, the district reduced the number of staff and met budgetary constraints without a mandatory reduction in force. **Exhibit 3-4** shows staffing changes as compared to student population.

**Exhibit 3-4
KISD Staffing Comparison
1997-98 through 2001-02**

Year	Teachers (FTE)	Change from Previous Year	Central Administration	Change from Previous Year	Students	Change from Previous Year
1997-98	323.9	N/A	4.5	N/A	4,712	N/A
1998-99	328.5	1.4%	7.3	62.2%	4,805	1.9%
1999-2000	339.4	3.3%	6.3	(13.7)%	4,727	(1.6)%
2000-01	333.5	(1.7)%	6.3	0.0%	4,662	(1.4)%
2001-02	317.7	(4.7)%	7.3	15.9%	4,689	0.6%

Source: TEA, Academic Excellence Indicator System (AEIS), 1997-98 through 2000-01 and PEIMS, 2001-02

As part of the budget reduction process, the district developed a new metric for staffing, which assigns points for various workload factors. For example, the need for custodial positions is compared to square footage and other facility factors. The number of school staff is measured against student population, projected population and other factors. While this process is being pilot tested, the district hopes to avoid the challenges of the 2001-02 budget by more closely predicting staffing needs.

KISD also reviewed salary schedules during the budget reduction process. KISD bases its compensation philosophy on rewarding experience. The district has separate salary schedules for teachers, administrators, paraprofessionals and auxiliary positions. Each schedule increases salaries for each year of experience. **Exhibit 3-5** shows the four grade levels of pay for district administrators.

**Exhibit 3-5
KISD Administrative Salary Schedule
2001-02**

Pay Grade Level	Types of Staff Included	Minimum Annual Salary	Maximum Annual Salary
1	Assistance Principals. Administrative	\$43,896	\$65,846

	Assistant, Maintenance Director, Food Service Director, Transportation Director, Special Programs Director, Vocational Director, Head Start Director		
2	Athletic Director, Adult/Education Director, Instructional Technology Director, Personnel Administrator	\$49,663	\$74,576
3	High School Principal, Middle School Principal, Upper Elementary Principal, Elementary Principal, Director of Special Education	\$53,720	\$80,466
4	Assistant Superintendents	\$64,825	\$87,357

Source: KISD Hiring Schedule, 2001-02.

Note: Titles updated to reflect 2002 organizational changes.

Exhibit 3-6 shows KISD's paraprofessional salary schedule, which has six pay grades. Salary movement in the paraprofessional pay grades is determined by years of service.

Exhibit 3-6
KISD Paraprofessional Salary Schedule
2001-02

Pay Grade Level	Types of Staff Included	Minimum Annual Salary	Maximum Annual Salary
1	Classroom Aide, Elementary In School Suspension Aide, Receptionist, Child Care, Bilingual Aide, Special Education Aide	\$11,426	\$17,389
2	Computer Aide Creative Education Institute, Deaf Education Aide, Special Education Aide Functional Living Unit, Special Education Aide Assessment, Office Secretary, Mentoring Aide, On Campus Suspension Aide	\$12,529	\$19,186
3	Library Aide, Special Education Aide Emotionally Disturbed, Computer Tech, Degree Mentoring Center Aide, Director of Mentoring Center, Counselor Secretary, Alternative School Aide, Attendance Secretary, Receptionist/Attendance High School	\$13,641	\$19,590

4	Elementary Principal Secretary, Jr. High Principal Secretary, Attendance Secretary, Counselor Secretary, Maintenance Secretary, Transportation Secretary, Adult Education Secretary, Head Start Secretary, Child Care Secretary, Special Education Data Secretary, Licensed Vocational Nurse, Special Program Secretary, Hill Country High School Secretary, Bookkeeper Head Start	\$14,640	\$21,223
5	Principal Secretary, Special Education Director Secretary, Tax Office Secretary, Athletic Director Secretary, Coordinator Family Literacy	\$15,198	\$21,560
6	Business Manager Secretary, Assistant Superintendent Secretary, Personnel Secretary, Special Program Secretary, Payroll Clerk, Budget Clerk, Insurance Clerk, Payable Clerk, General Ledger Clerk, Technology Director Secretary	\$16,210	\$23,497

Source: KISD Hiring Schedule, 2001-02.

Exhibit 3-7 shows the five grade levels of pay for the auxiliary positions in the district. Bus drivers, cafeteria and custodial staff also move along the pay scale based on years of experience.

**Exhibit 3-7
KISD Auxiliary Salary Schedule
2001-02**

Pay Grade Level	Types of Staff Included	Minimum Hourly Salary	Maximum Hourly Salary
1	Cafeteria Worker, Custodian, Head Custodian Elementary, Groundskeeper, Trades Helper, Maintenance Helper	\$7.00	\$11.99
2	Trades Apprentice, Head Custodian Middle School, Painter, Warehouse Delivery, Cafeteria Managers, Bus Drivers	\$8.00	\$14.63
3	Certified Pest Applicator, Locksmith Secretary, Custodian Coordinator, Maintenance Serviceman, Trades Foreman, Grounds Foreman. Heating Ventilation Air Conditioning	\$9.58	\$17.98

	Tech 1, Glazier, Head Custodian High School		
4	Licensed Trades Journeyman, Heating Ventilation Air Conditioning II, Carpenter, IPM Coordinator	\$11.65	\$19.99
5	Master Tradesman, Mechanic, Master Cabinet Maker	\$12.92	\$22.20

Source: KISD Hiring Schedule, 2001-02.

Exhibit 3-8 shows the salary schedule for teachers. KISD pays for years of service from zero to 25 years. At all steps, KISD pays its teachers higher than the state minimum.

**Exhibit 3-8
Teacher Salary Schedule
KISD vs. State
2001-02**

	Minimum Annual Salary	Midpoint	Maximum Annual Salary
Kerrville	\$27,210	\$35,485	\$43,760
State	\$24,240	\$32,520	\$40,800

Source: KISD Hiring Schedule, 2001-02.

Human Resources Department staff periodically reviews years of service placement to make sure all employees in the same position with the same experience receive the same base pay. While the district does not provide stipends for teachers obtaining masters or doctoral degrees, the district does provide numerous other stipends. Counselors, coordinators, diagnosticians, therapists, music directors, athletic coaches, grade level chairpersons, department chairpersons, textbook chairpersons, team leaders, student organization sponsors and University Interscholastic League coaches receive stipends for additional workload. Many positions also receive a monthly travel allowance.

Substitute teachers receive \$60 a day if they are non-degreed, \$65 a day if they are degreed and \$70 a day if they are certified. Substitutes who work the same assignment a minimum of 10 days receive a pay increase to \$70 if they are non-degreed, \$80 if they are degreed and \$100 if they are certified. This rate is in effect as long as the substitute stays in the same

position. Short-term substitutes with at least 65 days in the district receive a pay increase of five dollars added to their daily rate.

Compared to its peer districts and the state, KISD pays the lowest starting salary for teachers. KISD's starting salary is \$2,649 lower than Levelland, the next lowest starting salary district; \$7,986 less than the Regional Education Service Center XX (Region 20) average; and \$7,186 less than the state average. The district pays less than the regional and state average for teachers with 1-5 years, 6-10 years and 11-20 years experience, but is more competitive with its peer districts in these categories. KISD comes closest to matching state averages for principals, central administrators and aides(**Exhibit 3-9**).

Exhibit 3-9
Comparison of Average Salaries
KISD vs. Peer Districts, Region 20 and State
2000-01

Position	Aransas County	Brenham	Kerrville *	Levelland	Marble Falls	Midlothian	Region 20	State
Teacher with 0 years of experience	\$26,440	\$27,475	\$22,638	\$25,287	\$25,324	\$28,796	\$30,624	\$29,824
Teacher with 1-5 years of experience	\$28,628	\$29,425	\$28,281	\$27,037	\$26,860	\$29,292	\$32,930	\$31,987
Teacher with 6-10 years of experience	\$33,722	\$32,995	\$33,456	\$31,886	\$32,955	\$34,282	\$36,534	\$35,304
Teacher with 11-20 years of experience	\$40,558	\$40,429	\$40,127	\$38,896	\$40,208	\$41,505	\$43,088	\$41,775
Teacher with more than 20 years experience	\$43,531	\$43,321	\$44,292	\$41,970	\$43,291	\$44,392	\$50,440	\$48,183
Principal	\$56,770	\$60,335	\$57,318	\$54,005	\$56,500	\$68,479	\$59,559	\$58,081
Central Administrator	\$72,113	\$69,869	\$69,443	\$63,767	\$74,904	\$72,113	\$70,164	\$69,916
Aides	\$13,218	\$12,607	\$14,084	\$13,645	\$13,801	\$17,611	\$15,136	\$14,468
Support	\$43,896	\$43,962	\$42,750	\$39,896	\$44,374	\$46,916	\$47,365	\$45,562

Source: TEA, AEIS, 2000-01.

*Salary schedules for 2001-02 reflect an increase over 2000-01.

With health insurance costs increasing nationwide, the number of experienced staff in the district also impacts KISD health care costs. As employees age, their use of medical services generally increases. Younger employees typically need fewer services, allowing the insurer to spread the risk more evenly between high users and low frequency users. With a smaller pool of low frequency employees, premiums increase to cover the anticipated higher use.

To help offset rising premiums, the district increased its contribution toward employee coverage. From 1996-97 to 2000-01, the districts health insurance expenses tripled. From 1999-2000, the cost increased by \$572,973 (**Exhibit 3-10**).

A report by the National Institute for Health Care Management Foundation published September 18, 2001, *In Health Insurance Coverage in the U.S.*, projects that health insurance premiums will continue to rise. Nationally, premiums increased an average of eight percent in 2000 and 11 percent in 2001. The reason for the increase was partly the rising underlying costs and the fact that insurance companies, for competitive reasons, under priced their product from 1994 to 1998.

The district has committed an increasing amount of its resources to employee health insurance.

Exhibit 3-10 reflects the effect of rising medical costs on KISD.

Exhibit 3-10
KISD Health Insurance Expenditures
1996-97 through 2000-01

	1996-97	1997-98	1998-99	1999-2000	2000-01
Health Insurance Expenses	\$449,293	\$565,610	\$671,725	\$778,911	\$1,351,884

Source: TEA, PEIMS, 1996-97 through 2000-01.

In addition to medical insurance, the district offers a full range of benefits including alternative health care plans, disability insurance, reduced-cost childcare and free tuition for students of employees who live outside

district boundaries. **Exhibit 3-11** lists benefit options provided to employees by the district.

Exhibit 3-11
KISD Employee Benefits
2001-02

Benefit	Value
Catastrophic Sick Leave Bank	Donation of one day of sick leave by employee.
Paid disability insurance	\$5.00 per employee per month.
Employee health insurance	\$180 per employee per month.
Earned off days for summer training	Daily rate of employee plus cost of substitute.
Extra duty stipends	\$400 - \$6,000 depending on activity.
Additional 30 minutes of planning period (some schools)	Indirect value - quality of life.
In house child care at reduced cost of \$13.50 per day	Savings of approximately \$200 per school year.
No cost transfers for employee children	\$1,600 - 2002 district tuition rate.
Alternative insurance package for employees covered by a non-district health plan	\$180 per employee who chooses not to participate in district health plan.
Paid sick leave	Daily rate of employee plus cost of substitute.
Option for legal insurance at \$14.95 per month	Group rates and automatic payroll deduction. Utilization varies based on need for services.
Option for dental insurance ranging from \$21.24 per month to \$61.60 per month	Group rates and automatic payroll deduction. Utilization varies on need for services.
Life insurance at 33 cents per \$1,000 of coverage	\$5,000 per employee provided by the district.

Source: KISD Benefit List, 2001-02.

While the district does not tie pay increases or incentives to performance, it does recognize employee contributions through notes of appreciation

and recognition programs. The district provides merit raises in some years, but this type of compensation is generally provided to a category of employees and is not tied specifically to achieving goals or performing to a designated level of competence. Despite a tight budget in 2001-02, the district provided salary increases to teachers consistent with the overall salary increases in other districts in the general area (**Exhibit 3-12**).

Exhibit 3-12
Sample of Percentage Teacher Salary Increases
2001-02

Austin	Bastrop	Leander	Kerrville	Round Rock	San Antonio
4.6%	4.6%	4.2%	4.2%	4.0%	3.5%

Source: Salary Increase Comparison by KISD, April 2002.

FINDING

The district's Human Resources Department conducts an annual salary and benefit analysis to determine market competitiveness and provide the board with strategies that match compensation with district goals. The analysis compares district compensation to several markets. The 2000-01 survey compared salaries to the Region 20 schools. Although they vary in size, the Region 20 districts are used in the comparison because their close proximity makes them competitors for the same employee candidates. The Human Resources Department also compares teacher salaries against the state average pay for districts of similar size and reviews salary information from the TEA, Academic Excellence Indicator System (AEIS). Finally, the district uses information compiled by the Kerrville Chamber of Commerce to compare district salaries with community salaries.

The district also compares the amount each school paid toward employee insurance. The district also uses information compiled by the Kerrville Chamber of Commerce to compare district salaries with community salaries.

The district obtains some of the survey information from the TASB salary service. While this service is an additional cost, it compiles information that would be difficult for the district to collect on its own. The Internet has free salary comparison information, but the sites are generally not as industry specific as the information captured by the TASB salary surveys.

These surveys become part of a report that identifies district compensation goals. Administrators, directors and the board use the information to

determine how best to allocate available district funds. The cost of various compensation alternatives is fully discussed and employee input gained before the adoption of the budget.

COMMENDATION

The district uses a variety of salary surveys to determine market competitiveness.

FINDING

The KISD employee exit interview process does not capture adequate information to analyze turnover. When an employee quits, district procedure requires the supervisor to document the reason. The provided personnel form includes space for the employee or supervisor to explain reasons for departure. The Human Resources Department processes the termination and enters the reason into a database. The district's personnel software captures the reasons for termination.

A review of the district's termination report showed resignations, retirements and often, a specific reason such as "left to work for another district." The Human Resources Department provides the board with a list of employees who have terminated or transferred but does not provide the reason. The assistant superintendent of Human Resources said that while the reports do not provide detail, there are numerous reasons why employees leave the district.

At 16.3 percent, KISD turnover is comparable with the state average of 16 percent. However, this percentage is unacceptable to the board, which has set reducing turnover as a district goal. The Human Resources Department has proposed salary and benefit strategies for meeting the goal. While district market salary surveys support these strategies, the termination report has insufficient detail to design a specific turnover reduction strategy.

The human resource industry estimates the cost of turnover at 1.5 times the annual salaries of the terminated staff. **Exhibit 3-13** shows an estimated minimum turnover cost for support personnel in 2000-01. Positions eliminated through attrition are not part of the calculation.

Exhibit 3-13
Turnover Cost for Replaced Support Personnel
2000-01

Support Personnel	Number of Employees	Minimum Salary for	Turnover Cost
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	Replaced	Position	
Aides	7	\$13,641	\$143,230
Custodians	10	\$11,426	\$157,080
Food Service	7	\$11,426	\$109,956

Source: KISD Memorandum 2001 for replacement numbers and TEA, AEIS, 2000-01.

KISD developed a new exit interview form that captures information on the terminating employee's perception of the district's work environment but not the actual reason for employee termination. Using the new form, the district can determine if the employee did not like insurance benefits, but it will not know if the benefits impacted the employee's decision to leave. The information on the new form does not match fields in the personnel database, preventing the district from utilizing some of the data.

When a trained and competent employee leaves a job, the employer incurs additional costs to recruit, hire and train a replacement. If employers know why employees leave, they can design solutions to entice employees to stay. Exit data can help an organization determine ways to improve the work environment that encourages employee retention. Districts throughout the state collect information on why employees leave to use for recruitment and retention strategies.

Recommendation 15:

Redesign the exit interview form to capture termination reasons and train supervisors on its importance and use.

Rather than settling for general reasons from exiting employees such as "more money" or "better opportunity" the district needs to determine why an opportunity is better or the amount of the salary increase. A quality process can also provide insight into the effectiveness of district policy and procedures. While some employees may consider their termination information as personal, more exiting employees might participate if they understand the information will be used to improve district services.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources redesigns the exit interview form with additional instructions or questions that are more specific and will elicit necessary	November 2002
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	information.	
2.	The assistant superintendent of Human Resources meets with supervisors to train them on the importance of the exit interview and form questions.	December 2002
3.	The assistant superintendent of Human Resources assigns Human Resources Department staff to enter termination information into the database for future analysis.	January 2003 and Ongoing
4.	The assistant superintendent of Human Resources periodically reviews forms to make sure they contain quality response data.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

PERSONNEL MANAGEMENT

C. RECRUITMENT AND HIRING

An organization's success depends on its ability to recruit competent employee replacements. Recruitment activities can also help employers target specific skills or desired characteristics for a diverse and superior workforce. Texas districts compete for a small number of applicants who have the skills and interests to teach science, math or bilingual classes. Attracting the best applicants takes thoughtful strategy and commitment

FINDING

KISD is unable to recruit new teachers with the skills and qualities the district needs. Neighboring urban areas compete for area teachers and the rising cost of living in Kerrville does not make the district attractive. KISD advertises open positions through several sources; however, the district does not track or measure the effectiveness of the different recruitment methods. Nearly 60 percent of teachers have more than 11 years experience, with nearly 28 percent having more than 20 years of experience. With more than one fourth of the KISD teaching staff having more than 20 years of experience, the district is at risk of losing a quarter of its staff to retirement (**Exhibit 3-14**).

Exhibit 3-14
KISD District Teaching Experience
2001-02

District	Percent of Beginning Teachers	Percent with 1-5 Years Experience	Percent with 6-10 Years Experience	Percent with 11-20 Years Experience	Percent with Over 20 Years Experience
Kerrville	3.1%	15.8%	21.2%	32.1%	27.7%

Source: TEA, PEIMS, 2001-02.

The district has almost a 40 percent minority student population, but has only a 4.8 percent minority teaching staff. This is 21.1 percent lower than the state average for ethnic diversity among teachers. The Human Resources Department does not have a specific recruiting strategy for increasing staff diversity or attracting qualified special subject area teachers.

KISD compares very well to the state in average years of teacher experience, percent teachers with advanced degrees and percent of staff turnover. However, KISD has 11 percent fewer teachers than the state average in the category of less than five years' experience. KISD's ethnic diversity among teachers at 4.8 percent is significantly less than the state average of almost 26 percent (**Exhibit 3-15**).

Exhibit 3-15
Comparative Teacher Experience Profiles
KISD vs. State
2000-01

Comparison	Average Years of Experience	Teachers with 5 or Less Years Experience	Teachers with Advanced Degrees	Ethnic Diversity among Teachers	Staff Turnover
Kerrville	13.2	24.1%	24.9%	4.8%	16.3%
State	11.9	35.2%	23.9%	25.9%	16.0%

Source: TEA, AEIS, 2000-01.

While organizations benefit from an experienced staff, an appropriate mix of new staff is vital to an organization's health. As staff retires, others must be ready to fill the vacancies. Many districts have specific recruitment strategies. **Exhibit 3-16** shows the recruitment strategies of KISD peers.

Exhibit 3-16
Examples of Recruiting Goals and Strategies
Implemented by Peer Districts

District	Goal	Strategies
Marble Falls	Adjusted annually based on student population and vacancies.	Advertising with the Education Service Center. Job fair attendance with interviews to establish fit with district goals and environment.
Brenham	Recruit and retain qualified staff in every position in the district.	Attend job fairs, use on line applications and Web site, use strategic planning committee to identify needs for prospective staff.
Levelland	Goals are established each year by a needs	Advertisements, job placement notification to the Education Service

	assessment, which is based on population growth and resignations.	Center and attendance at job fairs. Applicants are interviewed at job fairs to further target appropriate candidates.
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Source: KISD peer district survey responses, 2002.

Note: Midlothian and Aransas County had not responded during review.

To attract and retain qualified minority teachers, San Angelo ISD increased recruiting efforts at universities with high minority populations. The district also provided cultural diversity training to administrators and staff to make the district more attractive to minority applicants.

Bastrop ISD, a district with competitive recruitment challenges similar to KISD, adopted a compensation philosophy to attract and retain quality applicants.

Recommendation 16:

Set specific recruitment goals and develop strategies that target the desired applicant.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources meets with the superintendent and board members for policy direction on the qualities and levels of experience desired by the district.	December 2002
2.	The assistant superintendent of Human Resources develops strategies targeted at applicants with the skill mix desired by the district.	January - February 2003
3.	During the budget process, the assistant superintendent of Human Resources presents the cost, if any, of implementing the various recruitment strategies.	March - July 2003
4.	The board adopts the strategies it feels will best accomplish district recruitment goals.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

KISD has a number of employees nearing retirement. The district has 14 employees who meet or will meet the Teacher Retirement System (TRS) eligibility requirements within the next two years (**Exhibit 3-17**).

Exhibit 3-17
KISD Retirement Eligibility
2002-03 and 2003-04

Position Classification	Number of Employees Eligible to Retire 2002-03	Number of Employees Eligible to Retire 2003-04
Campus Administration	0	0
Central Administration	0	0
Professional Support	0	0
Auxiliary Staff	5	5
Teachers	0	4
Total	5	9

Source: KISD employee roster and TEA PEIMS data 2001-02.

TRS administers school district retirement plans. Employees contribute to the retirement system throughout their employment. Upon retirement, the state pays the employee a monthly annuity. The Texas Legislature sets rules for employee retirement. Under the current rules, employees can retire when their age plus their years of service total 80, and the employee has at least five years of service.

For example, an employee with 20 years experience can retire at age 60 (20+60=80). Employees who are 65 years of age with at least five years of service can also retire.

KISD also provides its own retirement program. During budget adoption, KISD sets aside \$20,000 districtwide. Employees who retire receive an additional lump sum of \$100 for each year of service, up to a maximum award of \$3,000. If more employees retire than can be covered by the \$20,000, the district reduces the years of service award accordingly. For example, the award might reduce from \$100 per year of service to \$90 per year. Employees must give notice to the district before September 30 of the intended retirement year to be eligible for this program. The bonus adds to the retiring employee's retirement annuity, while providing advance notice to the district.

Exhibit 3-18 represents the salaries of the employees eligible to retire.

Exhibit 3-18
Total and Average Annual Salary of KISD Employees Eligible to
Retire
2002-03 through 2003-04

Position Classification	Total Salaries of Eligible Employees 2002-03	Total Salaries of Eligible Employees 2003-04
Campus Administration	0	0
Central Administration	0	0
Professional Support	0	0
Support Staff	\$81,103	\$86,941
Teachers	0	\$179,720
Total	\$81,103	\$266,661

Source: KISD payroll roster, 2002; TEA, AEIS 2000-01; and KISD Auxiliary Salary Schedule, 2001-02.

Many organizations consider succession planning as a standard part of managing financial and human resources. Succession planning allows a business to anticipate vacancies and prepare competent replacements. Controlling the exodus of staff allows an organization to groom a replacement from within the organization, or have adequate time to recruit the appropriate candidate for the position.

TRS also has special programs that enhance retirement options. One program, a deferred retirement option plan (DROP), encourages members who are eligible for retirement to work one to five years in exchange for an additional lump sum payment at time of retirement. The retirement annuity is set at the time DROP is selected. The retirement contributions after that date are deposited into a special account that will fund the lump sum award. The employee and the employer know the future date of retirement and can plan accordingly. The DROP program is an attractive incentive that allows for controlled turnover.

The additional value of retirement to employees includes the ability to continue to work or to pursue other interests in the community. Employees who retire after January 1, 2001 have limitations on teaching in public schools without negatively affecting their retirement pay. Post 2001

retirees can work as substitutes without limitation, work on a half-time basis or work no more than six months under specific conditions. Some exceptions apply for acute shortage areas. Many Texas districts offer retirement incentives to manage the outflow of retiring employees and minimize disruption to education.

Recommendation 17:

Implement a retirement incentive plan that considers district impact.

Any plan should treat employees equally. If a plan does distinguish between classes of employees, the school attorney should review the plan before the district offers it.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources compiles a list of employees eligible to retire under the TRS rules and develops several options for early retirement offerings.	January 2003
2.	The assistant superintendent of Human Resources meets with the superintendent to discuss the options and develop a recommendation for the board.	March 2003
3.	The assistant superintendent of Human Resources provides the options and recommended course of action to the school attorney for review and comment.	April 2003
4.	The assistant superintendent of Human Resources makes any necessary corrections and presents the final recommendation with the superintendent to the board.	May 2003
5.	The assistant superintendent of Human Resources prepares any forms or descriptions of the program, provides the information to eligible district employees and begins the implementation process.	September 2003

FISCAL IMPACT

The fiscal impact is based on the following assumptions:

- Five KISD employees eligible for retirement in 2002-03 also are eligible to participate in the plan.
- Nine KISD employees eligible for retirement in 2003-04 also are eligible to participate in the plan.
- The district will adopt an incentive plan that results in 80 percent of eligible employees accepting the plan, or eleven employees (four in 2002-03 and seven in 2003-04).

- Eighty percent of the total salaries of all eligible employees will be saved when these individuals retire, or \$278,211 [(80 percent x \$81,103 in 2002-03) plus (80 percent x \$266,661 in 2003-04)].
- Participants receive a lump-sum payment of 50 percent of their average salary, payable in two annual installments. The district's lump sum cost for participants in 2003-04 is \$32,442, or \$16,221 in each of the first two years (Calculation: \$81,103 in total salaries / 5 eligible employees x 4 retiring employees = \$64,882 x 50 percent = \$32,441 lump sum amount x 50 percent = \$16,221). The district's lump sum cost for participants in 2004-05 is \$103,702, or \$51,851 in each of the next two years (Calculation: \$266,661 in total salaries / 9 eligible employees x 7 retiring employees = \$207,403 x 50 percent = \$103,702 lump sum amount x 50 percent = \$51,851).
- Seventy-five percent of the positions (8) will be replaced.
- Although salaries for replacements will be determined by the experience and qualifications of the replacement, for purposes of this calculation, the average of the minimum category salaries of auxiliary employees (\$14,155) is used for 2003-03. For 2003-04, the average of the minimum category salaries of auxiliary employees (\$14,155), and the average salary of a teacher with five years of experience (\$28,281) are used. As such, the district spends \$141,492 on new hires' salaries [(3 new hires in 2002-03 x \$14,155 = \$42,465) plus (3 new hires @ \$14,155 and 2 @ \$28,281 in 2003-04 = \$99,027)].
- No benefits are calculated since new hires would receive benefits.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Employees accept plan.	\$0	\$64,882	\$278,211	\$278,211	\$278,211
Lump sum payment to employees accepting the plan.	\$0	(\$16,221)	(\$68,072)	(\$51,851)	\$0
Hire new employees to replace employees accepting the plan.	\$0	(\$42,465)	(\$141,492)	(\$141,492)	(\$141,492)
Net (Costs)/Savings	\$0	\$6,196	\$68,647	\$84,868	\$136,719

FINDING

KISD job descriptions do not provide applicants and employees clear guidance on minimum qualifications for each position. While KISD keeps job descriptions up-to-date, the descriptions do not address tasks in a form

providing clear expectations to employees or applicants under the Americans with Disabilities Act (ADA) or other employment-related laws.

The district uses job description formats as annual evaluation forms, which is one way of communicating general performance expectations to applicants and employees. KISD lists six categories of information in the description: position title, qualifications, reporting structure, job goal, performance criteria and terms of employment. Descriptions do not include information on the physical or environmental conditions of the position.

Listed qualifications do not always establish standard training levels and experience necessary to perform a job. For example, one of the listed qualifications for the payroll coordinator position is that the superintendent recommend the applicant. To the average applicant, this might suggest that only those who know the superintendent may apply. Some job positions currently require a pleasant personality or that the position holder like working with children. While all employees from administrators to auxiliary staff should be pleasant in the workplace, these subjective standards do not describe the actual job duties or specific skills needed.

The Human Resources Department has established a committee of department directors to review job descriptions. The committee compares descriptions to job performance and notes if duties have changed. The involvement in description updates keeps supervisors actively monitoring shifts in staff responsibilities.

While there are only a few job descriptions that are required by law, there are many laws that require documentation. The job description can serve as part of that documentation. The ADA requires employers to treat an individual with a disability as it would any other employee, if the disabled employee can perform the essential functions of the position with reasonable accommodation. A well-written job description documents the essential functions and the minimum qualifications needed to perform them.

A job function is considered essential if the position exists to perform that function; there are a limited number of available employees to whom the function can be distributed; or the function is so highly specialized that the person holding that position was hired for the ability to perform the function. A well-drafted position description provides for flexibility rather than subjectivity in describing an essential function. A particular position may require employees to lift or move heavy objects. Rather than stating "heavy lifting" is required, the following description would more accurately meet the ADA requirement: "Frequently lifts, carries or

otherwise moves and positions objects weighing up to 30 pounds when cleaning floors or moving and storing district property."

An analysis of the work performed forms the basis of an effective job description, which is a general summary of a position's tasks. The description should provide enough information in the right format to accurately and clearly communicate the job's requirements. Comprehensive job descriptions for school districts include the following information:

- job title;
- Fair Labor Standards Act (FLSA) classification;
- role and purpose;
- qualifications;
- major responsibilities;
- essential job functions;
- equipment used on the job;
- working conditions;
- mental and physical demands;
- environmental factors; and
- dated approval.

KISD uses a 1997 TASB job description manual to draft their job descriptions and is currently evaluating new software to assist in drafting job descriptions.

Killeen ISD uses a job description software program to create and update job descriptions. The program provides a format that is effective and easy to use. Many inexpensive commercial products assist businesses in keeping job descriptions up-to-date and ensures legal compliance. The programs provide templates and suggested language for describing skills and requirements. Many Texas districts update job descriptions, with or without specialized software, in order to support personnel actions legally and efficiently.

Recommendation 18:

Review and update job descriptions to provide a clear understanding of the essential tasks of each position.

The job description format should assure that the most recent legal documentation concerns are covered and that accurate descriptions of duties and qualifications are included.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources tasks job description committee members with reviewing the physical, mental, social and environmental requirements for each position's job description.	December 2002
2.	The job description committee members separate job description requirements into essential and non-essential tasks.	January - April 2003
3.	The assistant superintendent of Human Resources assigns Human Resources Department staff to modify the district's job description format to include new information.	February 2003
4.	The assistant superintendent of Human Resources meets with committee members to clarify descriptions or resolve issues and compiles job descriptions into a package for superintendent review and approval.	January - May 2003
5.	The superintendent reviews descriptions and approves the package of revised job descriptions.	May 2003
6.	The secretary of Human Resources posts approved descriptions on the district's Web site for general use.	June 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

PERSONNEL MANAGEMENT

C. RECRUITMENT AND HIRING

An organization's success depends on its ability to recruit competent employee replacements. Recruitment activities can also help employers target specific skills or desired characteristics for a diverse and superior workforce. Texas districts compete for a small number of applicants who have the skills and interests to teach science, math or bilingual classes. Attracting the best applicants takes thoughtful strategy and commitment

FINDING

KISD is unable to recruit new teachers with the skills and qualities the district needs. Neighboring urban areas compete for area teachers and the rising cost of living in Kerrville does not make the district attractive. KISD advertises open positions through several sources; however, the district does not track or measure the effectiveness of the different recruitment methods. Nearly 60 percent of teachers have more than 11 years experience, with nearly 28 percent having more than 20 years of experience. With more than one fourth of the KISD teaching staff having more than 20 years of experience, the district is at risk of losing a quarter of its staff to retirement (**Exhibit 3-14**).

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2001-02

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Source: TEA, PEIMS, 2001-02.

The district has almost a 40 percent minority student population, but has only a 4.8 percent minority teaching staff. This is 21.1 percent lower than the state average for ethnic diversity among teachers. The Human Resources Department does not have a specific recruiting strategy for increasing staff diversity or attracting qualified special subject area teachers.

KISD compares very well to the state in average years of teacher experience, percent teachers with advanced degrees and percent of staff turnover. However, KISD has 11 percent fewer teachers than the state average in the category of less than five years' experience. KISD's ethnic diversity among teachers at 4.8 percent is significantly less than the state average of almost 26 percent (**Exhibit 3-15**).

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To attract and retain qualified minority teachers, San Angelo ISD increased recruiting efforts at universities with high minority populations. The district also provided cultural diversity training to administrators and staff to make the district more attractive to minority applicants.

Bastrop ISD, a district with competitive recruitment challenges similar to KISD, adopted a compensation philosophy to attract and retain quality applicants.

Recommendation 16:

Set specific recruitment goals and develop strategies that target the desired applicant.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources meets with the superintendent and board members for policy direction on the qualities and levels of experience desired by the district.	December 2002
2.	The assistant superintendent of Human Resources develops strategies targeted at applicants with the skill mix desired by the district.	January - February 2003
3.	During the budget process, the assistant superintendent of Human Resources presents the cost, if any, of implementing the various recruitment strategies.	March - July 2003
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This recommendation can be implemented with existing resources.

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2002-03 and 2003-04**

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Teachers	0	4
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Source: KISD employee roster and TEA PEIMS data 2001-02.

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The additional value of retirement to employees includes the ability to continue to work or to pursue other interests in the community. Employees who retire after January 1, 2001 have limitations on teaching in public schools without negatively affecting their retirement pay. Post 2001

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3.	The assistant superintendent of Human Resources provides the options and recommended course of action to the school attorney for review and comment.	April 2003
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FISCAL IMPACT

The fiscal impact is based on the following assumptions:

- Five KISD employees eligible for retirement in 2002-03 also are eligible to participate in the plan.
- Nine KISD employees eligible for retirement in 2003-04 also are eligible to participate in the plan.
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- Although salaries for replacements will be determined by the experience and qualifications of the replacement, for purposes of this calculation, the average of the minimum category salaries of auxiliary employees (\$14,155) is used for 2003-03. For 2003-04, the average of the minimum category salaries of auxiliary employees (\$14,155), and the average salary of a teacher with five years of experience (\$28,281) are used. As such, the district spends \$141,492 on new hires' salaries [(3 new hires in 2002-03 x \$14,155 = \$42,465) plus (3 new hires @ \$14,155 and 2 @ \$28,281 in 2003-04 = \$99,027)].
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Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Employees accept plan.	\$0	\$64,882	\$278,211	\$278,211	\$278,211
Lump sum payment to employees accepting the plan.	\$0	(\$16,221)	(\$68,072)	(\$51,851)	\$0
Hire new employees to replace employees accepting the plan.	\$0	(\$42,465)	(\$141,492)	(\$141,492)	(\$141,492)
Net (Costs)/Savings	\$0	\$6,196	\$68,647	\$84,868	\$136,719

FINDING

KISD job descriptions do not provide applicants and employees clear guidance on minimum qualifications for each position. While KISD keeps job descriptions up-to-date, the descriptions do not address tasks in a form

providing clear expectations to employees or applicants under the Americans with Disabilities Act (ADA) or other employment-related laws.

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A job function is considered essential if the position exists to perform that function; there are a limited number of available employees to whom the function can be distributed; or the function is so highly specialized that the person holding that position was hired for the ability to perform the function. A well-drafted position description provides for flexibility rather than subjectivity in describing an essential function. A particular position may require employees to lift or move heavy objects. Rather than stating "heavy lifting" is required, the following description would more accurately meet the ADA requirement: "Frequently lifts, carries or

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KISD uses a 1997 TASB job description manual to draft their job descriptions and is currently evaluating new software to assist in drafting job descriptions.

Killeen ISD uses a job description software program to create and update job descriptions. The program provides a format that is effective and easy to use. Many inexpensive commercial products assist businesses in keeping job descriptions up-to-date and ensures legal compliance. The programs provide templates and suggested language for describing skills and requirements. Many Texas districts update job descriptions, with or without specialized software, in order to support personnel actions legally and efficiently.

Recommendation 18:

Review and update job descriptions to provide a clear understanding of the essential tasks of each position.

The job description format should assure that the most recent legal documentation concerns are covered and that accurate descriptions of duties and qualifications are included.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Human Resources tasks job description committee members with reviewing the physical, mental, social and environmental requirements for each position's job description.	December 2002
2.	The job description committee members separate job description requirements into essential and non-essential tasks.	January - April 2003
3.	The assistant superintendent of Human Resources assigns Human Resources Department staff to modify the district's job description format to include new information.	February 2003
4.	The assistant superintendent of Human Resources meets with committee members to clarify descriptions or resolve issues and compiles job descriptions into a package for superintendent review and approval.	January - May 2003
5.	The superintendent reviews descriptions and approves the package of revised job descriptions.	May 2003
6.	The secretary of Human Resources posts approved descriptions on the district's Web site for general use.	June 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3

PERSONNEL MANAGEMENT

D. EMPLOYEE RELATIONS

Positive and open employee-employer relations can improve retention, particularly in the areas of training and communications. As shown in **Exhibit 3-19**, KISD commits 85.5 percent of its budget to payroll costs, which is 12 percent higher than the state average of 73.5 percent.

Exhibit 3-19
Budgeted District Expenditures by Category
KISD vs. State
2000-01

Expenditure Category	KISD Percent of Budget	State Percent of Budget
Payroll Costs	85.5%	73.5%
Professional and Contracted Services	7.1%	7.9%
Supplies and Materials	5.2%	6.3%
Other Operating Costs	1.1%	1.7%
Debt Service	1.0%	8.3%
Capital Outlay	0.1%	2.3%
Total	100.0%	100.0%

Source: TEA, AEIS, 2000-01.

The district maintains a good working relationship with the Kerrville Federation of Teachers/Professional Educators Group (KFT/PEG) and the Association of Texas Professional Educators (ATPE). These professional organizations work with district administration to improve the work conditions of their members. ATPE takes an active role in welcoming new teachers to the district by hosting breakfast at KISD's new employee orientation. The district encourages new employees to explore opportunities such as professional memberships that will enhance professional growth.

Another way to develop a competent, satisfied workforce is to provide opportunities for increasing skills and knowledge. KISD provides several training options. The district is committed to developing the leadership

qualities of its administrators and has contracted with Region 20 to provide leadership training. Teachers can take district-sponsored training in the summer in exchange for days off during the school year. Schools have assigned teachers to study groups to research and report on topics of interest to school staff. Principals can authorize attendance at other types of seminars they believe will be beneficial. **Exhibit 3-20** shows the cost of providing the earned days off program.

Exhibit 3-20
KISD Budgeted District Expenditures by School
2001-02

School	Number of Days Used	Cost
Tivy High School	74.8	\$5,612.50
Peterson Middle School	91.8	\$6,882.50
Daniels Elementary School	84.6	\$6,345.00
Starkey Elementary School	40.4	\$3,030.00
Nimitz Elementary School	80.8	\$6,060.00
Tivy Upper Elementary School	91.8	\$6,882.50
Total	464.2	\$34,812.50

Source: KISD Human Resources Department, 2001-02.

The Human Resources Department assists in providing training and maintains the program records. After each training session, the department compiles participant evaluations to measure presentation and content and improve or change programs. School administrators and staff are asked to suggest future training topics. The Human Resources Department is developing a training records program that will allow staff to enter and review information on training received from the district or from other sources. In surveys, teacher dissatisfaction with training dropped from 52 percent in 1999-2000 to 36 percent in 2001-02.

KISD evaluates professional and support staff, providing feedback to employees on the quality of their performance. A random review of files by the review team verified employees in all categories had been evaluated within the last year. While the district does not tie salary increases to performance standards or evaluations, the process of evaluating employees is an important communication device. Evaluations can help identify new skills obtained and areas where training would be

beneficial, and clearly communicate expectations between the employer and employee.

FINDING

The district actively seeks employee input through a number of communication tools. The Human Resources Department conducts an annual employee satisfaction survey, which monitors numerous work issues such as support of administrators, adequacy of tools and supplies, pay equity with other districts and peer collaboration. The survey tool includes a code for each school, years employed and position to allow additional analysis. Employees answer questions on a pencil-fill bubble form, and the answer sheets are sent to Region 20 for compilation. KISD uses the surveys to assess employee satisfaction with district policies and programs such as salary, benefits, training and resources. The assistant superintendent for Human Resources said that Region 20 has adapted the use of KISD's form to programs.

The district also has several committees for program or policy research that enable employees to interact with central administration and community members on district issues. For example, a committee consisting of district staff and community members meets to discuss and resolve Safe and Drug Free Schools issues. The superintendent uses the committee format to solicit staff input. School and central administrators meet weekly to discuss concerns. The superintendent also instituted an employee committee with elected representatives from each category of staff. Representatives' questions and the superintendent answers are posted on the district intranet for all employees.

While no employer can keep every employee happy all of the time, a positive relationship between management and staff is the cornerstone of a productive organization. In a survey by Families and Work Institute, a non-profit research center founded in 1989, 65 percent of responding employees ranked open communication as very important to their selection of employer. KISD provides a variety of communication methods to allow employees to participate in resolving issues that affect the district or their job.

COMMENDATION

The district uses a variety of methods to measure employee satisfaction and solicit employee input.

Chapter 4

FACILITIES USE AND MANAGEMENT

This chapter examines the facilities use and management functions within the Kerrville Independent School District (KISD) in three sections:

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

Effective facilities management ensures that district facilities are designed and built in a way that enhances the district's primary educational programs; ensures that facilities comply with state, local and federal regulations; and minimizes the district's utility and maintenance costs. Appropriate facilities planning helps school districts provide students with supportive learning environments even in the face of changing enrollments and instructional program needs. Maintenance managers are responsible for providing a clean school and working environment.

BACKGROUND

KISD has facilities including four elementary schools, a middle school, a high school and three specialized buildings (a childcare center, a Headstart center and an alternative school) at 16 sites. A fifth elementary school will open in the fall 2002 and a new high school, replacing the current facility is scheduled to open in the fall 2003. The district has five support facilities, which include central administration, the service center, child nutrition and transportation, the Auld Community Center, the tax office and the field house/stadium. The facilities include approximately 708,555 square feet of space (**Exhibit 4-1**).

Exhibit 4-1
KISD Facilities
2001-02

Facility	Year Built	Dates of Major Renovations	Square Footage	Number of Students
Daniels Elementary	1966	1980, 1988	83,683	658
Starkey Elementary	1948	1980, 1988	73,021	584
Nimitz Elementary	1988	None	70,860	537
Tivy Upper Elementary	1928	1953, 1987	59,621	660

		1992		
Tally Elementary	2002	None	77,000	*
Peterson Middle School	1980	1986, 1998	103,836	726
Tivy High School	1953	1966, 1980	167,121	1,346
Doyle Headstart/Special Education	1948	1976, 1997	11,914	71
Tivy Child Development	Unknown	Unknown	2,512	67
Hill Country High School	1976	1989, 1997	3,088	43
Central Office	1898	1912, 1980	10,000	NA
Auld Community Center	1949	1987	2,000	NA
Service Center	1980	1996	20,300	NA
Tax Office	1945	1997	2,000	NA
Fieldhouse/Stadium	1953	None	5,000	NA
Portable Buildings	Various	None	16,608	**
Total			708,555	

Source: KISD Long Range Facility Study 1998, Superintendent's Office May 17, 2002 for Tally square footage and Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS), 2000-01.

**Tally Elementary School does not open until the fall 2002.*

***Students in portable buildings are included in number of students at the schools where the portables are located.*

When the new elementary school opens, the district will have restructured attendance zones for elementary schools and reassigned 340 grade 5 students to their neighborhood elementary school. Tivy Upper Elementary School will be reduced from 660 students to 386 students. **Exhibit 4-2** list each school in the district, its capacity, projected fall 2002 enrollment and estimated classroom use rate. Each school has special purpose rooms such as music, gymnasiums and computer labs that are not included in the count of regular classrooms. In addition, each school has rooms that have been set aside for program purposes such as special education, reading recovery, reading labs, Texas Assessment of Academic Skills (TAAS)

remediation labs and in-school suspension that are also excluded from the count of regular classrooms.

**Exhibit 4-2
KISD Schools
Capacity and Use Rates
Projected Fall 2002 Enrollment**

Schools	Number of Regular Classrooms	Total Classroom Capacity	Projected Fall 2002 Enrollment	Total Classroom Use Rate
Daniels Elementary	35	810	719	89%
Starkey Elementary	30	700	375	54%
Nimitz Elementary	26	604	543	90%
Tivy Upper Elementary*	31	815	386	47%
Tally Elementary	30	692	467	67%
Peterson Middle School	31	823	683	83%
Tivy High School	54	1,398	1,409	101%
Total	237	5,842	4,582	78%

Source: KISD Long Range Facilities Plan, 1998 and assistant superintendent of Business and Finance, June 20, 2002.

**Tivy Upper Elementary will be called B. T. Wilson Sixth Grade Center beginning in the fall 2002.*

Several factors contributed to an 11 percent increase in KISD maintenance expenditures from 1999-2000 to 2001-02. A 140 percent increase in natural gas costs, a 21 percent increase in electricity costs and utility costs for the new elementary school for a portion of the year caused utilities to increase 33 percent. Insurance costs increased to cover the new elementary school and the new high school under construction. Capital outlay costs included the purchase of a new vehicle for the Maintenance Department (the first in over five years), and \$22,217 for major building repairs including roof replacements. During the past two years, salary costs decreased by 6 percent (**Exhibit 4-3**).

Exhibit 4-3
KISD Maintenance Expenditures
1999-2000 to 2001-02

	1999-2000 Actual	2000-01 Actual	2001-02 Budgeted	Percent of Total (2001-02)	Percent Change 1999-2000 to 2001-02*
Payroll	\$1,363,909	\$1,217,135	\$1,282,816	48%	(6%)
Utilities	\$641,540	\$735,908	854,338	32%	33%
Other Services	\$123,822	\$125,418	126,779	5%	2%
Supplies	\$209,479	\$168,635	250,154	9%	19%
Other Expenses	\$21,514	\$23,151	75,456	3%	251%
Capital Outlay	\$41,271	\$0	77,217	3%	87%
Total	\$2,401,535	2,270,247	\$2,666,760	100%	11%

Source: KISD Budget/Expenditure Comparison February 2002 and Public Education Information Management System (PEIMS) 2001-02.

**Percent change is defined as 2001-02 values minus 1999-2000 values divided by 1999-2000 values.*

KISD maintenance costs are lower than all of the peer districts except Levelland, and the KISD cost per student is lower than any of its peers. KISD's maintenance budget ranks below the peer average of \$2.8 million(**Exhibit 4-4**).

Exhibit 4-4
Comparison of Budgeted Maintenance Costs
KISD and Peer Districts
2001-02

District	2001-02 Budgeted Maintenance Costs	Percentage of Total Budget	Enrollment	Cost Per Student
Aransas County	\$3,265,495	14.20%	3,337	\$978.57
Brenham	\$3,213,250	10.70%	4,716	\$681.35

Levelland	\$2,098,200	10.20%	3,024	\$693.85
Marble Falls	\$2,744,065	11.50%	3,648	\$752.21
Midlothian	\$2,717,969	9.50%	4,699	\$578.41
Kerrville	\$2,666,760	10.90%	4,692	\$568.36
Peer Average*	\$2,807,796	11.22%	3,885	\$722.73

Source: TEA, PEIMS, 2001-02 and KISD Budget/Expenditure Comparison February 2002.

*Average does not include KISD.

Chapter 4

FACILITIES USE AND MANAGEMENT

A. FACILITIES PLANNING AND CONSTRUCTION MANAGEMENT

A district's long-range facilities master plan should be the result of a number of planning efforts and become the district's policy statement for allocating resources and developing alternatives for facility improvement. A master plan incorporates the following elements:

Facility Capacity: A district establishes the capacity of each school facility by setting standards that determine student-to-teacher ratios and the amount of square feet of classroom space required for each student. The standards also include capacities of core facilities such as cafeterias and libraries. This is to ensure that schools do not overuse these core facilities or overuse portable classrooms resulting in situations in which children eat lunch at 10:45 a.m. or use the library only one day a week.

Facility Inventory: Facility master plans should include an accurate inventory of each classroom in a school to determine the capacity of each school. Modifications to schools should be noted in the inventory so that the overall capacity of schools is kept up-to-date.

Enrollment Projections: Effective planning requires accurate enrollment projections. These projections should be made for at least five years and updated annually. Many school districts work closely with county and city planners to track growth patterns, neighborhood demographics and new construction activity.

Attendance Zones: Effective facility planning requires adjustments to attendance zones as necessary. Attendance zones are the geographic areas assigned to a specific school. Students living in that zone attend that school. These adjustments are necessary if children are to have access to appropriate educational settings.

Capital Improvement Master Plan: Schools are built to last 30 or more years. This requires districts to anticipate future needs and balance them against current and future resources. A capital master plan charts future improvements to school facilities and identifies funding sources for them.

The responsibility for facilities planning is shared by a number of KISD administrators: the superintendent, the assistant superintendent of Business and Finance and the director of Maintenance. KISD has hired a part-time construction manager who supervises the district construction sites,

working closely with the contractor's project manager. The president of the school board who is a local developer donated the funds for this position to the district. KISD relies on outside specialists to help administrators develop planning documents as needed.

To control its costs and ensure that the district obtains the type of facilities desired, the district is using a relatively new construction delivery method called Construction Manager At Risk (CM at Risk). The CM at Risk serves as the general contractor assuming the construction risks for a guaranteed price; provides assistance in evaluating costs scheduling and alternative implications; contracts directly with the trades or subcontractors; serves as the single point of responsibility for the delivery of the project; provides a guaranteed maximum price to complete the project; serves as general contractor and is responsible for competitively bidding the subcontracts. This construction delivery method provides more flexibility in builder selection, provides design assistance, fixes a single point of responsibility for construction, may speed schedule delivery and increases change flexibility. It is best suited to larger construction projects that are subject to fixed completion dates such as the start of school or complex projects. It is also well suited to situations in which the district does not have in-house construction experience.

FINDING

KISD uses a team approach in its facility construction process. On December 11, 1999, district voters approved bond funds to construct two new schools. As part of the design process, the district's architects held a three-day Charette/Planning workshop that included more than 70 participants for each of the two new schools. The Charette process uses small teams and a structured approach to analyze district issues and rapidly develop and prioritize recommendations to address those issues. In this case, the purpose of the process was to identify instructional needs that the new schools should address. In the Charette process for the new Tivy High School, 13 teachers, four students, eight parents and 17 community leaders participated in the process as well as district administrators and consultants.

The district also established a core team for each new school. Each team includes the superintendent, the principal of the new facility, an assistant superintendent and a board member as well as the construction project manager. The team meets every other week for two hours to address construction questions and solve problems. This type of oversight and support speeds the decision-making process and helps to keep the construction project on schedule. It also provides an opportunity for input from a variety of viewpoints and aids communications. For the new elementary school, administrative instructional staff participated in the

development of the punch list, a list of items needing attention developed at the end of a construction project to ensure that the project has been totally completed.

COMMENDATION

KISD's inclusive approach to managing construction projects ensures community participation.

FINDING

The district successfully used the CM at Risk construction delivery process during the building of the new Tally Elementary School, resulting in a project that was delivered on time at a savings of approximately \$130,000 out of the approximate \$6.7 million guaranteed price. KISD competitively selected a CM at Risk from a field of six bidders. The CM at Risk formally bid each discipline of work, based upon the architect and engineering firms' specifications. More than 250 bids were considered in approximately 60 separate categories. Attorneys with specialized construction experience drew up the contracts. Construction began in December 2000 and was completed in March 2002, with the exception of punch items--the list of items not yet completed at the end of the project. The district accepted responsibility for the facility in April 2002. The project was completed on time and under budget.

The architect, construction project manager, owner's agent and assistant superintendent of Business and Finance extensively review the change orders. The board authorizes each stage of construction. Project budgets are meticulously documented. Extensive information is provided to the board on a monthly basis that ties each expenditure and change order to the original contract.

COMMENDATION

The district controlled construction costs and saved time and money using the construction manager at risk construction method.

FINDING

KISD developed a comprehensive Long-Range Facility Plan in October 1998, but has not updated the plan. District administration and a 70-member citizen advisory committee developed the plan based upon an extensive study of existing and future facilities. **Exhibit 4-5** includes the plan elements.

Exhibit 4-5
KISD Long-Range Facilities Plan
Plan Elements

Plan Element	Description
Description of each facility and its use	Describes each facility, grades covered (if school) and special programs
History of KISD enrollment	1987-88 to 1998-99 shows average of 2.14 percent annual growth
Enrollment projections through 2003-04	Projects student enrollment of 5,049 for 2001-02 (actual enrollment for year is 4,689)
Student demographics	Ethnicity by school and year
Facility Inventory	Inventory of classrooms, libraries, gyms, cafeterias and acreage at each school
Space Availability	Classrooms at each school and school capacity
Infrastructure Information	Historical information and costs for each facility
Facility Study Results 1993	Evaluation of each school by North Texas State University
1997-98 Known Problems	Identification of repairs needed at each school
ADA Compliance Information	Compliance information regarding American With Disabilities Act
Program Plans For Elementary School Upgrade	Planned repairs with related costs at each elementary school, cost basis not provided
Middle School Program Space Needs	List of desired changes to middle school, no costs
High School Specifications Draft	One page program design for new high school, no costs
KISD Program Needs	District level estimate of classroom needs in 2006-07
Utility Costs Analysis of Present Campuses	Self explanatory
Schedule of Existing KISD Debt	Self explanatory
KISD Internal Efforts	In-house construction projects
Bond Election History in Kerrville School	Self explanatory

Considerations and Observations for the Future	Superintendent narrative discussion of issues to consider
Long-range Objectives	Two page diagram recommending an additional elementary school and an additional middle school

Source: KISD Long-Range Facilities Plan, 1998.

While the facility plan developed provides historical and factual information, it does not: consider facility alternatives, provide cost information at a sufficiently detailed level or provide the basis for facility decision-making. There are no concrete recommendations or proposed timelines for implementation. Without planning recommendations, timelines and documented costs, the plan is just a technical resource rather than a guide for action.

The plan is based on five-year-old demographic and nine-year-old facility condition information. The decline in enrollment in the district since 1998 is not addressed in the plan. The age of the plan limits its usefulness to the district.

There is an additional issue of deferred maintenance in the district. The director of Maintenance acknowledged that necessary facility repairs have not been made because of budget constraints. The director of Maintenance follows an informal plan prioritized by greatest need and greatest payback. The district has occasionally made funds available for needed major repairs as it did in 2001-02 for roof repairs. However, generally requests to address deferred maintenance needs are not made until funds become available. There is no formal plan, no estimate of the total amount of deferred maintenance in the district, no cost estimates covering the actions required to address these needs, no schedule or timeline to address these needs or identification of the costs associated with the deferral of needed maintenance.

Without a current facility plan, the district misses an opportunity to inform the community of continuing facility needs. An updated facility plan serves as an excellent tool to create a dialog with parents and the community regarding the opportunities and challenges the district faces in providing an appropriate educational setting for its children.

The Killeen ISD Technology Services Department projects student enrollment for five years by using a statistical technique called a "cohort survival model," which is one of the methods used in the 1998 demographic study developed for KISD by an outside consultant. The Killeen technique also gauges factors such as demographic and construction trends in the Killeen area.

Recommendation 19:

Update and expand the long-range facilities plan.

The district should update the 1998 plan to include an evaluation of existing facility conditions and needs with respect to the present decline in enrollment. The plan should also be expanded to include specific recommendations regarding each facility; identification of deferred maintenance; documented cost estimates; and a timeline to address these recommendations. Working with the director of Maintenance, the district's part-time owner agent could evaluate the condition of each facility. The district should use a team of six to eight members to develop the actual draft plan update. Community representatives should be included in the team developing the update. Given the condition and age of many of the KISD facilities, the plan should be updated annually.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent instructs the assistant superintendent of Business and Finance to create a team to update the long-range facilities plan.	November 2002
2.	The assistant superintendent of Business and Finance creates a team of six to eight members to update and expand the plan.	December 2002
3.	The team develops the updated plan.	March 2003
4.	The superintendent reviews and approves the plan and submits it to the board for approval.	April 2003
5.	The board approves the plan.	April 2003
6.	The assistant superintendent of Business and Finance includes the items identified for 2003-04 in the draft budget for consideration.	May 2003
7.	The superintendent initiates the annual update process.	October 2003 and Ongoing

FISCAL IMPACT

There would be a one-time cost to evaluate facility conditions and document necessary costs to address needs. This recommendation assumes that the district would employ the part-time owner agent to complete this portion of the plan at a cost of \$3,000 based upon the owner agent's current hourly rate of \$25 for 120 hours ($\$25 \times 120 \text{ hours} = \$3,000$).

Recommendation	2002-03	2003-04	2004-05	2004-06	2006-07
Update and expand the long-range facilities plan.	(\$3,000)	\$0	\$0	\$0	\$0

FINDING

The director of Maintenance does not participate in districtwide teams and committees that are the backbone of the district's management process. The director of Maintenance does attend weekly director meetings held by the assistant superintendent of Business and Finance but does not participate in the weekly administrative meeting that includes principals and other administrators. Instead he relies on the assistant superintendent of Business and Finance to relate maintenance needs discussed during the meeting. The director of Maintenance is also not a member of the two core teams overseeing the construction of the two schools. These committees meet every other week for approximately two hours to discuss daily construction decisions. The director of Maintenance informally inspects the sites as time permits and reports observed problems to the superintendent or the assistant superintendent of Business and Finance.

By not participating in district management committees, the director of Maintenance misses the opportunity to better understand the issues facing school administrators and communicate maintenance issues and concerns. The director of Maintenance and principals jointly supervise custodial staff. Attendance by the director of Maintenance at the weekly meetings could improve the quality of the custodial staff supervision. For example, if the director of Maintenance was aware of a major upcoming event at the school, he could add staff to support that event or schedule preventive maintenance such as painting before the event.

Today's new school facilities contain a number of complex systems such as automated HVAC programs and security systems. The Maintenance Department will be responsible for keeping these systems operating and optimizing their capabilities to save costs and extend the life of the systems. By not having the director of Maintenance attend core team meetings, the district loses the input of an experienced maintenance professional.

Successful construction projects in school districts often require a team approach that includes financial, school and board membership as well as participation by the architect, builder, engineering firm and other consultants.

Recommendation 20:

Include the director of Maintenance on district management teams.

The Maintenance Department should be an important element of a team that participates in documentation/plan review in areas of expertise, provides input on product selection, plays an active part in the acceptance of each facility and is accountable for all warranty correction work.

The superintendent should appoint the director of Maintenance to the core teams overseeing the construction of the two new schools and include this position in the weekly administrative team meetings on at least a monthly basis.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent includes the director of Maintenance in the weekly administrative team meetings.	September 2002
2.	The superintendent appoints the director of Maintenance to the core teams overseeing the construction of the new schools.	September 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4

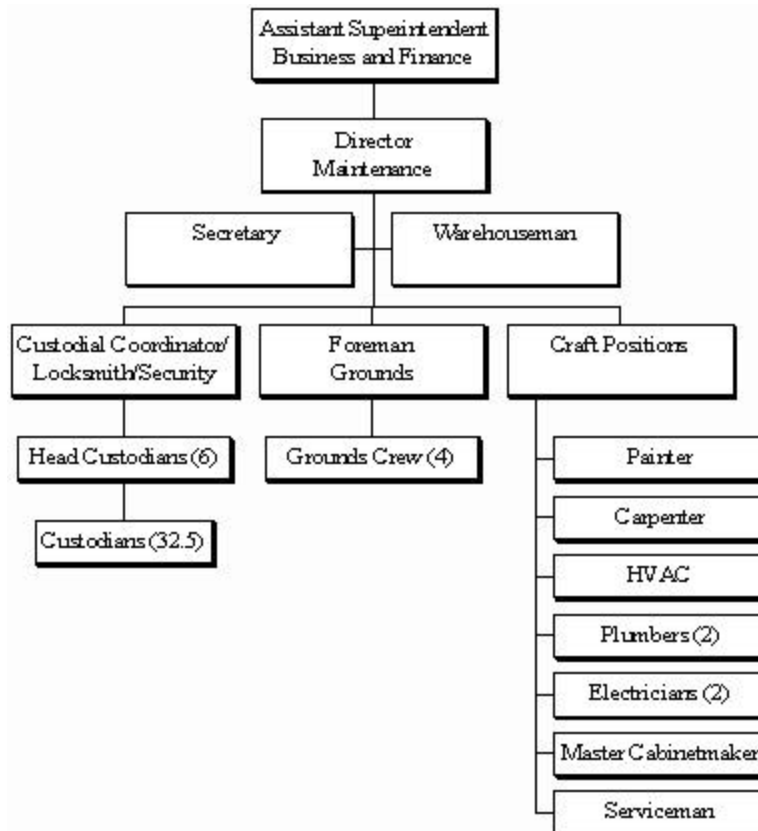
FACILITIES USE AND MANAGEMENT

B. MAINTENANCE AND CUSTODIAL OPERATIONS

Effective school maintenance requires timely and accurate information to plan and manage daily operations; a comprehensive work order system that ensures quick response to school needs; collection of equipment information and related cost of repairs; a preventive maintenance process that minimizes down time, reduces costs and extends equipment life; and a method to monitor service levels and obtain feedback for improvement.

KISD' Maintenance Department is responsible for the daily and preventive maintenance of district facilities. The Maintenance Department's organization is relatively flat with one director and two supervisors managing the 57-position department. The Maintenance Department is staffed as shown in **Exhibit 4-6**.

Exhibit 4-6
KISD Maintenance Department Organization
2001-02



Source: KISD director of Maintenance, March 2002.

A comparison of the KISD Maintenance Department staffing to the American School and University (ASU) survey of public school districts with 600 or more students shows that KISD is staffed appropriately in most areas for the amount of facility space in the district. The region in the survey included Texas, Louisiana, New Mexico, Oklahoma and Arkansas (**Exhibit 4-7**).

Exhibit 4-7
KISD Maintenance Department Staffing
Comparison to Regional Averages

Employee Group	KISD Areas Maintained*	ASU Standards	KISD Staffing Using Standards	KISD Actual Staffing	Variance Over (Under)
Grounds	119.5 acres	15 acres per worker	8	5	(3)
Craftsman	708,555 square feet	60,582 square feet per worker	11.7	10	(1.7)
Custodial	708,555 square feet	21,445 square feet per worker	33.1	38.5	5.4
Total			52.8	53.5	0.7

Source: KISD Long-Range Facilities Plan, American School and University (ASU) 2001 Public School Survey and KISD Maintenance Director.

Note: Does not include long term vacancies in Custodial Services.

*Includes new elementary school facility.

While KISD spends almost nine percent more per square foot compared to the five-state regional average, the district spends just under six percent less per student than the average in the five-state region (**Exhibit 4-8**).

Exhibit 4-8
KISD Maintenance Department
Budgeted Expenditures
2000-02

KISD Expenditures	Maintenance and Operations Expenditures
KISD Cost per square foot	\$3.76
ASU Average cost per square foot	\$3.46
Variance	\$.30
KISD cost per student	\$568.73
ASU average cost per student	\$602.10
Variance	(\$33.37)

Source: ASU 2001 Public School Survey and KISD Budget/Expenditure Comparison, February 2002.

The district separates construction management from maintenance, which allows the maintenance staff to concentrate on maintenance rather than also oversee the construction projects. This is a change from previous years when the Maintenance Department basically functioned as a construction department because of the director's experience as a builder. The superintendent and assistant superintendent of Business and Finance changed this practice in 1998, focusing the Maintenance Department's efforts on daily and preventive maintenance.

The district has board policies in place to address community use of facilities. School-sponsored and school-related organizations are permitted to use school facilities without charge. Other users are charged fees.

FINDING

The district assigns custodial staff to specific facilities, to foster a strong identification with the building and encourage clean facilities. The review team toured the district facilities at the beginning and end of the school day. Although the facilities appeared well worn, they were clean and in safe condition. All of the principals, 84.9 percent of parents and 68.7 percent of other staff agreed or strongly agreed in a survey conducted that the schools are clean. Teachers and students viewed the cleanliness of the schools differently. Only 49 percent of the teachers agreed with the statement that schools are clean and only 42.4 percent of students agreed (**Exhibit 4-9**).

**Exhibit 4-9
KISD Survey Results
Facilities**

Survey Statement: Schools are clean.	Survey Responses		
	Strongly Agree or Agree	Strongly Disagree or Disagree	No Response or No Opinion
Principals	100.0%	0.0%	0.0%
Parents	84.9%	9.7%	5.4%
Teachers	49.0%	45.8%	5.3%
Students	42.4%	45.3%	12.2%
Other Staff	68.7%	20.2%	11.2%

Source: TSPR surveys, February - March 2002.

COMMENDATION

KISD maintains clean schools.

FINDING

KISD's Maintenance Department updated its staff handbook in April 2002 with current job descriptions, employee expectations and other useful information. The district has an official district policy manual and the Maintenance Department handbook is designed to supplement the district manual and serve as a guide and brief explanation of the official manual. The handbook contains job descriptions, employee expectations, emergency information, rules of conduct and regulations regarding leave, weapons, sexual harassment, benefits, safety and travel. The handbook also includes a receipt form for employees to acknowledge receiving the manual.

COMMENDATION

The Maintenance Department's up-to-date staff handbook effectively communicates employment expectations and employee information.

FINDING

In April 2002, KISD implemented procedures regarding community use of school facilities. Before April 2002, the district did not have formal

procedures and had been unable to determine district costs regarding community facility use. The process to develop procedures began in the fall 2001 with discussions regarding community use of KISD facilities at two meetings of the Facility Community Advisory Council. On April 4, 2002, the district held a question-and-answer session with community users of KISD facilities. Using input from the meetings, the assistant superintendent of Business and Finance developed draft policies that established community use procedures for the district.

Under the policy, applications must be submitted for use of district facilities. Principals can approve the use of space at their school. The Athletics director, the superintendent and the Child Nutrition director must approve other applications in their respective areas. Fees of \$15 per hour per district employee are charged for facility use that requires KISD staff support. This fee was developed after an analysis of current payroll and utility costs. The policy charges different fees based on the different types of community use including district-sponsored events, school-sponsored events, other non-profit sponsored events and for-profit sponsored events. Through the adoption of the procedures, the district plans to recover all costs associated with community use of facilities.

COMMENDATION

The district's implementation of community use procedures will help to recover expenses related to community use of district facilities.

FINDING

KISD's Maintenance Department work order system does not provide sufficient management or cost reporting. Schools prepare a three-part work order form that is routed to the Maintenance Department secretary who enters the information in an Access database that contains a log of 3,550 work orders dating back to 1999. The form is then given to the director of Maintenance who makes assignments based upon his personal judgment.

The work order system is inadequate to meet the needs of the district. There is no analysis of open work orders, aging of work orders or evaluation of costs related to completed work orders. Work orders do not include labor costs. While emergencies are handled immediately, lower priorities do not have formal or informal timelines. Items that the department and school agree not to address simply remain open in the database.

To be effective, maintenance departments need accurate and timely information regarding service levels, workload assignments and labor and

cost information. Without this information, a director must rely upon personal judgment in evaluating the performance of staff and the responsiveness of the department. Historical information on repairs at a given facility should form the basis for replacement decisions and evaluation of preventive maintenance. The lack of this information limits the director's ability to develop documented support for increasing preventive maintenance or addressing deferred maintenance.

Recommendation 21:

Automate the work order process to track orders by facility, frequency and cost.

The director of Maintenance should identify and select an appropriate work order system and implement it to include the necessary training of staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance, working with the Instructional Technology director, develops specifications for the new work order system.	November 2002
2.	The director of Maintenance evaluates systems in the market place against the specifications, selects the appropriate product and submits a purchase request to the assistant superintendent of Business and Finance for approval.	January 2003
3.	The assistant superintendent of Business and Finance approves the purchase of the system.	February 2003
4.	The director of Maintenance purchases the system and develops an implementation plan, including training.	April 2003
5.	The director of Maintenance implements the system.	May 2003

FISCAL IMPACT

The cost to implement this recommendation is based upon the cost of an automated work order system available in the market place. The system is based on a cost of \$90 per craft position using the system. KISD has 10 craft positions that would be using the system so the district would incur a one-time license fee of \$900 (\$90 cost per position X 10 positions).

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Automate the work order	(\$900)	\$0	\$0	\$0	\$0

process to track orders by facility, frequency and cost.					
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FINDING

The Maintenance Department does not have a formal preventive maintenance system, which may result in increased costs to the district. The existing process is informal and based primarily upon the judgment of the director of Maintenance. Preventive maintenance activities are not documented and are limited to direction provided by the director of Maintenance on an ad hoc basis. As funds are available, preventive work is scheduled during the summer.

The lack of a preventive management program places the Maintenance Department in the role of reacting to equipment breakdowns rather than proactively addressing equipment needs. Without an effective preventive maintenance program, overall district maintenance costs are likely to be high.

Exhibit 4-10 lists a preventive maintenance schedule for Spring ISD, a district that uses a formal preventive maintenance program to reduce its overall maintenance costs.

**Exhibit 4-10
Spring ISD
Preventive Maintenance Program Schedule**

Preventive Maintenance Activity	Activity Frequency
Clean A/C unit filters	Bi-monthly
Change A/C unite filters	3 to 12 week intervals
Clean chiller condenser coils	Bi-annually
Clean fan coil and air handler evaporator coils	Annually
Clean ice machine condenser coils	Every 4 months
Inspect and capacity test chillers	Annually
Change chiller compressor oil and cores	Every 2 years
Check chemical levels in closed loop chilled and hot water piping	Monthly
Clean grease traps	Every 3 months
Inspect and test boilers	Annually

Check roofs, downspouts and gutters	Monthly, repair as needed - 20 year roof replacement
Inspect exterior lighting	Semi-annually
Inspect elementary play gym lighting	Annually
Inspect and clean gym gas heaters	Annually
Inspect playground equipment	Monthly, repair as needed
Clean fire alarm system smoke detectors	Semi-annually
Inspect all interior and exterior bleachers	Annually, repair as needed
Clean, tighten and lubricate roll out bleachers	Annually
Check exterior building and concrete caulking	Annually - 8 year replacement
Stripe exterior parking lots	Annually
Check condition of asphalt parking lots	Annually - 12 year replacement
Check carpet	15 year replacement
Check vinyl composition tile floors	20 year replacement
Spray wash exterior soffits and building	Every 2 years or as needed
Replace glass and Plexiglas	As needed
Paint interior of facilities	Every 5 years
Paint exterior of facilities	Every 8 years
Perform general facility inspections	Annually
Clean ice machine condenser coils	Every 4 months

Source: Spring ISD Preventive Maintenance Program.

Effective school districts use a formal preventive maintenance program to identify repairs early and extend the life of the facility.

Recommendation 22:

Develop a preventive maintenance plan to help reduce maintenance costs.

The director of Maintenance should develop a preventive maintenance program that identifies all preventive management projects, provides a detailed schedule by facility and prioritizes projects by need. Costs to

implement preventive maintenance projects are based upon labor hours to complete the project and supplies. These costs, which are already included in the Maintenance Department budget, should be allocated and tracked as a separate project budget similar to that of a construction project budget.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance, working with Maintenance Department staff and school principals, identifies preventive maintenance activities for the district.	October 2002
2.	The director of Maintenance develops a draft preventive maintenance plan and submits it for approval.	November 2002
3.	The assistant superintendent of Business and Finance approves the plan and includes the activities outlined in the plan in the budget process for the coming year.	December 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4

FACILITIES USE AND MANAGEMENT

C. ENERGY MANAGEMENT

Energy management ensures that district facilities maintain comfortable environments at the lowest cost. Districts use energy management programs and energy audits to evaluate utility operations and control energy costs. There are three major goals of an energy program: to minimize waste, to provide a comfortable environment for students and staff and to encourage energy awareness across the district.

KISD initiated an energy program in 2000-01 with improvement and technology upgrades to the HVAC systems at each school. Efficient energy management automated systems have been installed in the new schools under construction. An energy manager was added in 1988 and after his departure in November 2000 from the district; the HVAC technician took his place.

FINDING

The district Energy Incentive Program implemented in January 2001 focuses on cost avoidance and user education. The program compares baseline information for a school with current energy costs as measured by utility bills for the school. Baseline information is determined by a moving five-year average. Through contests, schools such as Peterson Middle School encourage participation by students as well as teachers.

The district issues awards twice a year. Participation is mandatory for all regular schools. Each school receives an award based upon savings earned or a participation award of \$250 based upon the school's efforts. Schools receive an award based upon the amount of savings and the number of students participating. The awards are as follows: 5 to 20 percent savings - \$.50 per student, 20 to 24.99 percent savings - \$.75 per student, 25 to 29.99 percent savings - \$1.00 per student and 30 percent or more - \$1.25 per student. Awards are deposited in school instructional supply accounts. **Exhibit 4-11** lists the second set of district awards. The second set of awards indicated an increase in the number of schools earning savings, with awards made to five of the six schools versus only two in the first set of awards and an increase of \$12,574 in overall energy savings.

Exhibit 4-11
KISD Energy Savings Incentive Program
Awards for June - December 2001

School	Five-year Benchmark	June - December 2001 Usage	Savings	Percent Saved	School Award
Daniels Elementary	\$25,059	\$23,246	\$1,813	7%	\$317.00
Nimitz Elementary	37,447	35,089	2,358	6%	287.50
Starkey Elementary	36,092	35,119	973	3%	250.00
Tivy Upper Elementary	31,868	30,268	1,600	5%	365.00
Peterson Middle School	48,233	42,389	5,844	12%	334.50
Tivy High School	69,332	47,640	21,692	31%	1,701.25
Total	\$248,031	\$213,751	\$34,280	14%	\$3,255.25

Source: KISD assistant superintendent of Business and Finance, April and May 2002.

This program has saved the district energy costs and promoted student interest and awareness. Additional ideas to involve schools in energy conservation can be found on the State Energy Conservation Office (SECO) Web site.

For example, SECO has a school-based program called Watt Watchers or Watt Team. Students learn ways to save energy and how to teach others. The program provides free materials, training and site support to students in grades 1 through 12. This program not only saves money at the schools, but students learn how to develop a habit of saving energy in their homes as well. The Watt Watchers program also involves starting an Energy Patrol at individual schools. The Energy Patrol consists of teachers, students, parents and community volunteers who work together to implement energy conservation practices, such as:

- planting trees around the building to provide shade and improve the environment;
- checking door and window weather stripping for cracks;
- checking outside air dampers, heating, ventilation and air conditioning filters;
- developing maintenance schedules for monitoring energy conservation; and
- turning off fluorescent bulbs in soda machines.

COMMENDATION

Implementing a school energy incentive program at each school saves energy dollars and teaches conservation.

FINDING

The district has not had a formal energy management audit during the tenure of the current superintendent. The State Energy Conservation Office (SECO) provides free energy management audits to public sector entities, including school districts. The audits provide detailed recommendations of equipment and procedures to implement, which serve as the basis for an energy management plan and estimate the amount of time it will take to recoup money spent on energy efficient equipment through lower energy costs.

Recommendation 23:

Contact an energy consultant to conduct an energy management audit of all KISD facilities.

The audit should serve as the basis for the development of an energy management plan. Given the financial situation in the district, it may be necessary to implement the plan in stages over several years. The plan should include an analysis of cost benefits, consideration of alternatives, a schedule to implement and the sources of funding for implementation

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance contracts with an energy consultant to perform an energy management audit.	November 2002
2.	The energy consultant completes the audit and provides KISD with recommendations.	March 2003
3.	The director of Maintenance, working with the assistant superintendent of Business and Finance, reviews the report and develops a recommended implementation plan.	April 2003
4.	The superintendent approves the plan and submits it to the board.	May 2003
5.	The board approves the plan and directs implementation.	September 2003
6.	The director of Maintenance evaluates the results of the plan at the end of the first year of implementation and annually thereafter.	October 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5

ASSET AND RISK MANAGEMENT

This chapter examines the asset and risk management operations of the Kerrville Independent School District (KISD) in three sections:

- A. Cash and Investment Management
- B. Risk Management/Insurance Programs
- C. Fixed Assets

Texas school districts have a fiduciary responsibility to protect publicly financed assets provided to educate children. An effective asset and risk management program aims to control costs by ensuring that the district is adequately protected against all significant losses with the lowest possible insurance premiums. This program should include the identification and measurement of risk and techniques to minimize the impact of risk. Risk is defined as a measurement of uncertainty where the outcome can only be estimated.

Fixed asset management should account for district property efficiently and accurately while safeguarding it against theft and obsolescence. Fixed assets are those assets that have been acquired for use in operations. These assets are generally not for resale, and have an estimated useful life to an organization of at least one year. Examples include land, buildings, machinery, computer and office equipment and furniture.

The district's insurance programs for employees' health, workers' compensation and district assets should be sound and cost effective to protect the district from financial losses. District employees should have access to health insurance coverage at a reasonable cost.

BACKGROUND

Before 2000-01, the assistant superintendent of Business and Finance was solely responsible for managing district assets in addition to managing the district's business affairs. In the fall of 2001, additional staff were hired in the Finance Department to assume some of these duties. The assistant superintendent of Business and Finance now oversees the cash management, risk management and fixed asset management functions in KISD with assistance from the staff accountant, the bookkeeper and the Public Education Information Management System (PEIMS)/insurance coordinator.

The district has two outstanding bonds and contractual repayment obligations to finance facility improvements. **Exhibit 5-1** illustrates

KISD's outstanding bonded indebtedness as of August 31, 2001, which is reflected in the General Long-Term Debt Account on the district's financial statements.

**Exhibit 5-1
KISD General Long-Term Debt Account Group
Summary of Changes as of August 31, 2001**

Description	Interest Rate	Original Issue	Interest Paid in Current Year	Amount Outstanding at 9/1/00	Issued	Retired	Amount Outstanding at 8/31/01
Unlimited Tax School Building, Series - 1993	2.65 % - 4.5%	\$9,780,000	\$155,425	\$4,795,000	\$0	\$1,175,000	\$3,620,000
Unlimited Tax School Bldg & Refund Bonds, Series - 2000	4.7% - 5.95%	\$39,355,000	\$2,816,978	\$39,355,000	\$0	\$390,000	\$38,965,000
Total		\$49,135,000	\$2,972,403	\$44,150,000	\$0	\$1,565,000	\$42,585,000

Source: KISD Audited Financial Statement for the Period Ending August 31, 2001.

Exhibit 5-2 presents the district's remaining repayment requirements for principal and interest expenditures that are accounted for in the Debt Service fund.

**Exhibit 5-2
KISD Debt Service Fund
Remaining Debt Service Requirements as of August 31, 2001**

Year Ending August 31,	General Obligations		Total Requirements
	Principal	Interest	
2002	\$1,585,000	\$2,251,096	\$3,836,096

2003	\$1,845,000	\$2,182,926	\$4,027,926
2004	\$2,005,000	\$2,102,992	\$4,107,992
2005	\$1,360,000	\$2,069,466	\$3,429,466
2006	\$1,475,000	\$2,003,166	\$3,478,166
Thereafter	\$34,315,000	\$17,756,099	\$52,071,099
Total	\$42,585,000	\$28,365,745	\$70,950,745

Source: KISD Audited Financial Statement for the Period Ending August 31, 2001.

Chapter 5

ASSET AND RISK MANAGEMENT

A. CASH AND INVESTMENT MANAGEMENT

For a school district to achieve its instructional goals and objectives, cash and investments must be managed daily. An effective cash management program can provide a district with additional revenues to fund essential programs and operations. Maximizing the return on invested funds while ensuring the safety and liquidity of investments is a high priority. Effective cash management programs provide competitive rates of return using various investment instruments; are based on a comprehensive written investment policy approved by the board; and allow personnel to become skilled in investment procedures and techniques and to stay abreast of current money markets.

The assistant superintendent of Business and Finance serves as the district's board-appointed investment officer. The district's investment policy is based on the Texas Association of School Board's (TASB) legal policy (entitled "CDA - Legal"). Details from the investment policy are as follows:

Written Policies

Investments shall be made in accordance with written policies approved by the board. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield and maturity and the quality and capability of investment management. The policies must include:

- A list of the types of authorized investments in which the board's funds may be invested;
- The maximum allowable stated maturity of any individual investment owned by the board;
- For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;
- Methods to monitor the market price of investments acquired with public funds; and
- A requirement for settlement of all transactions, except investment pool funds and mutual fund, on a delivery versus payment basis.

Investment Strategies

As part of the investment policy, the board shall adopt a separate written investment strategy for each of the funds, or group of funds, under the

board's control. Each investment strategy must describe the investment objectives for the particular fund including:

- Understanding the suitability of the investment to the financial requirements of the board;
- Preservation and safety of principal;
- Liquidity;
- Marketability of the investment if the investment needs to be liquidated before maturity;
- Diversification of the investment portfolio; and
- Yield.

The goal of the KISD investment program is to ensure the safety of the district's resources as well as to maximize financial returns within existing market conditions. Investments made on behalf of the district need to ensure the preservation of capital in the overall portfolio. The policy restricts any individual investment transaction that jeopardizes the total capital position of the overall portfolio. The district has adopted a conservative investment strategy and invests its short-term money in pooled investment funds, either LoneStar Liquidity or TexPool, depending on which pool is paying the best rate of interest, as determined by the assistant superintendent of Business and Finance.

Every Monday, the bookkeeper accesses the district bank accounts online and reports the account balances to the assistant superintendent of Business and Finance. The assistant superintendent of Business and Finance monitors the district's cash balance to ensure funds are available to meet the district's short-term obligations.

The district's depository agreement is with Security State Bank & Trust (Security), located in Kerrville. The agreement is for a two-year term that began September 1, 2001 and runs through August 31, 2003. The district maintains seven checking accounts with Security. Each account is interest bearing under a compensating balance agreement that pays a variable interest rate. A compensating balance arrangement requires the district to maintain a sufficient balance in order to compensate the bank for account maintenance, items processing, and various other banking services. The bank applies an earnings credit rate to available cash balances each month to compute the district's interest earned. Accounts are analyzed and settled monthly. If earnings on the balances exceed the bank's monthly service charges, no service charge is due. If earnings are less than service charges, the deficiency is charged to the operating account each month.

Exhibit 5-3 summarizes the cash and investment balances as of January 31, 2002.

Exhibit 5-3
KISD Cash and Investments
as of January 31, 2002

Depository or Investment Pool	Account Name	Account Type	Interest Rate	Account Balance
Security State Bank and Trust	General Operating	Checking	0.59%	\$397,662
Security State Bank and Trust	Interest & Bonded Debt	Checking	0.59%	\$127,243
Security State Bank and Trust	Medical Reimbursement	Checking	0.59%	\$16,235
Security State Bank and Trust	Tax Clearing	Checking	0.59%	\$4,106,562
Security State Bank and Trust	Payroll Clearing	Checking	0.59%	\$322,216
Security State Bank and Trust	Group Health Insurance	Checking	0.59%	\$354,193
Security State Bank and Trust	Series 2000 Principal	Checking	0.59%	\$92,078
Total - Depository				\$5,416,189
LoneStar	General Fund	Liquidity Plus	2.23%	\$4,227,183
LoneStar	Debt Service Fund	Liquidity Plus	2.23%	\$2,801,243
LoneStar	Health Insurance Fund	Liquidity Plus	2.23%	\$0
Total - LoneStar				\$7,028,426
Salomon Smith	Capital Projects Fund	Flexible Repo	7.128%	\$19,400,482
Total - Solomon Smith				\$19,400,482
Total Cash and Investments				\$31,845,097

Source: KISD, Cash and Investment Report, January 31, 2002.

The district invests the majority of its excess cash with either TexPool or LoneStar pooled investment funds. The assistant superintendent of Business and Finance determines which fund is paying the highest interest and places the excess cash in that fund.

FINDING

The district uses innovative investment vehicles to maximize its investment earnings. Prior to working for school districts, the assistant superintendent of Business and Finance spent 10 years in the banking industry, which provided him experience with numerous investment products and opportunities. After completing its last bond issue, the district had approximately \$40 million to invest. The investment vehicle that was chosen had to meet the district's investment policy. The assistant superintendent solicited the help of the district's financial advisor who suggested a repurchase agreement.

Dealers in government securities use repurchase agreements as the primary vehicle to finance their government securities inventory. A repurchase agreement is the purchase of a security with an agreement to repurchase that security at a specific price and date. The assistant superintendent of Business and Finance verified the performance history of the repurchase agreement and the references of the potential broker before the district moved forward. The board and the superintendent approved the decision to invest the bond funds held in its capital projects fund in a 24- to 27-month flexible repurchase agreement that earns a fixed 7.128 percent interest.

The assistant superintendent of Business and Finance credits both "being in the right place at the right time" and the dynamic decision-making strategy of the board and superintendent to the success of the investment. The district's goal was to maximize the return on the investment without exposing the district to an unreasonable level of risk. Most importantly, he told the review team that the district educated itself about the investment options that were available and was not afraid to be innovative.

COMMENDATION

The district maximizes its earnings on capital project funds by seeking innovative investment opportunities.

FINDING

The district is not maximizing the interest income available from the operating funds on deposit with the depository bank. There is a significant amount of cash sitting overnight earning a very low annual rate of interest,

currently 0.59 percent. The overnight balance on January 31, 2002 was \$5,416,189.

Generally an overnight investment will yield a higher interest rate than an interest bearing account. Many interest-earning accounts are established so the interest earned is based upon the average balance. By combining multiple account balances, the district earns a higher rate of interest on the aggregate balance. School districts typically sweep all accounts into one overnight investment vehicle that yields a higher rate given the higher aggregate balance than a number of accounts with lower balances.

Many districts combine all their balances as a means of collectively earning interest. This ensures that all district funds are invested and earning the highest rate of return available. By not earning the highest rate of interest available, the district is losing cash flow.

Ysleta ISD's depository agreement provides that excess collected balances not invested in other authorized investment vehicles be swept nightly into overnight repurchase agreements that earn higher interest. The funds are returned to the district's accounts first thing each morning to enable the district to meet the day's cash obligations.

Recommendation 24:

Structure the next bank depository agreement to sweep daily balance into overnight investments.

The district should negotiate its next depository agreement to include a nightly sweep of all funds remaining in the district's accounts at the close of business each day. By combining multiple account balances, the district could earn a higher rate of interest on their aggregate balance. A nightly sweep of all accounts into one overnight investment vehicle will yield a higher rate given the higher aggregate balance than a number of accounts with lower balances would yield. This should provide the district with additional interest income without sacrificing its ability to meet daily cash obligations.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance prepares an RFP for a new depository agreement that will sweep all accounts each night and enter into a repurchase agreement.	March 2003
2.	The assistant superintendent of Business and Finance reviews the RFP and makes a recommendation to the superintendent for approval and submission to the board.	May 2003

3.	The board approves the new depository agreement.	July 2003
4.	The superintendent and assistant superintendent of Business and Finance meet with the account representative to execute the agreement.	August 2003
5.	The assistant superintendent of Business and Finance implements the agreement.	September 2003

FISCAL IMPACT

To calculate the fiscal impact of this recommendation, the tax clearing account balance was removed from the January 31, 2002 balance. The tax clearing account is the account where tax collections are deposited. Tax collections are at the highest levels in December and January and so would overestimate the interest income that could be earned by sweeping the accounts each night. Therefore, to be more conservative, the balance in this account was removed from the total when determining an average balance.

In reviewing December 2001, January 2002 and February 2002 balances, the January balance seems to be representative of an average balance in the remaining accounts. Assuming an average balance of \$1,309,627 (\$5,416,189 - \$4,106,562) and an average interest rate of 3.9 percent, the district would earn an additional \$43,349 ($\$1,309,627 \times 3.9$ percent - estimated current interest earned $\$1,309,627 \times 0.59$ percent) annually. The additional interest income would not be available until the second year, when a new agreement could be signed.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Structure the next bank depository agreement to sweep daily balance into overnight investments.	\$0	\$43,349	\$43,349	\$43,349	\$43,349

FINDING

The tax collector-assessor does not immediately transfer tax collections to the district's operating account. Rather than moving the money from the tax clearing account when the account has activity, he makes a weekly deposit. The tax collector-assessor is a part-time position at the district and his current work schedule is not conducive to making daily deposits. KISD does not have the luxury of having ample cash available to meet its obligations as nearly every dollar in the general operating fund is committed. It is vital that the district have access to its cash as soon as

possible. Tax collections comprise a significant portion of the district's revenue base, with greater than 60 percent of its total revenue being derived from local sources.

In Christoval ISD (CISD), the Tom Green County Appraiser is responsible for assessing and collecting the district's property taxes. The county appraiser transfers the district's tax collections the same day they are remitted. This allows the district to have immediate access to their limited funds. CISD's receives a copy of the deposit slip the next business day. This allows CISD to determine its available cash.

Recommendation 25:

Adopt a policy that all tax collections are deposited into the district's general operating fund within one business day of receipt.

Tax collections should be made available almost immediately. The district heavily depends on tax revenue for its general operating fund. Any tax receipts should be deposited into the general operating account within one business day.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance drafts a board agenda item requesting that a policy be established requiring tax receipts to be deposited within one business day from receipt.	October 2002
2.	The superintendent presents the agenda item to the Board of Trustees.	November 2002
3.	The board adopts the policy.	November 2002
4.	The assistant superintendent of Business and Finance informs the tax collector-assessor to deposit tax receipts daily.	November 2002

FISCAL IMPACT

Assuming that the district receives approximately \$17 million in property tax revenue and an average daily balance of \$45,000, there would be some interest income that could be earned by depositing these monies in a timely manner.

If the average annual interest rate were 3.9 percent on the nightly sweeps on an average daily balance of \$45,000, the district would earn an annual income of \$1,755. Since this recommendation will not be implemented

until November 2002, the first year earnings will only include 9 months of income.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Adopt a policy that all tax collections are deposited into the district's general operating fund within one business day of receipt.	\$1,316	\$1,755	\$1,755	\$1,755	\$1,755

FINDING

Cash from food service sales is not secured in a locked deposit bag when the cafeteria managers leave the school to make bank deposits.

Students pre-pay items by 9:30 a.m. Payments are keyed into the Point of Sale (POS) system by the student account/student ID number. Parents can write one check for multiple children. Little, if any, cash is taken on the serving line. Generally, the cashier has the student place the money in an envelope and places the envelope in a locked box located by the register. At the end of the lunch period, the cashier prints out two reports; a cash report and a meal report. The cashier compares the two reports to see if they are in balance. If not, the cashier tries to reconcile by comparing the cash report against the individual checks or cash receipts. The cashier also reviews the dollar amounts entered into the POS system to ensure that they were keyed correctly. Once reports balance, the cafeteria manager completes the deposit slip. The bank receives the top copy of the deposit slip, the yellow copy is sent to the Child Nutrition director's office and the pink copy is retained by the cafeteria manager. Cash is either locked in the cafeteria manager's office or in the POS cash drawer until the cashier "cashes out" for the day. The cafeteria manager takes the daily cash/check receipts to the bank at the end of the shift. The zippered bank bag cannot be locked. Once the cash leaves the school, no securities are in place.

By not securing the cash when it leaves the school, the district accepts an unnecessary level of risk. The cafeteria managers are also at risk of being injured by carrying unsecured cash. In addition, the district does not have procedures in place to reconcile the cash report to the deposit slip to ensure that all monies collected have been deposited.

Recommendation 26:

Procure zippered bags that can be locked to secure food service cash during transport to the district bank and establish written procedures to reconcile the cash report to the deposit slip.

The district should request that the bank provide it with two locked zipper bags per school that can be transferred out every other day. On the day following the deposit, each cafeteria manager should reconcile the deposit slip to that day's cash report. If there are any discrepancies, the Child Nutrition Services director should be notified immediately.

The Child Nutrition Services director should review the reconciliation and verify if there is a discrepancy. If so, the Child Nutrition Services director should notify the bank and determine if the error is a bank error or a school error. Once the bank, the cafeteria manager and the Child Nutrition Serviced director have reviewed the problem, an over/short report should be completed and forwarded to the Business Office with the results of the review. The Child Nutrition director then drafts written procedures for reconciling the deposit slip to the day's cash report.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance requests that the district's bank provide locking bank bags.	October 2002
2.	The bank orders the locking bank bags and provides them to the district.	October 2002
3.	The Child Nutrition director distributes bags to the cafeteria managers.	November 2002
4.	The Child Nutrition director develops written procedures for reconciling the deposit slip to that day's cash report.	November 2002
5.	The Child Nutrition director distributes the procedures to cafeteria managers and provides the necessary training for implementation.	December 2002
6.	The cafeteria managers reconcile each deposit to the day's cash report and remit the report to the Child Nutrition director each day.	January 2003

FISCAL IMPACT

The bank should supply two bank bags for every cafeteria, for a total of 12 bags. The total one-time cost of implementing this recommendation is \$420 (\$35 x 12 bags).

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Procure zippered bags that can be locked to secure food service cash during transport to the	(\$420)	\$0	\$0	\$0	\$0

district bank and establish written procedures to reconcile the cash report to the deposit slip.					
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Chapter 5

ASSET AND RISK MANAGEMENT

B. RISK MANAGEMENT/INSURANCE PROGRAMS

Risk management includes the identification, analysis and reduction of risk through insurance and safety programs to protect the district's assets and employees. Workers' compensation is intended to protect district employees in case a work-related accidents or injuries. Property and casualty insurance protects the district from liabilities arising from property damage, bodily injury and other situations in which the district may be at risk. A group health plan ensures that the district's employees are protected from catastrophic illness and financial ruin by spreading the risk of serious illness across the pool of employees.

KISD insurance programs include group health care and employee benefit plans, workers' compensation insurance and property and casualty insurance. The assistant superintendent of Business and Finance oversees all of the district's insurance programs. The PEIMS/insurance clerk handles daily insurance-related duties.

Exhibit 5-4 summarizes the employee benefits offered by KISD.

Exhibit 5-4
KISD Employee Benefits
2001-02

Benefit	Eligible Employee	Description of Benefit	Paid By
Workers' Compensation Insurance	All employees	Benefits payable to any employee who has been injured in an on-the-job accident or has been disabled by an occupational disease	District
Group Term Life Insurance	All employees	\$5,000 death benefit Alternate Plan - \$50,000 death benefit	District
Medicare	All employees hired after March 1986, including substitutes and temporary employees.	<ul style="list-style-type: none"> • .0145 of gross wages • .0145 of gross wages 	District Employee

Unemployment Compensation	All employees, including substitutes and temporary employees.	.001 of gross wages	District
Health Plan	All full time employees	<ul style="list-style-type: none"> • \$197.00 - Base Plan • \$163.78 - Alternative Plan 	District
Teacher Retirement	All employees (except employees who work less than one half time), including bus drivers who drive at least one route approved by TEA.	<ul style="list-style-type: none"> • .065 of gross wages • .064 of gross wages 	District Employee
State Personal Leave	All employees	One half work day for 18 days of employment and accumulates (Maximum 5 days each year)	District
Local Sick Leave	All employees working 30 hours or more a week.	One half work day for every 18 days of employment and accumulates (Maximum 5 days each year)	District
State Sick Leave	All employees who earned state sick leave before September 1, 1995 and have carried a balance forward	The number of days carried forward at daily rate of pay	District

Source: KISD Finance Department, March 2002.

Employee Health Insurance

Until 2001-02, KISD had a self-funded plan operating as allowed by state law. Self-funded means the district assumes the risk of loss and pays all claims rather than paying an insurance company to assume the risk. As the cost of health care escalated, the district was barely able to cover the costs of claims. The district's self-funded program had a significant impact on the district's general fund. It was extremely difficult to accurately budget to fund the program. In 2001-02, the district enrolled in a fully funded plan. Because the KISD's health insurance claim history is high, not only

did the district find it difficult to find a carrier, the cost to insure its employees increased.

The Texas Association of School Boards (TASB) administered the district's health insurance plan in 2001-02. KISD contributes \$197 a month for each employee. This premium amount pays for the Bronze Plan for the employee only at no cost to the employee. At the request of the employee, the district will allow the employee to participate in the Alternative Plan for no additional cost. This plan provides very limited benefits and is usually used as a supplement to an existing plan. The district pays \$163.78 per employee a month for this plan.

The TASB health plan offers four levels of coverage from which KISD employees can choose; the Bronze Plan, Silver Plan, Gold Plan and the Platinum Plan. **Exhibit 5-5** outlines the plan benefits, the number of KISD employees enrolled and the cost to the employee.

**Exhibit 5-5
KISD Employee Health Plan Options and Premium Cost
2001-02**

Plan Description	Coverage Provided	Employee Cost per Month	Number Enrolled
Bronze Plan	<ul style="list-style-type: none"> • Annual Deductible: \$1,000 (individual) \$3,000 (family) • 70% in network, 50% outside of network (after deductible has been met) • Inpatient Care: 70% in network, 50% outside network (after \$250 deductible and calendar year deductible) • RX: 70% after deductible has been met • \$3,000 in 	Employee Only: \$28.02 Employee + Child(ren): \$202.71 Employee + Spouse: \$268.23 Family: \$442.93	105 13 11 16

	<p>network maximum, \$5,000 out of network maximum out of pocket annually</p> <ul style="list-style-type: none"> • \$5,000 life insurance 		
Silver Plan	<ul style="list-style-type: none"> • Annual Deductible: \$0 (in network) and \$500 (outside of network) • \$30 office visit • 75% in network, 60% outside of network (after deductible has been met) • RX: \$200 annual deductible plus \$10 generic, \$30 formulary and \$45 non-formulary • \$3,000 in network maximum, \$5,000 out of network maximum out of pocket annually • \$5,000 life insurance 	<ul style="list-style-type: none"> • Employee Only: \$102.87 • Employee + Child(ren): \$337.44 • Employee + Spouse: \$425.41 • Family: \$659.98 	<p>94 38 25 22</p>
Gold Plan	<ul style="list-style-type: none"> • Annual Deductible: \$0 (in network) \$500 (outside of network) • \$20 office visit • 90% in network, 70% outside of 	<ul style="list-style-type: none"> • Employee Only: \$180.80 • Employee + Child(ren): \$477.71 • Employee + Spouse: \$589.05 • Family: \$885.96 	<p>40 2 8 0</p>

	<p>network (after deductible has been met)</p> <ul style="list-style-type: none"> • RX: \$100 annual deductible plus \$10 generic, \$25 formulary and \$40 non-formulary • \$500 in network maximum, \$1,500 out of network maximum out of pocket annually • \$5,000 life insurance 		
Platinum Plan	<ul style="list-style-type: none"> • Annual Deductible: \$0 (in network) \$500 (outside of network) • \$15 office visit • 90% in network, 70% outside of network (after deductible has been met) • RX: \$5 formulary and \$35 non-formulary • \$500 in network maximum, \$1,500 out of network maximum out of pocket annually • \$5,000 life insurance 	<ul style="list-style-type: none"> • Employee Only: \$249.65 • Employee + Child(ren): \$601.65 • Employee + Spouse: \$733.65 • Family: \$1,086.65 	<p>21 0 1 0</p>

Source: KISD Employee Benefit Packet, March 2002.

The 77th Texas Legislature established a statewide school employee health insurance plan for teachers and other employees of school districts. The Texas Education Agency (TEA) and the Teacher's Retirement System (TRS) collaborated to release a memorandum in March 2002 to outline the specific requirements of the new plan. The highlights of this memorandum are presented below:

- Each employee of a school district, charter school participating in TRS ActiveCare, regional education service center, or another educational district whose employees are eligible for membership in the TRS is entitled to an annual amount of \$1,000 that may be used for health insurance contributions, health care expenses, or compensation.
- The amount of funds distributed each month will be based on the monthly count of continuing employees that are actively contributing TRS members, adjusted for any dual-employment situations that may exist.
- Prohibits school districts and other entities from reducing contributions toward school employee health insurance from the 2000-01 levels, except for declines in employment.
- Each entity, with the exception of open-enrollment charter schools that do not participate in TRS ActiveCare, must contribute at least \$150 per month (\$1800 per year) per participant (an employee that elects health insurance) as the employer's share of health insurance.
- Each entity must report participation in health insurance, regardless of whether the entity participates in TRS ActiveCare, secures health insurance through directly contracting with providers, or is self-funded. The only exception to this requirement is for open-enrollment charter schools that have chosen not to participate in TRS ActiveCare.

Workers' Compensation Insurance

Texas is one of the few states that does not require employers to provide workers' compensation insurance. However, district employees are eligible for coverage under Chapter 501 of the Texas Labor Code. KISD provides workers' compensation insurance to its employees as part of the district's employee benefit plan.

Workers' compensation insurance is heavily regulated by the state legislature. During the 77th Legislative Session in 2001, significant changes were made to previously existing law. The changes were made to improve the quality of care for injured workers, increase the accountability of doctors and insurance carriers and most of all reduce the overall

medical costs in the Texas workers' compensation system. The new changes include:

- Improve the Texas Workers' Compensation Commission's (TWCC) ability to regulate and sanction doctors who do not provide quality medical care;
- Allow the state to establish regional health care delivery networks with the guidance of a network advisory committee;
- Promote return-to-work programs by requiring employers to report whether they have modified duty and by requiring insurance carriers to provide return-to-work services to employers;
- Improve injured employees' ability to receive prescriptions filled for the first seven days after their injury. Give preference to generic drugs;
- Revise the process for seeking an independent medical opinion for impairment rating and data of maximum medical improvement issues. A TWCC designated doctor, not an insurance carrier-selected doctor, will examine the injured employee first. If the insurance carrier disputes the designated doctor's opinion, the carrier can request the TWCC to order the injured employee to attend a required medical exam conducted by a doctor selected by the insurance carrier;
- Expand the definition of lifetime income benefits to include workers with third-degree burns;
- Allow injured workers with multiple jobs to calculate their income benefits based on all of their wages, not just the wages of the job where they were injured. Insurance carriers can seek reimbursement for these additional benefits from the state's Subsequent Injury Fund; and
- Prohibit non-subscribers from asking their employees to waive their right to sue for damages for on-the-job injuries.

TASB administers the district's workers' compensation program. Under the contract, TASB provides the district with claims administration and payment, claims adjustment and risk management analysis.

FINDING

KISD's insurance committee effectively reviews the district's insurance policy to ensure the district's assets are adequately protected. The committee is composed of a representative from all of the district committees, such as the curriculum committee, site-based decision-making committee, budget committee, school administrators, the assistant superintendent of Business and Finance and the PEIMS/insurance Coordinator. The committee was established to educate district decision

makers on insurance issues. This is especially necessary given the changes about to occur related to the new state health insurance plan.

The assistant superintendent of Business and Finance and the PEIMS/insurance coordinator attended a workshop in San Antonio concerning the implications of the state plan and how it will be implemented. This information was shared first with the Insurance Committee and then with district employees. The assistant superintendent and insurance coordinator conducted an hour-long presentation to several small employee groups during April to ensure that every employee understood the new health insurance program provisions and differences between the new plan and their existing coverage. The assistant superintendent of Business and Finance and the PEIMS/Insurance Coordinator have completed an extensive training program regarding the state health plan and have effectively passed on their knowledge to the district employees.

The district faces a potential obstacle in generating employee support for the new plan. The local hospital in Kerrville may not honor Blue Cross/Blue Shield, the carrier selected by the state to administer the plan. The neighboring hospital in Fredericksburg presently honors Blue Cross/Blue Shield.

The insurance committee is considering a number of options to build support for the state plan. The assistant superintendent of Business and Finance estimates that the new plan will cost the district approximately \$157 per month for each employee to receive the same coverage offered under the TASB Bronze plan with \$0 premium paid by the employees. The current level of district contribution is \$197, which leaves \$40 per employee per month that can potentially be directed to salary. This could make the new plan considerably more palatable for the district employees. The district has circulated an employee questionnaire to determine employee opinion on applying the excess funds for additional benefits or to salary increases.

The insurance committee will review available options as well as the survey answers to determine the solution that will most effectively meet the district's insurance needs. The committee represents a cross section of the entire district.

COMMENDATION

The district has established an Insurance Committee to review and evaluate the insurance options available and manage the transition to the state health plan.

FINDING

KISD has reduced the number of workers' compensation claims during the past three years. However, the average cost per claim in 2000-01 was more than three times greater than 1999-2000. In 1998-99, the district's total workers' compensation claims were \$132,934, in 1999-2000 total claims were \$20,098 and in 2000-01 they totaled \$38,755. **Exhibit 5-6** compares the workers' compensation claims and the average incurred costs per claim from 1998-99 through 2000-01 by worker classification.

**Exhibit 5-6
KISD Workers' Compensation Claims and Incurred Costs per Claim
1998-99 through 2000-01**

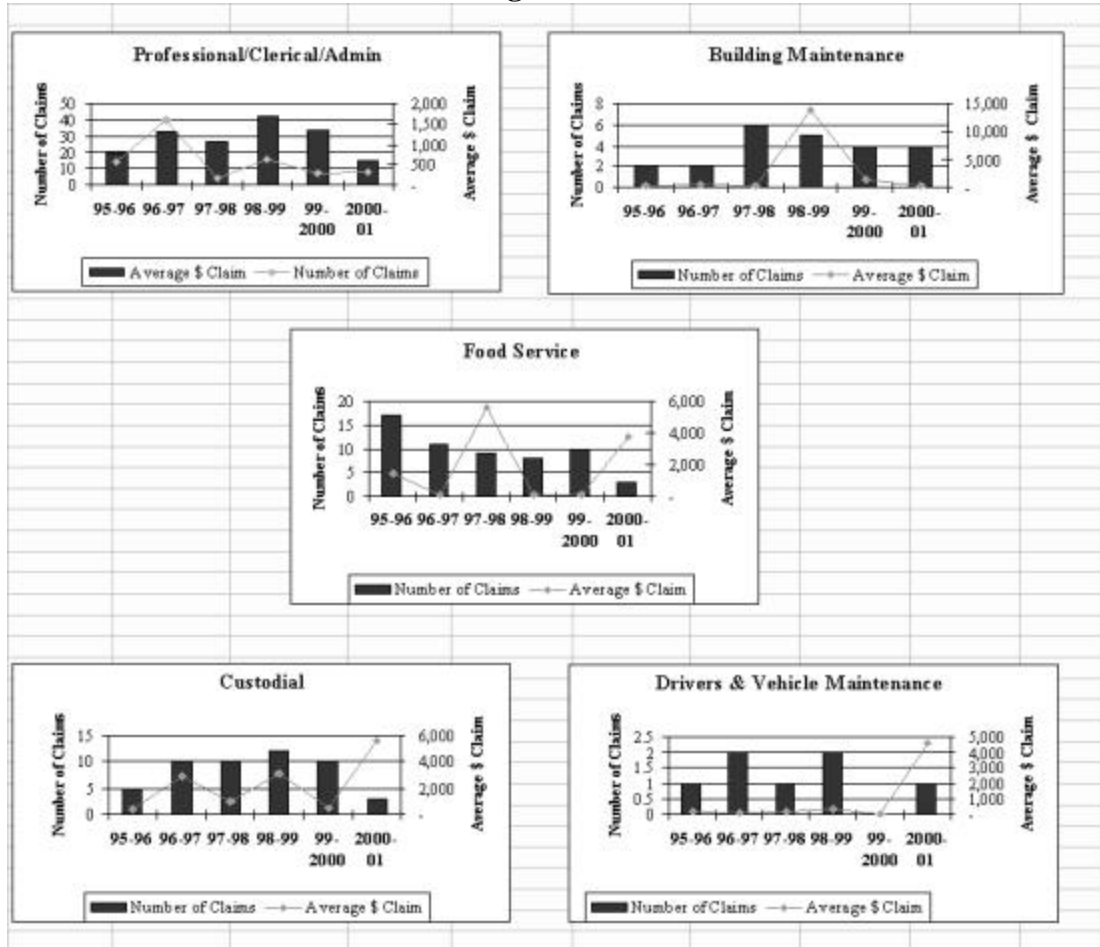
Worker Classifications	1998-99		1999-2000		2000-01	
	Number of Claims	Incurred Cost/Claim	Number of Claims	Incurred Cost/Claim	Number of Claims	Incurred Cost/Claim
Professional/Clerical/Admin	42	\$619	34	\$279	15	\$300
Building Maintenance	5	\$13,800	4	\$1,298	4	\$307
Food Service	8	\$50	10	\$48	3	\$3,802
Custodial	12	\$3,054	10	\$492	3	\$5,666
Driver & Vehicle Maintenance	2	\$287	0	\$0	1	\$4,619
All Other	1	\$279	0	\$0	0	\$0
Total Number of Claims	70	\$18,089	58	\$2,117	26	\$1,469
Average Cost Per Claim	-	\$258	-	\$365	-	\$565

Source: Texas Association of School Board (TASB), KISD Workers' Compensation Program Accident Analysis Report as of January 31, 2002.

The professional/clerical/administrative staff has made up the largest component of the district's workers' compensation claims in each year reviewed, averaging 58.1 percent of the district's total staff claims. However, the average cost per claim for this worker class was among the lowest reported by the district. Building and maintenance workers made up the second largest group of claimants in 2000-01. The number of claims related to food service workers in 2001 was reduced, but the average claim cost increased substantially.

Exhibit 5-7 illustrates the number of claims versus the average incurred cost for each claim between 1995-96 and 2000-01 by worker classification. The custodial cost per claim is consistently the highest of the worker classifications. This is to be expected given the inherent risk associated with the job duties of this class.

**Exhibit 5-7
KISD Workers' Compensation Claims
By Worker Classification
1995-96 through 2000-01**



Source: TASB, KISD Workers' Compensation Program Accident Analysis Report as of January 31, 2002.

In 2001-02, KISD paid more than \$225,000 in worker's compensation premiums to TASB. Premium costs are related to claims history. Although the number of claims has dropped, there is a definite pattern in the claims experience related to the worker class. There is a high percentage of the total claims being made by the professional/administrative/clerical worker class, a class that is not usually the highly at risk worker group for on-the-job injuries. The district's Third Party Administrator (TPA) could focus on

this trend and determine that the district is not doing enough to limit these kinds of accidents and decide to increase premiums. An increase in premiums would add to the district's already strained cash resources and would have to be paid for out of the declining general fund balance.

Crystal City ISD (CCISD) developed an accident prevention program that improved the safety of both staff and students and reduced the number of workers' compensation claims and payments. The district's Employee Orientation Handbook for teachers and paraprofessionals outlines the basic provisions of the district's accident prevention policy. CCISD's policy takes every reasonable precaution for the safety of the students, employees, visitors and any other individual having business with the district by promoting and developing an aggressive prevention and safety education program. The policy contains provisions for employee responsibilities, employee safety orientation, accident training, department inspections, staff meetings, facility rules, discipline procedures, accident reporting and action requirements, insurance coverages, accident inspection requirements and general safety rules. Since the implementation of the program, CCISD has been able to reduce workers' compensation payments by 89.3 percent.

Many school districts have established safety committees and have regular meetings at every school to evaluate their school's individual safety initiatives and safety records. These districts assign a safety monitor to each school who act as the contact point for all issues involving the safety of students and staff.

Recommendation 27:

Establish an accident prevention program and appoint a safety monitor to each school to reduce workers' compensation costs.

The district should follow CCISD's example and include provisions for an accident prevention program in the school and department handbooks. This information should be provided to all district staff, and a safety monitor should be appointed for each school and department. A safety meeting should be conducted at least annually and more frequently if accident incidences warrant.

A safety committee composed of the safety monitors, the assistant superintendent of Business and Finance and the PEIMS/Insurance coordinator should also be established and meet quarterly. This committee should review all accidents and determine any changes necessary to ensure similar accidents do not reoccur. Annual safety training should be mandatory for all district employees. Members of the safety committee could provide training to staff in rotation.

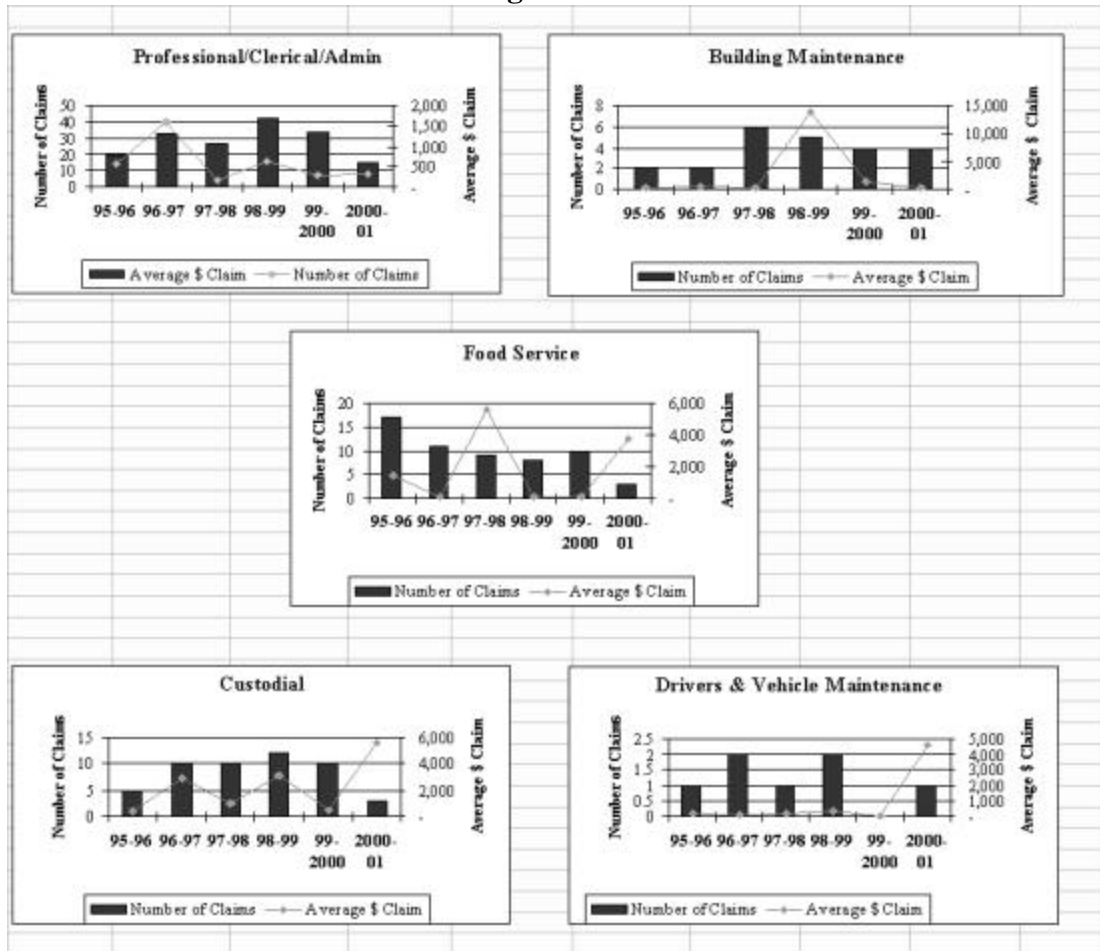
IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent and PEIMS/Insurance coordinator develop a safety program and create a section on employee safety for the existing school and department employee handbooks.	December 2002
2.	The superintendent reviews the safety program, makes any necessary revisions and distributes to staff.	February 2003
3.	The school administrators and department heads appoint a safety monitor from their staff.	March 2003
4.	The safety committee meets and establishes a committee charter.	March 2003
5.	The safety committee develops a safety training program and training schedule.	April 2003
6.	The assistant superintendent of Business and Finance directs all staff attend safety training.	May 2003
7.	Principals conduct safety meetings in each department and at each school.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

1995-96 through 2000-01



Source: TASB, KISD Workers' Compensation Program Accident Analysis Report as of January 31, 2002.

In 2001-02, KISD paid more than \$225,000 in worker's compensation premiums to TASB. Premium costs are related to claims history. Although the number of claims has dropped, there is a definite pattern in the claims experience related to the worker class. There is a high percentage of the total claims being made by the professional/administrative/clerical worker class, a class that is not usually the highly at risk worker group for on-the-job injuries. The district's Third Party Administrator (TPA) could focus on this trend and determine that the district is not doing enough to limit these kinds of accidents and decide to increase premiums. An increase in premiums would add to the district's already strained cash resources and would have to be paid for out of the declining general fund balance.

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basic provisions of the district's accident prevention policy. CCISD's policy takes every reasonable precaution for the safety of the students, employees, visitors and any other individual having business with the district by promoting and developing an aggressive prevention and safety education program. The policy contains provisions for employee responsibilities, employee safety orientation, accident training, department inspections, staff meetings, facility rules, discipline procedures, accident reporting and action requirements, insurance coverages, accident inspection requirements and general safety rules. Since the implementation of the program, CCISD has been able to reduce workers' compensation payments by 89.3 percent.

Many school districts have established safety committees and have regular meetings at every school to evaluate their school's individual safety initiatives and safety records. These districts assign a safety monitor to each school who act as the contact point for all issues involving the safety of students and staff.

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A safety committee composed of the safety monitors, the assistant superintendent of Business and Finance and the PEIMS/Insurance coordinator should also be established and meet quarterly. This committee should review all accidents and determine any changes necessary to ensure similar accidents do not reoccur. Annual safety training should be mandatory for all district employees. Members of the safety committee could provide training to staff in rotation.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent and PEIMS/Insurance coordinator develop a safety program and create a section on employee safety for the existing school and department employee handbooks.	December 2002
2.	The sunerintendent reviews the safetv progrm. makes anv	Februaru

	necessary revisions and distributes to staff.	2003
3.	The school administrators and department heads appoint a safety monitor from their staff.	March 2003
4.	The safety committee meets and establishes a committee charter.	March 2003
5.	The safety committee develops a safety training program and training schedule.	April 2003
6.	The assistant superintendent of Business and Finance directs all staff attend safety training.	May 2003
7.	Principals conduct safety meetings in each department and at each school.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5

ASSET AND RISK MANAGEMENT

C. FIXED ASSETS

Fixed asset management should account for district property efficiently and accurately while safeguarding it against theft and obsolescence. Fixed assets are items acquired for use in operations that generally are not for resale and have an estimated useful life of at least one year. Examples include land, buildings, machinery, computer and office equipment and furniture.

Effective September 1, 2001, school districts are required to depreciate their assets due to the issuance of Governmental Accounting Standards Board (GASB) Statement 34. GASB issues accounting and financial reporting rules for state and local governments throughout the United States. GASB Statement 34, issued in June 1999, requires capital assets with the exception of land and land improvement be reported in the financial statements net of depreciation. The new GASB 34 statement requires that assets be depreciated each accounting period. Depreciation is a periodic expense recognized on the accounting records of an organization, which aims to distribute the cost of tangible capital assets, less salvage value (if any), over the estimated useful life of the asset. To properly estimate this expense, the asset's useful life must be determined. This means that government entities must maintain fixed asset systems that will calculate and account for asset depreciation amounts based on the estimated life of the asset. Prior to the issuance of GASB 34, governments expensed all their assets at the time of acquisition, rather than recognizing a portion of expense each accounting period during the asset's useful life.

The most important purposes for keeping and maintaining accurate accounting records of fixed assets are:

- Properly kept fixed asset records furnish taxpayers with information about their investments in the district, in contrast to expenditures, for operations;
- Fixed asset records provide the basis for adequate insurance coverage;
- Systematic physical inventories of fixed assets allow the district to survey the physical condition of its assets and assess the need for repair, maintenance or replacement;
- Periodic inventories establish a system of accountability for custody of individual items;

- for budgeting purposes, reliable information about fixed assets now owned can provide Material assistance in determining future requirements; and
- Periodic inventories identify lost or stolen items so that insurance claims can be filed, additional controls instituted and accounting records adjusted to reflect the losses.

TSPR has found that the most successful districts perform the following fixed asset functions:

- Tagging of all valued assets when they are received using a bar code system;
- Using accounting codes to track capitalized fixed assets as well as expensed assets;
- Inventorying all assets annually;
- Using the annual inventory results to set insurance rates; and
- Identifying inventory shrinkage and tightening controls when necessary.

TEA defines fixed assets as purchased or donated items that are tangible in nature; have a useful life longer than one year; have a unit value of \$5,000 or more; and may be reasonably identified and controlled through a physical inventory system. TEA's Financial Accountability System Resource Guide (FASRG) requires assets costing \$5,000 or more to be recorded in the Fixed-Asset Group of Accounts. Items costing less than \$5,000 are recorded as an operating expense of the appropriate fund under TEA guidelines.

KISD classifies fixed asset items in accordance with the FASRG guidelines under CFB (Local). Items valued at \$5,000 or more with a useful life of one or more years are considered capital outlay and are subject to the accounting rules and regulations as promulgated by the FASRG.

Sensitive items valued between \$500 and \$4,999 with a useful life of one or more years are considered capital outlay and are subject to the accounting rules and regulations as promulgated by the FASRG. Sensitive items are typically computer and electronic equipment.

All items valued at \$500 or more are to be electronically inventoried using bar-coding labels and readers. Items valued between \$100 and \$499 with a useful life of one or more years are marked with an ownership label, not a bar code and may be purchased with non-capital outlay budgets.

Exhibit 5-8 shows a summary of KISD's fixed assets.

Exhibit 5-8
KISD Fixed Assets
As of August 31, 2001

Description	Balance 09/1/00	Additions	Deletions	Balance 8/31/01	08/31/01 Balance as a Percent of Total
Land	\$2,892,856	\$0	\$0	\$2,892,856	6.1%
Buildings	\$31,453,737	\$20,946	\$0	\$31,474,683	65.9%
Furniture & Equipment	\$2,740,940	\$68,520	\$0	\$2,809,460	5.9%
Vehicles	\$907,477	\$0	\$0	\$907,477	1.9%
Construction in Progress	\$685,496	\$8,996,128	\$0	\$9,681,534	20.3%
Total	\$38,680,506	\$9,085,594	\$0	\$47,766,010	100.0%

Source: Note E, Notes to Financial Statement, KISD Audited Financial Statement for the period ending August 31, 2001.

The district had total fixed assets of \$47.8 million as of August 31, 2001. Of that total, 65.9 percent is comprised of buildings and 20.3 percent for construction in process.

FINDING

KISD's fixed asset function does not assign individual accountability for fixed assets. Principals and department heads are not specifically assigned the responsibility for the custody and safekeeping of the district's fixed assets. In the fall of 2001, the district entered into a contract with Valuation Advisory Group, Inc. (VAG) to ensure every individual item was tagged appropriately in accordance with the local policy and to inventory and record the district's fixed assets within the following asset classifications:

- Audiovisual equipment;
- Computer equipment;
- Furniture and equipment;
- Food service equipment; and
- Vehicles.

The property record submitted by VAG has provided the district with a good start on effectively tracking its fixed assets. However, none of the school administrators or department heads was notified as to whether any items under their custody came up missing. No follow-up was provided by the Finance Department.

In Hillsborough County Florida, the district has instituted strong asset control measures. The principal of every school receives an asset listing at the beginning of the year. At the end of the year, a physical inventory is taken and the results are compared to the asset listing from the beginning of the year. If there are any items missing, the proper paperwork should have been filed. This paperwork includes either a transfer form indicating that the asset has been transferred to another site or a Property Loss/Damage Report (PDR). The PDR requires the following information:

- Site number;
- Date discovered missing;
- Name of facility reporting loss;
- Type of loss (vandalism, fire, storm, theft/burglary, theft/missing, disappearance, money, or other);
- Name of principal or site supervisor;
- Sender;
- Date;
- Title of sender; and
- Schedule of school district owned items involved.

If the proper paperwork is not filed for any missing assets, the principals are held accountable for replacing the items. Often this entails having to use the already limited school dollars to fund the replacement of these items. In addition, the district awards schools and departments with zero exceptions to their existing inventory by recognizing the principals and/or department heads during a public board meeting. By assigning the responsibility directly to the custodian of the assets and providing an incentive to effectively track its assets, the district has been able to significantly reduce the number of missing items.

Recommendation 28:

Assign individual accountability for fixed asset custody to principals and department heads.

KISD should ensure the protection of district assets by including the assignment of responsibility for fixed assets to principals and department heads in district fixed asset policy, and by holding these individuals accountable for the assets in their custody.

Principals or department heads should be able to assign actual asset tracking functions to another individual under their supervision, but ultimately they will be held accountable. The district should enforce the policy by assigning assets from a master list to each school at the beginning of the year. If any item from the signed list is missing without documentation of sale, donation or obsolescence, the assistant superintendent of Business and Finance deducts the asset value from the next year's budget request for that school.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance, Purchasing supervisor and staff accountant meet with the principals to present accounting procedures and provide them with the current asset listing for their school.	September 2002
2.	Each principal reviews their property inventory of all fixed assets located in their school.	October - December 2002
3.	The principals and department heads conduct a physical inventory at the end of the school year.	May 2003 and Annually
4.	The assistant superintendent of Business and Finance compares the inventory counts conducted at each school to the master list of fixed assets and holds principals and department heads accountable.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6

FINANCIAL MANAGEMENT

This chapter examines the Kerrville Independent School District's (KISD's) financial management in the following six sections:

- A. Fiscal Operations
- B. Payroll Processing
- C. Budgeting
- D. Fund Balance
- E. Tax Collections
- F. External and Internal Audit

Effective financial management in school districts involves planning, budgeting and overall management of the district's resources to maximize financial performance. A district must establish solid relationships with employees, vendors, funding agencies and the local community.

Financial management is most effective when the district directs its financial resources toward meeting its stated goals and objectives. Internal controls must be in place and operating as intended. Financial information should be provided in a timely manner and presented in a format that is easily understood by board members, community members and staff.

BACKGROUND

School districts must manage their finances in a highly regulated environment, which includes numerous requirements established by federal and state laws, rules and regulations. The Texas Education Agency's (TEA's) *Financial Accountability System Resource Guide* (FASRG) outlines the accounting and reporting requirements placed on Texas school districts. Internally developed policies and procedures, generally accepted accounting principles and guidelines set by the Governmental Accounting Standards Board (GASB) also affect school districts' financial management activities.

The state's funding contribution to public education is allocated through a system of statutory formulas known as the Foundation School Program (FSP). According to the Texas Education Code, the FSP is designed to "provide substantially equal access to similar revenue per student at a similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences." To compensate for wide variations in local property wealth among school districts, the state allocates funding to districts in inverse relation to their property wealth.

The FSP consists of three components or "tiers": Tier I, Tier II and Tier III. These three tiers provide state aid to supplement local property taxes and limit the total amount of local funding per student that some districts can spend on education.

Tier I "foundation" funding ensures that each district can provide its students with a basic instructional program. The state bases Tier I allotments on student attendance, as measured by weighted average daily attendance (WADA). WADA provides additional "weight" or funding for special-needs students participating in programs such as special education, compensatory education, bilingual education and gifted and talented programs. Tier I formula funding also provides some support for school transportation services. The state adjusts Tier I allotments for individual districts' property tax bases. Therefore, a district's property wealth factors significantly into the state funding formula. A district that cannot generate local revenue equivalent to the entire Tier I allotment receives state aid to make up the difference.

Tier II funding, also known as the "guaranteed yield" program, is designed to provide additional funding beyond the basic Tier I program. District property wealth determines the amount of state aid received in Tier II. For districts with property wealth of less than \$258,100 per weighted student in 2001-02, the state will provide Tier II funding to bring them up to that level. Chapter 41 of the Texas Education Code requires districts with property wealth above \$300,000 per weighted student to transfer any local revenue exceeding that amount to the state, for redistribution to "property-poor" districts. "Gap" districts, those with property wealth at or above \$258,100 but below \$300,000 per weighted student, will generate the Tier II funding level entirely with local funds and will receive no Tier II state funding, but can retain all of the local funds they collect. Tier II funds can be used for any legal purpose other than capital outlays for equipment, building or renovations or debt service interest payments.

The 76th Legislature added a new component, Tier III funding, to the education funding formula. Tier III funds provide partial state funding for debt service requirements on bonds previously issued by local school districts.

The Texas Constitution authorizes local governments, including school districts, to levy property taxes. School property taxes represent nearly 60 percent of all property taxes levied in the state. School districts levy two categories of property taxes: maintenance and operations (M&O) and interest and sinking (I&S). Districts use M&O taxes to cover routine operating costs and I&S taxes to pay debt service for financing building programs.

KISD receives revenue from local, state and federal sources. **Exhibit 6-1** summarizes the district's budgeted revenue breakdown from 1997-98 through 2001-02. During this period, total revenues rose by 2.2 percent. Local revenues increased by 20.6 percent. Both state and federal revenues decreased during the period, by 18.9 percent and 93.6 percent, respectively. Federal funding made up less than 0.2 percent of the district's total revenue.

Exhibit 6-1
KISD Total Budgeted Revenue by Source
1997-98 through 2001-02

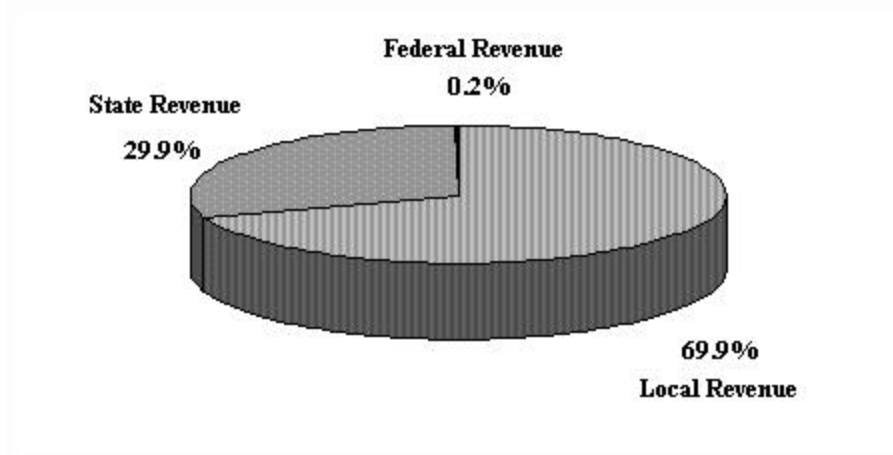
Revenue Source	1997-98	1998-99	1999-2000	2000-01	2001-02	Percent Change
Local and Intermediate	\$14,440,871	\$16,390,259	\$15,221,517	\$16,602,390	\$17,409,436	20.6%
State	9,173,415	6,477,397	7,949,928	6,726,000	7,436,627	(18.9%)
Federal	748,928	694,150	715,491	0	48,155	(93.6%)
Total	\$24,363,214	\$23,561,806	\$23,886,936	\$23,328,390	\$24,894,218	2.2%

Source: Texas Education Agency (TEA), Academic Excellence Indicator System (AEIS), 1997-98 through 2000-01 and Public Education Information Management System (PEIMS), 2001-02.

Texas school districts receive an average of 53.1 percent of their revenues from local property taxes, 43.6 percent from the state and 3.4 percent from federal sources. KISD receives the majority of its revenue, 69.9 percent, from local sources. **Exhibit 6-2** illustrates budgeted revenue by source for the district in 2001-02.

Exhibit 6-2
KISD Budgeted Revenue Sources
as a Percentage of Total Revenues

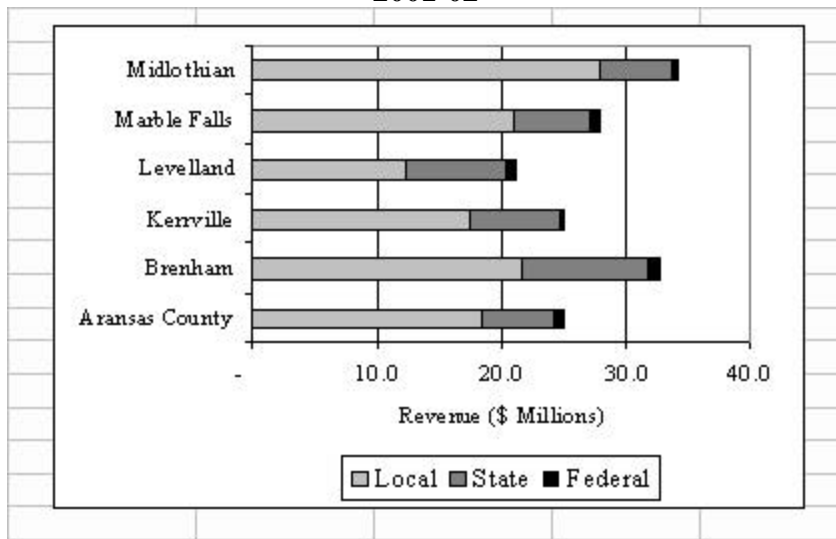
2001-02



Source: TEA, PEIMS, 2001-02.

Each of the peer districts mirrors KISD in that local sources provide the majority of their revenue. With the exception of Midlothian ISD, all of the peers are in line with the state average federal funding at between 2 to 3 percent of total revenues. KISD is significantly below the state average and is a full percentage point behind its closest peer, Midlothian, in the level of federal funding it receives. The federal revenues reported in PEIMS reflect the federal funds reported in the general operating fund. **Exhibit 6-3** illustrates the breakdown of 2001-02 budgeted revenue sources for KISD and each peer district.

Exhibit 6-3
Budgeted Revenue Sources
KISD and Peer District Comparison
2001-02



Source: TEA, PEIMS, 2001-02.

Between 1997-98 and 2001-02, the peer group, with the exception of Levelland, has seen significantly higher revenue growth than KISD, as shown in **Exhibit 6-4**. The average peer district growth in budgeted revenues from 1997-98 through 2001-02 has been 29.6 percent. KISD, at 2.2 percent, falls substantially below the peer group's average.

Exhibit 6-4
Peer District Comparison of Budgeted Revenue Growth
1997-98 through 2001-02

District	1997-98	1998-99	1999-2000	2000-01	2001-02	Percent Change
Kerrville	\$24,363,214	\$23,561,806	\$23,886,936	\$23,328,390	\$24,894,218	2.2%
Levelland	\$20,887,211	\$17,790,311	\$18,285,880	\$19,448,067	\$21,175,500	1.4%
Brenham	\$26,734,484	\$27,212,522	\$29,122,193	\$30,601,760	\$32,775,385	22.6%
Aransas County	\$19,312,716	\$21,976,248	\$23,382,259	\$25,072,366	\$24,974,395	29.3%
Marble Falls	\$20,343,856	\$21,723,712	\$24,215,581	\$24,797,818	\$27,830,895	36.8%
Midlothian	\$21,470,436	\$24,029,901	\$27,538,772	\$30,583,346	\$34,219,391	59.4%
Peer Average*	\$21,749,741	\$22,546,539	\$24,508,937	\$26,100,671	\$28,195,113	29.6%

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

*The peer average does not include Kerrville.

The state sends a proportional amount of revenue to each district based on a district's property values. Districts with greater property wealth per pupil receive less from the state because they generate more property taxes, while districts with lower property value per pupil receive more from the state.

Exhibit 6-5 compares the property value per pupil for KISD and its peer districts from 1997-98 through 2000-01. The property value per student reported by KISD and its peer districts was higher than the state average for the entire five-year period, with the exception of Levelland in 1999-2000. KISD's property value per student was 9.1 percent higher than the state average in 2000-01.

Exhibit 6-5
Property Value per Pupil
KISD, Peer Districts and State
1997-98 through 2000-01

District	1997-98	1998-99	1999-2000	2000-01	Percent Change
Levelland	\$243,497	\$217,746	\$183,715	\$215,567	(11.5%)
Kerrville	\$216,292	\$214,976	\$238,190	\$234,748	8.5%
Brenham	\$202,312	\$212,917	\$221,750	\$243,676	20.4%
Marble Falls	\$227,828	\$222,995	\$251,694	\$275,008	20.7%
Aransas County	\$214,820	\$232,230	\$245,696	\$279,177	30.0%
Midlothian	\$215,674	\$228,192	\$239,528	\$297,222	37.8%
State Average	\$182,154	\$190,769	\$198,090	\$215,232	18.2%

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

Enrollment in KISD remained relatively flat between 1997-98 and 2001-02. **Exhibit 6-6** presents the enrollment trends from 1997-98 through 2001-02 for KISD and its peer districts. KISD and three peer districts have experienced declining enrollment. Only Marble Falls and Midlothian had increased enrollment during the period.

Exhibit 6-6
Enrollment Trends
KISD and Peer Districts
1997-98 through 2001-02

District	1997-1998	1998-99	1999-2000	2000-01	2001-02	Percent Change
Aransas County	3,530	3,438	3,480	3,360	3,337	(5.5%)
Brenham	4,954	4,778	4,697	4,703	4,713	(4.9%)
Kerrville	4,712	4,805	4,727	4,662	4,689	(0.1%)
Levelland	3,451	3,392	3,196	2,994	3,024	(12.3%)
Marble Falls	3,371	3,529	3,452	3,597	3,648	8.2%
Midlothian	3,822	4,061	3,590	3,705	3,987	4.3%

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

As KISD's enrollment dropped, the number of staff increased. In 2001-02, the teacher-student ratio was 1:14.8, up slightly from 1:14 in 2000-01. The district's total staff-student ratio was 7.3:1 in 2001-02, up from 7.1:1 in 2000-01.

Exhibit 6-7 illustrates KISD's operating expenditures by activity. Instruction includes teacher salaries and all activities dealing directly with interaction between teachers and students, including computer-assisted instruction. The amount of funds devoted to instruction in KISD increased 13.9 percent during the five-year period from 1997-98 through 2001-02. Throughout this five-year period, at least 62.4 cents of every dollar budgeted for operating costs was allocated for instruction. The state average is about 52 cents of every dollar.

The largest increase in budgeted operating expenditures was in student transportation, which increased 46.1 percent. Food-service expenditures fell slightly by 0.2 percent. Co-curricular and extracurricular expenditures decreased by 11.9 percent. Plant maintenance and operating expenditures increased slightly during the period, by 3.8 percent. Security and monitoring expenditures have doubled but still remain low at approximately \$5,000 for 2001-02. The district did not budget data processing expenditures in 1997-98 and 1998-99. In 2001-02, data processing comprised 1.4 percent of the total budgeted operating expenditures. Over the past five years the total budgeted operating expenditures increased by 15.2 percent. Per student operating expenditures increased by 15.8 percent, while enrollment decreased 0.5 percent.

Exhibit 6-7
KISD Budgeted Operating Expenditures by Function
1997-98 through 2001-02

Function	1997-98	1998-99	1999-2000	2000-01	2001-02	Percent Change Over 5 Years
Instruction	\$13,805,451	\$13,881,152	\$15,396,936	\$15,978,700	\$15,725,210	13.9%
School Leadership	\$961,612	\$953,116	\$1,091,526	\$1,223,865	\$1,261,877	31.2%
Support Services Students	\$910,285	\$1,038,962	\$1,110,410	\$1,150,000	\$1,100,869	20.9%
Student Transportation	\$504,421	\$522,929	\$430,862	\$635,325	\$736,997	46.1%

Food Services	\$1,178,935	\$1,654,405	\$1,135,729	\$1,152,591	\$1,176,826	(0.2%)
Co-curricular/ Extracurricular	\$722,356	\$442,956	\$536,406	\$445,946	\$636,616	(11.9%)
Central Administration	\$1,233,853	\$1,270,946	\$1,013,476	\$1,016,165	\$1,549,316	25.6%
Plant Maintenance and Operations	\$2,494,387	\$2,483,324	\$2,283,850	\$2,264,232	\$2,588,485	3.8%
Security and Monitoring	\$2,725	\$2,725	\$5,050	\$3,400	\$5,500	101.8%
Data Processing Services	\$0	\$0	\$115,500	\$78,525	\$344,331	N/A
Total	\$21,814,025	\$22,250,515	\$23,119,745	\$23,948,749	\$25,126,027	15.2%
Student Enrollment	4,712	4,805	4,727	4,662	4,689	(0.5%)
Total Operating Expenditures Per Student	\$4,629	\$4,631	\$4,891	\$5,137	\$5,359	15.8%

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

Exhibit 6-8 compares the district's total budgeted operating expenditures to those of its peer districts. KISD and Midlothian ISD lead the peer group in the percentage of operating dollars allocated to instruction, at 62.6 percent each. Instructional expenditures statewide represent approximately 52 percent of total expenditures. The district allocates the highest percentage of total operating expenditures to central administration when compared against its peers. KISD's student transportation and extracurricular expenditures are the lowest when compared against its peers. The district is comparable to its peer group in all other categories of operating expenditures.

Exhibit 6-8
Total Budgeted Operating Expenditures by Function
KISD and Peer Districts
2001-02

Function	Kerrville	Aransas	Brenham	Levelland	Marhle	Midlothian
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		County			Falls	
Instruction	62.6%	55.1%	61.4%	60.9%	58.3%	62.6%
School Leadership	5.0%	6.0%	5.3%	4.7%	5.3%	6.7%
Support Services - Students	4.4%	5.2%	4.3%	3.4%	5.0%	5.0%
Student Transportation	2.9%	4.5%	3.8%	4.1%	4.0%	2.7%
Food Services	4.7%	5.8%	6.5%	5.2%	5.5%	4.2%
Co-curricular/ Extracurricular Activities	2.5%	3.2%	3.2%	4.3%	3.6%	3.4%
Central Administration	6.2%	4.5%	3.8%	4.8%	5.0%	3.9%
Plant Maintenance and Operations	10.3%	14.2%	10.7%	10.2%	11.5%	9.5%
Security and Monitoring Services	0.0%	0.7%	0.2%	0.2%	0.0%	0.1%
Data Processing Services	1.4%	0.8%	0.7%	2.2%	1.6%	1.9%

Source: TEA, PEIMS, 2001-02.

Note: Totals may not add to 100 because of rounding.

Payroll costs comprise the largest percentage of expenditures for any school district, generally between 75 and 85 percent of a district's total expenditures each year. In 2001-02, KISD budgeted 82.5 percent of its total expenditures for payroll.

Exhibit 6-9 compares the district's total budgeted expenditures, by object for 1997-98 through 2001-02. The budgeted payroll increased substantially between 1998-99 and 1999-2000. These budgeted amounts continued to increase in 2000-01 and decreased slightly in the 2001-02 budget, although they remained above the 1999-2000 level. The district's

budgeted payroll costs increased 12.3 percent during the five-year period of 1997-98 through 2001-02. Professional and contracted services increased 19.8 percent. Budgeted supplies and materials decreased 49.6 percent. Other operating costs, including travel and miscellaneous expenditures, increased 95.6 percent.

Non-operating expenditures include those expenditures dedicated to facilities acquisition and construction, capital outlay and debt service. According to PEIMS data, non-operating expenditures have decreased 84.1 percent from since 1997-98 to 2001-02. However, between 1997-98 and 1999-2000, the district's debt service averaged 2.6 percent of the district's total expenditures.

Total budgeted expenditures decreased by 2.8 percent between 1997-98 and 2001-02. This decrease is primarily the result of the decrease in non-operating expenditures. Operating expenditures continued to increase during the same period.

Exhibit 6-9
KISD Total Budgeted Expenditures by Object
1997-98 through 2001-02

	1997-98		1998-99		1999-2000		2000-01		2001-02	
Payroll Costs	\$17,752,678	71.4%	\$18,198,735	71.4%	\$19,606,229	81.0%	\$20,903,549	85.5%	\$19,936,631	82.5%
Professional and Contracted Services	\$1,674,375	6.7%	\$1,983,666	7.8%	\$1,721,131	7.1%	\$1,731,395	7.1%	\$2,005,140	8.3%
Supplies & Materials	\$2,183,969	8.8%	\$1,865,240	7.3%	\$1,634,188	6.8%	\$1,263,396	5.2%	\$1,100,376	4.6%
Other Operating Costs	\$338,441	1.4%	\$363,552	1.4%	\$375,258	1.5%	\$261,770	1.1%	\$662,083	2.7%
Total Operating Expenditures	\$21,949,463	88.3%	\$22,411,193	87.9%	\$23,336,806	96.4%	\$24,160,110	98.9%	\$23,704,230	98.1%
Debt Service	\$2,326,000	9.4%	\$2,246,303	8.8%	\$355,000	1.4%	\$240,000	1.0%	\$232,000	1.0%
Capital Outlay	\$576,555	2.3%	\$830,357	3.3%	\$525,591	2.2%	\$36,000	0.1%	\$228,742	0.9%
Total Non-Operating Expenditures	\$2,902,555	11.7%	\$3,076,660	12.1%	\$880,591	3.6%	\$276,000	1.1%	\$460,742	1.9%
Total Expenditures	\$24,852,018	100%	\$25,487,853	100%	\$24,217,397	100%	\$24,436,110	100%	\$24,164,972	100%

Source: TEA, PEIMS, 1997-98 through 2001-02.

The actual expenditures reported for 2000-01 reflect different results than the budgeted numbers. **Exhibit 6-10** compares actual KISD expenditures, by object, against the same expenditures of the peer districts. Operating expenditures comprised 67 percent of KISD's total annual expenditures, which was relatively low compared with its peers. Payroll costs comprised 56.2 percent of KISD's actual expenditures for the year. Only Midlothian ISD has lower payroll costs than KISD. Non-operating expenditures comprised 33 percent of the district's total expenditures for 2000-01. This level of spending for non-operating expenditures was the second highest of the peer group.

Exhibit 6-10
Comparison of Actual Expenditure by Object
KISD and Peer Districts
2001-02

	Kerrville		Aransas County		Brenham		Levelland		Marble Falls		Midlothian	
Payroll Costs	\$23,926,950	56.2%	\$19,969,885	71.1%	\$22,597,963	67.1%	\$17,703,452	66.4%	\$17,514,128	62.4%	\$20,146,341	41.9%
Professional and Contracted Services	1,818,521	4.3%	2,064,846	7.4%	4,317,236	12.8%	1,759,972	6.6%	4,657,921	16.6%	\$2,647,456	5.5%
Supplies and Materials	2,258,385	5.3%	1,789,570	6.4%	2,355,010	7.0%	1,715,368	6.4%	2,023,439	7.2%	\$2,538,148	5.3%
Other Operating Costs	490,295	1.2%	\$690,220	2.5%	646,272	1.9%	664,816	2.5%	336,864	1.2%	\$430,871	0.9%
Total Operating Expenditures	\$28,494,151	67.0%	\$24,514,521	87.4%	\$29,916,481	88.8%	\$21,843,608	81.9%	\$24,532,352	87.4%	\$25,762,816	53.6%
Debt Service	\$4,777,879	11.2%	\$1,370,052	4.9%	\$2,168,863	6.4%	\$70,000	0.3%	\$2,660,997	9.5%	\$5,137,533	10.7%
Capital Outlay	9,279,609	21.8%	2,206,900	7.9%	\$1,577,028	4.7%	4,750,469	17.8%	869,672	3.1%	\$17,137,519	35.7%
Total Non-Operating Expenditures	\$14,057,488	33.0%	\$3,576,952	12.8%	\$3,745,891	11.1%	\$4,820,469	18.1%	\$3,530,669	12.6%	\$22,275,052	46.4%
Total Expenditures	\$42,551,639	100%	\$28,091,473	100%	\$33,662,372	100%	\$24,217,397	100%	\$28,063,021	100%	\$48,037,868	100%

Source: TEA, PEIMS, 2001-02.

Chapter 6

FINANCIAL MANAGEMENT

A. FISCAL OPERATIONS

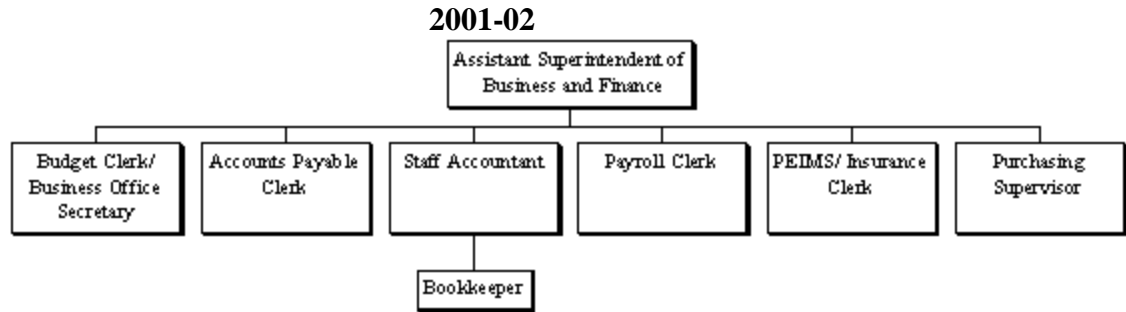
School district financial managers collect, analyze and provide information to district decision makers including board members, central administrators, department supervisors and school administrators. Successful fiscal operations require qualified personnel with an adequate separation of duties; an accounting system that provides timely and useful information on which to base operating decisions; and comprehensive policies and procedures that ensure proper management of the district's fiscal resources.

A district's fiscal operations include the collection, disbursement and accounting of local, state and federal funds. An effective fiscal operation institutes detailed policies and internal controls for processing the district's daily business transactions efficiently while providing accurate, complete and timely information to the administration and board, facilitating effective decision-making.

The assistant superintendent of Business and Finance oversees the finance and accounting function at KISD under the superintendent's direct supervision. The assistant superintendent of Business and Finance has been with the district since July 1998 and is responsible for the daily management of the district's financial resources and for preparing and monitoring the district's budget. This position is responsible for a number of departments in the district including Finance, Child Nutrition, Transportation, Tax and Maintenance. The Finance Department is responsible for accounts payable, budget planning, PEIMS/insurance, finance, payroll and purchasing.

Exhibit 6-11 displays the organization chart for the Finance Department at KISD.

Exhibit 6-11 **KISD Finance Department**



Source: KISD Finance Department, 2002.

The district uses the EDP accounting system to maintain its accounting records. This is a menu-driven accounting system and includes the key modules necessary to track the district's critical financial components. It contains the following modules: accounts payable; accounts receivable; budget control; general ledger maintenance; payroll processing and purchasing.

FINDING

The general ledger and bookkeeping staff have been with the district for less than one year and do not have prior school finance experience. In the fall of 2001, the district instituted a hiring freeze as a means of containing costs. Unfortunately the bookkeeper position became vacant early in September 2001. The assistant superintendent of Business and Finance identified that this was a crucial position that needed to be filled. In fact, the original position was split into two positions, the staff accountant and the bookkeeper. The staff accountant joined the district in December 2001 and the bookkeeper came in January 2002. However, during the period that this position was vacant, bookkeeping and a number of finance duties were left unattended. Although the district has established a quality instructional program, it has not achieved the same success in the accounting and finance areas.

The bookkeeper, hired in January 2002, did not have school district bookkeeping experience before joining the district. This position is responsible for the bank reconciliations; daily cash balance maintenance for the assistant superintendent of Business and Finance; general ledger entry and support duties for the newly hired staff accountant. The district maintains seven bank accounts that must be reconciled each month. When the bookkeeper started at the district, none of the bank statements for any of the accounts had been reconciled for several months. The bookkeeper has been able to reconcile all of the accounts through March 2002, the month the review team was in the district, however adjustments for the outstanding reconciliation items that occurred as far back as September 2001 in the general operating account have not been made. These items

were being researched at the time the review team was onsite and have since been identified. However, the necessary training has not been provided that would direct the bookkeeper to effectively clear these reconciliation items.

The district hired a degreed accountant to fill the newly created staff accountant position in October 2001. However, this individual also did not have school finance experience before being hired by the district. This position is responsible for reconciling the general ledger, supervising the bookkeeper, preparing financial statements and maintaining the special revenue accounts. The position is new and the duties and responsibilities are evolving on a daily basis. Eventually, the staff accountant will assume a number of daily responsibilities that have been performed by the assistant superintendent of Business and Finance. The staff accountant and the bookkeeper face a tremendous learning curve. There is no doubt that these two positions are critical to the successful operations of the Finance Department. Without adequate training, the district's accounting and general ledger functions will be adversely affected. These duties in turn affect the financial statements generated. It should be noted that both the staff accountant and the bookkeeper have made admirable strides in performing their duties given the lack of school finance training and prior experience.

Most school districts, similar in size to KISD, have at least one accountant on staff, in addition to an assistant superintendent of Business and Finance, that is knowledgeable about the accounting procedures and standards required for school district accounting. This level of expertise helps ensure that a district complies with generally accepted accounting practices (GAAP). This position usually oversees the accounts payable, accounts receivable and general ledger functions in the district.

TASBO provides a number of workshops during its fall and spring conferences that relate directly to school finance. These conferences offer the perfect opportunity to interact with employees from other districts who may face the same challenges and issues. In addition, TASBO enlists the top experts in their fields to teach the workshops.

The Finance department's budget includes an allowance for staff development. The current policy is to send staff to the TASBO conferences based on seniority. It is important to base the decision on which staff members would benefit the most and provide the most benefit to the district from attending the workshops. Currently, the staff accountant and bookkeeper have the most critical need for the training.

Recommendation 29:

Provide Texas Association of School Business Officials training for the district's staff accountant and bookkeeper.

The assistant superintendent of Business and Finance should prioritize existing staff development budget dollars to provide the training needed for the staff accountant and bookkeeper.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The staff accountant and bookkeeper initiate a request to attend the next TASBO training conference.	September 2002
2.	The assistant superintendent of Business and Finance approves the training for the staff accountant and the bookkeeper.	September 2002
3.	The staff accountant and the bookkeeper register for the training conference.	October 2002
4.	The staff accountant and the bookkeeper attend the training conference and actively network with other district staff and build support relationships with their peers.	October 2002
5.	The assistant superintendent of Business and Finance ensures that the staff accountant and bookkeeper attend necessary training.	November 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district lacks basic accounting procedures for its special revenue funds, which are funds that are legally restricted to expenditures for specified purposes such as federal grants, to ensure they are properly administered. The district also does not prepare monthly reports to enable management personnel to properly monitor the funds' activity. The external auditors repeatedly commented on this deficiency in their management letters included in KISD's 1997-98 through 2000-01 audits. A management letter supplements the audit and contains recommendations from the auditor for constructive improvement. The district has not requested special revenue funds from the grant source in a timely manner and has not properly recorded expenditures that were directly related to a federal program. This required \$132,358 in general operating funds to be used in 2000-01 to pay costs that might otherwise have been paid with federal dollars.

Additional issues concern the delay in filing quarterly and final expenditure reports for federal programs. In 1998-99, the district did not request \$376,000 of that year's federal grant funds from the grantor. Again in 1999-2000, the district failed to request more than \$300,000 from grantors. In the 2000-01 audit, the auditors noted that none of the special revenue funds had been reconciled; several of the expenditure reports had been filed incorrectly by not including all of the costs charged to the general fund; and some of the reports that were entitled to indirect costs had not been claimed. The auditor's management letter states that by the time these errors were discovered it was too late to amend the report; consequently, the district had to absorb the federal program expenditures and pay for them with general operating funds. The auditors also noted that some programs that were entitled to indirect costs had not claimed the cost for reimbursement which means lost revenues to the general fund for administering these programs. According to the business manager, the error made was in not amending the final expenditure report prior to the last day to amend the reports. He indicated this was appropriately discussed at the board level as one major item that reduced the fund balance for that year.

Grant monies are guaranteed for a certain period of time, usually 12 months. If reports are not filed properly and funds not spent in compliance with grant provisions, the grantor is under no obligation to continue funding or to remit payment for items not reported. It is important to maintain adequate controls over all grant funds and ensure that the records are properly tracked and reports filed on schedule.

The former bookkeeper was responsible for reconciling and monitoring the special revenue accounts. The staff accountant has now assumed responsibility for maintaining these special revenue accounts and is creating a tickler file that will alert her to approaching critical reporting deadlines. However, no procedures have been developed to ensure that the special revenue funds are monitored on a monthly basis and reconciled to the expenditure reports on a quarterly basis.

Recommendation 30:

Develop procedures and require monthly reports for special revenue funds to enable the district to receive all allowable grant funds.

The procedures should require monthly reports for all special revenue fund activity to be monitored by the staff accountant, for expenditures to be reconciled and expenditure reports to funding agencies to be remitted timely. At a minimum, the procedures should follow these basic guidelines:

- The staff accountant should meet with each grant's program director to identify any unique grant requirements. If it is a new grant, this should occur as the grant proposal is developed and before it is submitted;
- The staff accountant and/or bookkeeper should create a separate file folder for each grant containing: a copy of the grant proposal; the grant award; a calendar of reporting deadlines; a summary of receipts by fiscal year and necessary copies of checks or wire notification; a summary of expenditures by fiscal year and necessary copies of invoices; reconciliation reports of all expenditures; and copies of all reports filed for the grant, sorted by fiscal year.
- Once a new grant has been approved, the grant program director should deliver the grant award documents to the staff accountant, while maintaining a copy; and
- The staff accountant should create an electronic tickler file that can be integrated into a calendar file that is reviewed each business morning to remind staff when deadlines are approaching. The tickler file should provide adequate time for the grant program director to provide additional data, if required without jeopardizing the reporting deadline.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance and the staff accountant meet to determine what procedures should be established to best meet KISD's requirements.	September 2002
2.	The staff accountant tabulates the outstanding grants awarded to the district sorted by effective dates.	October 2002
3.	The staff accountant prepares file folders that correspond to the tabulated grant listing.	October 2002
4.	The staff accountant meets with grant program directors to become familiar with each grant and its associated requirements.	October - November 2002
5.	The staff accountant writes the procedure manual for maintaining the district's special revenue accounts and provides a copy to each grant program director.	December 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6

FINANCIAL MANAGEMENT

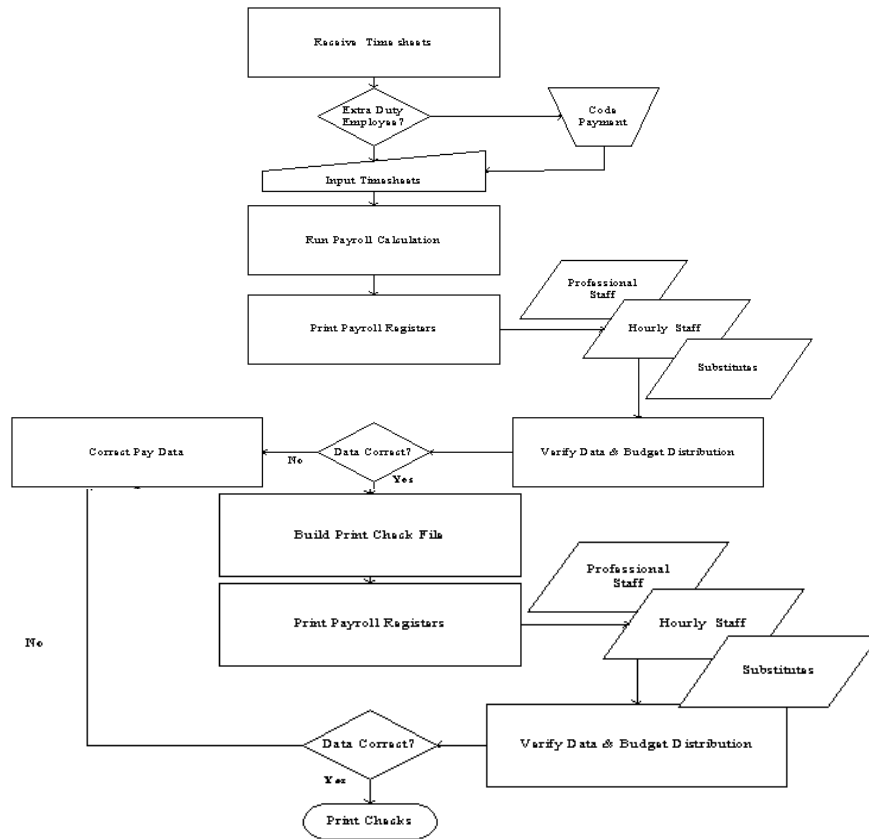
B. PAYROLL PROCESSING

School districts require accurate and detailed payroll accounting to ensure that employees are paid for their services correctly and on time. Payroll is one of the district's most visible responsibilities. When an error occurs with an employee's check, it quickly becomes public knowledge.

Accurate payroll data is vital to the district's budgeting process as payroll is generally the largest single expenditure category. If the district does not have access to accurate historical payroll data, it becomes difficult to project future payroll expenditures with any degree of certainty. The assistant superintendent of Human Resources is responsible for generating detailed salary projections for KISD based on initial position control scenarios that are provided to the assistant superintendent of Business and Finance before the beginning of the budget process.

In KISD, payroll processing falls under the supervision of the assistant superintendent of Business and Finance. The Finance department is responsible for processing payroll checks for district employees and ensuring that the district is in compliance with all federal and state withholding and reporting requirements. The Human Resources Department is responsible for maintaining and updating personnel records. **Exhibit 6-12** illustrates the payroll process at KISD.

Exhibit 6-12
KISD Payroll Process
2001-02



Source: KISD Finance Department.

The district pays its employees once per month. The pay calendar is established during the prior year's budget process and depends on the district's cash flow forecast. The assistant superintendent of Business and Finance develops the pay calendar each year. Once the calendar has been set, it is distributed to district employees to inform them of paydays for each month.

FINDING

The district operates a direct deposit program for employee payrolls and provides its employees with the option of participating. According to the payroll coordinator, approximately 80 percent of the district employees take advantage of this benefit. KISD has provided this option to its employees for the past six years. Employees that elect direct deposit are paid one full day sooner than staff paid by district check.

Direct deposit offers employees a safe and convenient way to have the net amount of their pay deposited directly in their designated bank account. Deposits are posted on payday for most major banks and credit unions. Direct deposit can be initiated at any time for existing employees and takes approximately three to four weeks to be fully established. Once

established, all compensation will be deposited automatically until the employee withdraws from the program.

Effective school districts use direct deposit to streamline their payroll process and save money by eliminating the need to prepare and secure physical checks. These districts also save money on supplies, since check stock costs more than regular paper and requires special handling and security. In addition, employees save time by not having to go to the bank to deposit their check.

Veribest ISD (VISD) requires that all employees be paid through direct deposit. Employees can designate an account at any bank in the county where their paycheck can be directly deposited each month. Direct deposit has saved money by streamlining the payroll process and eliminating the need to handle and safeguard physical checks. Direct deposit is also more convenient for district employees.

COMMENDATION

KISD's direct deposit program is convenient for employees, streamlines the payroll process and reduces payroll-related costs.

FINDING

The district does not cross train staff to perform routine accounting duties. The payroll coordinator is solely responsible for processing the district's payroll, which includes approximately 810 paychecks each month, and counting substitutes and adult education teachers. No other staff member has responsibility for back-up of the payroll process. Although the payroll coordinator uses checklists derived from the EDP, the district's accounting system that processes payroll, these check lists do not provide step-by-step instructions that would allow another staff member to complete the payroll process.

In addition, the district does not have a back-up for accounts payable. There is one staff member responsible for processing the district's invoices. All purchase orders, receiving slips and invoices are maintained in this employee's office. KISD does not cross-train staff to perform the accounts payable function. When only one individual is trained and knowledgeable of critical duties, the district is vulnerable if that individual leaves the district or is on leave for an extended period of time. The payrolls could be issued late, net pay amounts could be incorrect, deductions could be wrong and/or other related problems could occur.

Fort Bend ISD was able to improve efficiency and morale in the Human Resources Department by instituting well-developed internal quality

control processes, standard operating procedures and cross-training procedures. By training staff in all aspects of their peers' job duties, the district is prepared if key personnel cannot perform their duties. Additionally, cross-training provided a higher level of understanding among staff members about what was required to complete critical duties.

Recommendation 31:

Cross-train accounts payable and payroll processing duties and establish step-by-step procedures.

There should be at least two individuals in the district who can perform critical duties at any given time. The assistant superintendent of Business and Finance should develop and implement a plan to ensure that Finance Department staff is cross-trained in accounts payable and payroll. The assistant superintendent of Business and Finance should develop a schedule and direct the payroll coordinator to train the accounts payable clerk to process a payroll between payroll runs and the accounts payable clerk to train the payroll coordinator to process a vendor check run.

The payroll coordinator should closely supervise the accounts payable clerk's payroll run and the accounts payable clerk should closely supervise the payroll coordinator's vendor check run. To maintain proficiency, both positions should repeat performing the others duties once each quarter.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance sets up a schedule for the accounts payable clerk and the payroll coordinator to cross train on each other's duties.	September 2002
2.	The payroll coordinator documents procedures to process a payroll.	October 2002
3.	The accounts payable clerk documents procedures to process a vendor check run.	October 2002
4.	The payroll coordinator and accounts payable clerk perform the other's duties once each quarter.	November 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

	process a vendor check run.	
4.	The payroll coordinator and accounts payable clerk perform the other's duties once each quarter.	November 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6

FINANCIAL MANAGEMENT

C. BUDGETING

A school district's budget enables a district to adequately maintain and control its financial resources. School administrators, department heads, teachers and community members should be involved in the budgeting process, as well as the central administration and school board. The budget should reflect the overall goals and objectives of the district's long-range strategic plan.

In the budget planning process, districts should consider general educational goals, specific program goals and alternatives for achieving program goals. Budget planning and evaluation should be a continuous process and should constitute a part of each month's activities. Ideally, the budget should:

- Present a comprehensive forecast of all the district's expenditures and revenues based on its specific educational needs and plans;
- Serve as an overall picture of the school program operation;
- Depict the district's educational plans with definite statement of goals, policies and curriculum plans;
- Establish spending plans that include a translation of the educational plans into dollars; and
- Present finance plans that include proposed means and sources for securing adequate revenue to meet school program needs.

The budget process is a cyclical activity that can be broken down into three separate and identifiable phases (**Exhibit 6-13**).

Exhibit 6-13
Recommended Budget Cycle

Phase	Schedule	Activity
Planning	Fall 2002	Define the goals and objectives of each school and of the district as a whole.
Preparation	Spring/Summer 2003	Identify necessary expenditures that support the district's goals and establish budgetary resource allocations.
Evaluation	Fall 2003	Determine the effectiveness of the budget in meeting the goals of the district. Repeat the

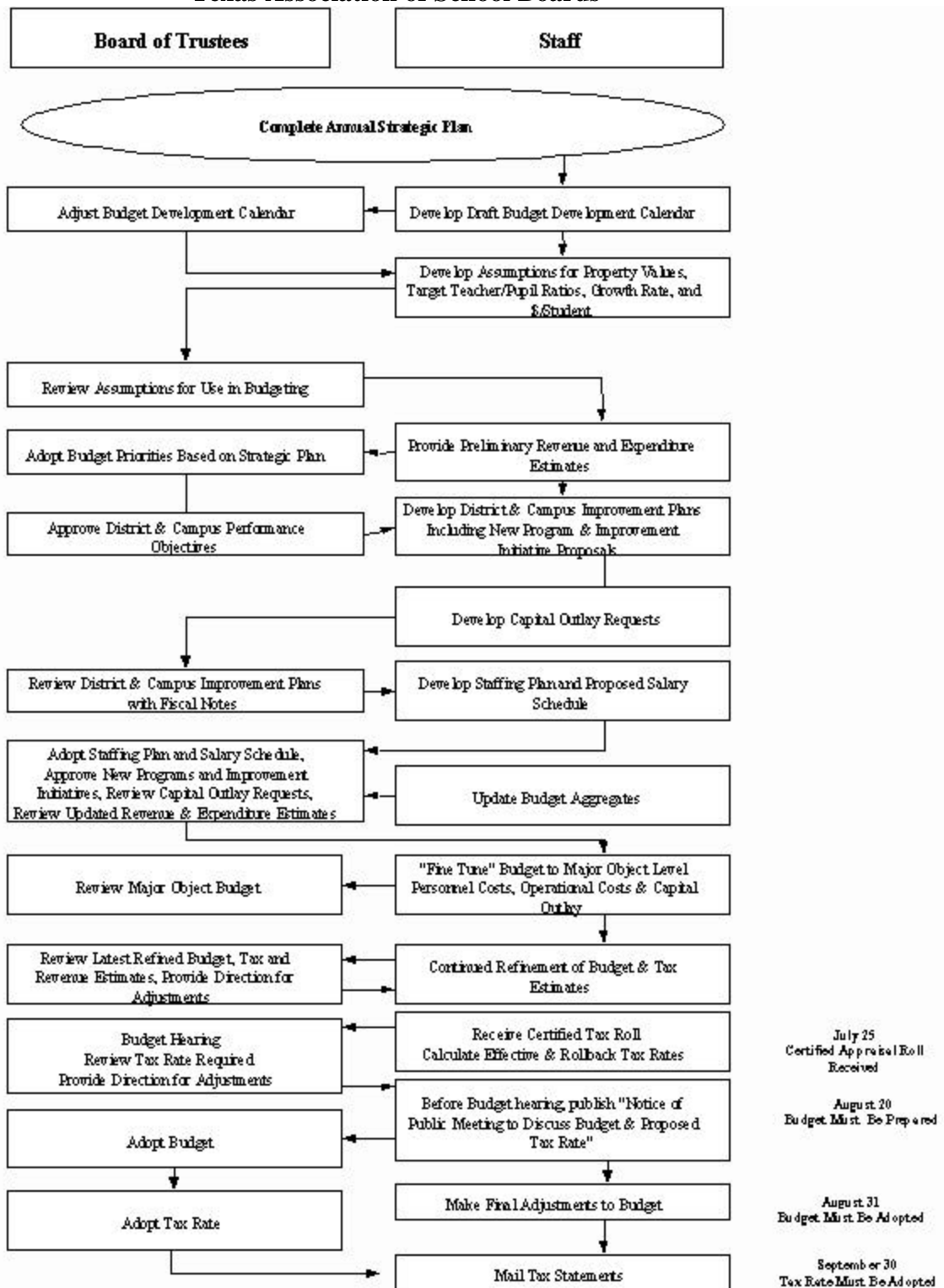
		cycle.
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Source: TSPR.

TASB presented a flowchart of a sample budget process in its October 2001 fall conference, as shown in **Exhibit 6-14**. This flowchart details the steps that should be included in any district budget process. It can be easily customized to fit the unique requirements of any Texas school district.

Exhibit 6-14
Sample Budget Process

Texas Association of School Boards



Source: Texas Association of School Boards (TASB), Fall Conference 2001.

FINDING

KISD has established an effective budget process. Each fall, the assistant superintendent of Business and Finance circulates a budget calendar to district decision makers. **Exhibit 6-15** summarizes the budget calendar used for the 2002-03 budget process.

Exhibit 6-15
KISD 2002-03 Budget Calendar

Scheduled Date	Activity	Responsible Person
January 7 - 13, 2002	Discuss procedures for budget process. Begin accumulating data for economic models and five-year budget.	Superintendent and assistant superintendent of Business and Finance
January 14 - 20, 2002	Present budget calendar to Board, Administrative Leadership Team, support service directors and finance department staff and discuss role in budget process.	Superintendent and assistant superintendent of Business and Finance
January 21 - 27, 2002	Begin discussions with property value specialists about comptroller studies of property value. Begin preliminary estimates of enrollment, student counts and anticipated state funding.	Assistant superintendent of Business and Finance
January 28 - February 3, 2002	Annual EDP training for six finance department staff on creating the new year environment where the 2002-03 budget will be built.	Assistant superintendent of Business and Finance and district Finance staff
February 4 - 10, 2002	Create new year environment module in accounting software to facilitate the planning and recording of the new budget. Begin review of personnel staffing requirements and proposed salary and stipend schedules.	Assistant superintendent of Business and Finance, assistant superintendent of Human Resources and district Finance staff
February 11 - 17, 2002	Begin preliminary estimates of local tax revenue by evaluating school district's property values, trends and demographics. Begin reviewing building maintenance, renovation and construction schedules	Assistant superintendent of Business and Finance
February 18	Discussion of long range budget	Superintendent and

- 27, 2002	planning, budget strategies and economic models with Board, support Administrative Leadership Team, support service directors and Finance department staff.	assistant superintendent of Business and Finance
February 28 - April 1, 2002	Distribute school and departmental budget work papers to budget managers for general operating fund and for special revenue (grant) funds.	Assistant superintendent of Business and Finance
March 18, 2002	Discussion of long range budget planning, budget strategies and economic models with Board, support Administrative Leadership Team, support service directors and Finance department staff.	Superintendent and assistant superintendent of Business and Finance
April 15, 2002	Discussion of long-range budget planning, budget strategies and economic models with Board, support Administrative Leadership Team, support service directors and Finance department staff.	Superintendent and assistant superintendent of Business and Finance
April 2 - May 4, 2002	Meet with budget managers individually to draft school and departmental budgets of general operating fund.	Assistant superintendent of Business and Finance, principals, department heads
May 18, 2002	Complete school and departmental budgets by budget managers for general operating fund. Complete personnel department staffing requirements and proposed salary and stipend schedules. Complete building maintenance, renovation and construction budgets.	Assistant superintendent of Business and Finance, principals, department heads, Finance staff
May 19 - May 25, 2002	Meet with budget managers individually to draft school and departmental budgets of special revenue budgets (grants).	Assistant superintendent of Business and Finance, principals, department heads
May 27, 2002	Complete estimates of enrollment, student counts, state funding and local tax revenue. Complete special revenue/grant budgets by budget managers. Complete Requests for Approval forms for any new grants	Assistant superintendent of Business and Finance, principals, department heads

	anticipated in the new year.	
May 28, 2002	Begin to compile and record the general operating and special revenue budgets in the new-year module.	Assistant superintendent of Business and Finance, Finance staff
May 28, 2002	Complete compilation and recording of the general operating and special revenue budgets in the new-year module.	Assistant superintendent of Business and Finance, Finance staff
June 1, 2002	Present and discuss the first draft of the condensed budget, budget strategies and economic models with the Board, Administrative Leadership Team, support service directors, Finance department staff and Faculty and Community Advisory Committee (FCAC).	Superintendent and assistant superintendent of Business and Finance
June 2, 2002	Begin drafting general operating budgets for debt service, grant carryovers, copying costs, security, data processing and state-funded allocations. Begin preliminary review of first draft of general operating and special revenue budgets.	Assistant superintendent of Business and Finance,
June 2 - 17, 2002	Continue budget review and revision.	Assistant superintendent of Business and Finance, principals, department heads
June 17 - 24, 2002	Discuss budget, strategies and economic models with Board, support services directors, Finance staff and FCAC in a preliminary public hearing format.	Superintendent and assistant superintendent of Business and Finance
June 24 - July 14, 2002	Continue budget review and revision.	Assistant superintendent of Business and Finance, principals, department heads
July 15 - 22, 2002	Discuss budget, strategies and economic models with Board, support services directors and Finance staff.	Superintendent and assistant superintendent of Business and Finance
July 26 - August 4.	Continue budget review and revision	Assistant superintendent of Business and Finance.

2002		principals, department heads
August 5, 2002	Complete budget review and revision	Assistant superintendent of Business and Finance, principals, department heads
August 12, 2002	Discuss recommended budget and proposed tax rate with Board in a budget workshop; possible public hearing date.	Superintendent and assistant superintendent of Business and Finance
August 19, 2002	Discuss recommended budget and proposed tax rate with Board in a budget workshop; possible public hearing date.	Superintendent and assistant superintendent of Business and Finance
August 26, 2002	Discuss recommended budget and proposed tax rate with Board in a budget workshop; possible public hearing date.	Superintendent and assistant superintendent of Business and Finance
September 2, 2002	Discuss recommended budget and proposed tax rate with Board in a budget workshop; possible public hearing date.	Superintendent and assistant superintendent of Business and Finance
September 9, 2002	Discuss recommended budget and proposed tax rate with Board in a budget workshop; possible public hearing date.	Superintendent and assistant superintendent of Business and Finance
September 16, 2002	Adoption of tax rate by Board at regularly scheduled meeting, if not previously adopted.	Superintendent and assistant superintendent of Business and Finance

Source: KISD Budget Calendar, assistant superintendent of Business and Finance, April 2002.

The budget process at KISD is extremely thorough and solicits input from all key district decision makers. The assistant superintendent of Business and Finance meets with each budget manager to explain the process, review the budget worksheet line by line and address any questions that might arise. Every department head and school administrator is a budget manager.

The budget process has been a work in process since the arrival of the assistant superintendent of Business and Finance in 1998. Although it did not happen immediately, district principals reported to the review team that they now understand the process and feel comfortable with it. Each expressed their appreciation for the direction provided by the assistant superintendent of Business and Finance and the superintendent.

The superintendent identified four key budget drivers in KISD. These budget drivers are:

- The need to remain competitive with salary and benefits to attract and keep quality staff;
- The need to critically evaluate the ongoing initiatives to gauge their absolute benefit to the district;
- The need to please an extremely conservative and aging local population; and
- The need to ensure equity and adequacy of the district's instructional programs.

District management budgets 96 percent of the anticipated revenues to avoid adopting a deficit budget. The revenue projections are derived before the district develops the appropriations portion of the budget. The superintendent enlists input from every school and department and requests that they prioritize their fiscal needs for the coming year. Once the critical needs have been established, in line with the goals set out by the Board, the district can begin to determine what, if any, discretionary funds can be made available.

The district presented the Board with three budget scenarios for 2001-02, a low, middle and high case. Each scenario was laid out in detail to illustrate the overall impact to the district's bottom line, the general fund balance. The superintendent and the assistant superintendent of Business and Finance recommended the scenario they felt best met the district's needs.

The Board considered the recommendations, and the budget was adopted. The board decided that there would not be any reductions in force and that any necessary staff reductions would come from attrition. School budgets were allocated in accordance with their projected average daily attendance. The district adopted the budget for 2001-02, with an estimated surplus in revenues over expenditures of \$191,520.

The district uses a multi-year budgeting process by developing budgets for the current year and four years into the future during each budget process. The district's strategic plan and improvement plans are reviewed and the goals of each are incorporated into the budget projections.

COMMENDATION

The district has established a thorough and well-executed budgeting process.

FINDING

The Finance Department prepares informative, easy to understand summary budget reports for the regularly scheduled board meetings. The assistant superintendent of Business and Finance and the budget coordinator prepare budget reports that are included in every board packet. These budget reports provide a line-item description; the original adopted budget; the prior month's amended budget; a summary of budget amendments; school and departmental reclassifications; community education revenue adjustments and the current amended budget.

This budget report provides a snapshot of the year's actual financial performance and compares it to the adopted budget. It provides the board and district management a useful monitoring tool to identify areas where spending is out of line with the budget.

Included in the board package is a summary expenditure report that presents the amount budgeted by activity; the amount spent to date; the amount encumbered to date; the amount accrued to date and the remaining balance. This provides the board with a broad overview of the district's actual expenditures as compared to the budget.

COMMENDATION

The district provides useful budget reports to the Board that compares the district's actual performance to the approved budget.

FINDING

The district has overestimated total revenues for the past three years. A review of the district's audited financial statements and a comparison of the actual revenues to the final budget shows that during the three-year period of 1998-99 through 2000-01, local revenues were overstated by an average of just less than 1 percent, state revenues by an average of 4.8 percent and federal revenues by an average of 30 percent for 1998-99 and 1999-2000. Federal revenues were underestimated by 108.3 percent for 2000-01. **Exhibit 6-16** compares the actual revenues and expenditures to the final budget from 1998-99 through 2000-01.

Exhibit 6-16
Comparison of Actual to Budget General Fund Revenues by Source
1998-99 through 2000-01

Revenue Source	1998-99			1999-2000			2000-01		
	Budget	Actual	Percent Difference	Budget	Actual	Percent Difference	Budget	Actual	Percent Difference
Local	14,472,401	14,299,025	(1.2%)	15,123,004	15,234,785	(0.1%)	16,724,975	16,560,532	(1.0%)
State	8,248,594	8,037,662	(2.6%)	9,408,903	9,208,049	(2.1%)	7,884,711	7,412,443	(6.0%)
Federal*	76,215	58,882	(22.7%)	75,500	48,679	(35.5%)	22,000	45,819	108.3%
Total Revenues	22,797,210	22,395,569	(1.8%)	24,607,407	24,491,513	(0.5%)	24,631,686	24,018,794	(2.5%)

Source: KISD's Audited Financial Statements, 1998-99 through 2000-01.

**Does not include federal revenues in the special revenue funds.*

The financial statement trends indicate a problem in the district's ability to accurately forecast its anticipated federal revenues. The primary reason for this considerable variance has been the district's inability to staff the position responsible for monitoring and filing grant reports, which has affected the timing and amount of revenue received. This problem should improve as the staff accountant develops adequate procedures for routinely monitoring and filing grant reports.

The assistant superintendent of Business and Finance is responsible for developing the district's enrollment projections. He incorporates a number of forecasting models, such as a cohort survival method, to arrive at his projection. The cohort survival method begins with determining the proportion of students enrolled in a grade, such as grade one, that is enrolled in the next grade, grade two, during the following year. That proportion is computed for several "cohorts" (groups that have moved from one grade to the other during the last few years). The average of these several proportions are then computed and multiplied by the number of students currently enrolled in one grade in order to obtain the projected enrollment for the following year in the next grade. The projected enrollments for each grade are added together to obtain the district projection for grades one through 12.

In addition, he considers the historical enrollment trends seen by the district as well as discussions with school administrators to integrate their knowledge and experience into the final enrollment number. The district projects a relatively flat growth rate of 2 percent during the next five years.

The variance in budgeted versus actual state revenues increased to 6 percent in both 1999-2000 and 2000-01. This is an indication that the district is not adequately forecasting its student enrollment. The assistant superintendent of Business and Finance anticipated a 2 percent increase in enrollment. However, 2000-01 enrollments fell 1.4 percent and increased only 0.6 percent in 2001-02.

Accurate revenue estimation is critical for school districts. The factors that support revenue estimation such as student enrollment projections and federal reimbursements must be monitored and historical trends tracked to provide as accurate an estimate as possible. Without accurate projections, districts run the risk of adopting expenditure budgets that exceed available revenues resulting in a deficit situation or setting a tax rate that generates revenue that exceeds a district's needs.

Recommendation 32:

Develop procedures to more accurately estimate and monitor revenues and to adjust expenditure budgets when revenue estimates are not met.

The district has established procedures to track expenditures but not revenues. Initially when setting the revenue budget, it would be helpful to review the prior year actual revenues and compare them against what had been originally budgeted. The next step would be to determine what the causes of the variance. Were enrollment numbers too high, tax collection rates too optimistic or were there problems with special revenue reporting? Once the cause has been identified, it can be incorporated into the current year revenue projections. If the cause cannot be identified, the assistant superintendent of Business and Finance should apply the variance to the current year to be more conservative.

Additionally, the district needs to continually monitor the collected revenues against the projections. If it becomes clear that revenues are going to be below expectations, the remaining expenditures must be adjusted to keep the budget in balance. In other words, if state funding is 3 percent lower than budgeted, the district must find a way to trim expenditures by 3 percent. The board should receive a monthly report that tracks budgeted revenues against actual revenues. Any variances are investigated and explained. If revenues are below budgeted expectations, the assistant superintendent must notify all budget managers that they must reduce remaining expenditures to compensate for the decreased revenue. The assistant superintendent of Business and Finance reports all budget amendments to the board. The board must approve any expenditure that will result in a deficit and note in the board minutes that although

revenues cannot support the level of expenditure, the expenditure will be approved and provide the explanation.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance develops procedures for estimating revenues based on prior year results; for closely monitoring revenues; and adjusting expenditure budgets when necessary.	September 2002
2.	The assistant superintendent of Business and Finance monitors the progress of the staff accountant's implementation of the new procedures.	October - December 2002
3.	The assistant superintendent of Business and Finance prepares a monthly report to be presented to the board that tracks actual revenues against the budget.	December 2002 and Ongoing
4.	The staff accountant prepares a detailed revenue report for the assistant superintendent of Business and Finance identifying revenues received as well as anticipated funding by grant.	December 2002 and Quarterly Thereafter
5.	The assistant superintendent of Business and Finance analyzes enrollment trends during the past five years, identifies the pattern and conservatively revises annual revenue projections.	January 2003 and Ongoing
6.	The assistant superintendent of Business and Finance reviews the prior year's budgeted revenues, compares them to the actual for the year and uses the data when projecting revenues for the next year's budget.	February 2003 and Ongoing
7.	The assistant superintendent of Business and Finance prepares a monthly report to be presented to the board that tracks actual revenues against the budget.	December 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6

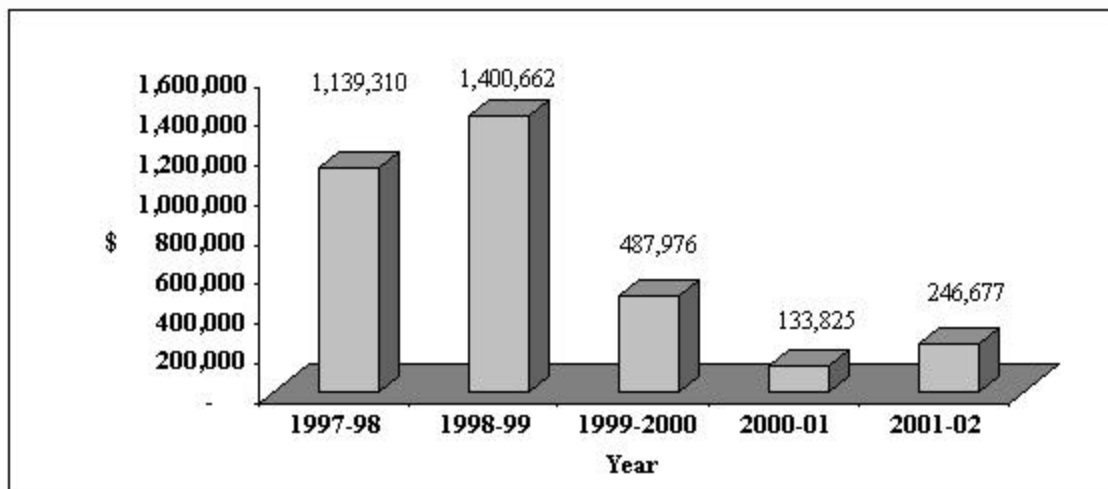
FINANCIAL MANAGEMENT

D. FUND BALANCE

Governmental funds, such as KISD's general fund, report equity as a "fund balance." A fund balance is the difference between the asset and liabilities as reflected on the balance sheet. It is the measure of the district's financial resources available for future use after payment of all obligations.

Exhibit 6-17 displays KISD's general fund balance from 1997-98 to 2001-02.

Exhibit 6-17
KISD General Fund Balance
1997-98 through 2001-02



Source: KISD's Audited Financial Statements 1997-98 through 2000-01 and 2001-02 estimated using amended KISD 2001-02 budget dated January 31, 2002.

Since 1997-98, KISD's general fund balance has varied from a high of \$1.4 million in 1998-99 to a low of \$133,825 in 2000-2001. The 2001-02 ending fund balance was estimated by adding budgeted revenues to and subtracting budgeted expenditures from the August 31, 2001 ending balance.

FINDING

The district does not maintain an optimum fund balance as recommended by TEA. The district's fund balance lost 78 percent of its value between 1997-98 and 2000-01. The district anticipates that the fund balance will increase by the end of this fiscal year, based on the 2001-02 budgeted revenues and expenditures reported in the district's PEIMS submission.

Exhibit 6-18 summarizes the district's actual total revenues and expenditures from 1997-98 through 2000-01. Revenues and expenditures for 2001-02 are based on the district's amended budget as of January 31, 2002. Between 1997-98 and 2000-01, revenues increased 5.8 percent and expenditures increased 3.2 percent. The district's budgeted 2001-02 revenues are 8.6 percent higher than 1997-98, while budgeted expenditures for 2001-02 show a 4 percent increase during the five years.

Exhibit 6-18
KISD General Fund Total Revenues and Expenditures
1997-98 through 2001-02

	1997-98	1998-99	1999-2000	2000-01	2001-02
Revenues	\$22,709,204	\$22,395,569	\$24,491,513	\$24,018,794	\$24,670,177
Expenditures	\$23,622,685	\$22,816,431	\$24,595,088	\$24,372,945	\$24,557,325
Surplus (Deficit)	(913,481)	(\$420,862)	(\$103,575)	(\$354,151)	\$112,852

Source: KISD's Audited Financial Statements 1997-98 through 2000-01 and 2001-02 estimated using amended KISD 2001-02 budget dated January 31, 2002.

Exhibit 6-19 summarizes the annual contribution to the general fund balance for every student dollar of revenue collected and expended from 1997-98 through 2001-02. During this period, the general fund lost 1.6 cents per student for every dollar collected.

Exhibit 6-19
Per Student Dollar Contribution to Fund Balance
1997-98 through 2001-02

	1997-98	1998-99	1999-2000	2000-01	2001-02
General Fund Revenues per Student	\$4,819	\$4,661	\$5,181	\$5,152	\$5,261

General Fund Expenditures per Student	\$5,013	\$4,748	\$5,203	\$5,228	\$5,237
General Fund Contribution per Student	(\$0.04)	(\$0.02)	(\$0.01)	(\$0.02)	\$0.01

Source: KISD's Audited Financial Statements 1997-98 through 2000-01 and 2001-02 estimated using amended KISD 2001-02 budget dated January 31, 2002.

TEA has developed a formula to estimate a school district's "optimum" general fund balance. It recommends that the optimum general fund balance be equal to the total reserved fund balance, total designated fund balance, an amount to cover fall cash flow deficits and one month of average cash disbursements during the regular (non-summer) school year. Reserved fund balances are those that are legally earmarked for a specific future use, such as a reserve for encumbrances. Designated fund balances are those that are identified by the school district management to reflect tentative plans or commitments, such as for a future construction project.

Exhibit 6-20 summarizes the KISD general fund balance at August 31 for years 1999, 2000 and 2001. The district has been unable to maintain an optimum fund balance throughout this three-year period. The district had approximately two days of expenditures in reserve at August 31, 2001. If the district under-budgeted by the same amount in 2001-02 as it did in 2000-01, \$82,047 or less than 1 percent of the total budget, the general fund balance at August 31, 2002 would be \$51,777.

Exhibit 6-20
Analysis of KISD General Fund Balance
1998-99 through 2000-01

	8/31/1999	8/31/2000	8/31/2001
Ending Fund Balance	\$1,400,662	\$487,976	\$133,825
Total General Fund Expenditures	\$24,217,397	\$24,435,110	\$24,557,325
Number of Months Covered (Fund Balance) / (Expenditures/12)	0.7	0.25	0.07
Total Reserved Fund Balance	\$748,230	\$7,961	\$19,925
Total Designated Fund Balance	(\$74,130)	\$65,885	\$68,911
Estimated cash flow deficit	\$0	\$0	\$0

Estimated average monthly cash disbursements during school year	\$1,951,356	\$1,931,907	\$2,033,638
Optimal Fund Balance	\$2,605,436	\$2,005,753	\$2,122,474
Excess/(Deficit)	(\$1,204,774)	(1,517,777)	(\$1,988,649)

Source: KISD's Audited Financial Statements, 1998-99 through 2000-01.

There are several factors that led to the decline in the general fund balance, including:

- An inability to reconcile special revenue expenditures resulting in general funds being expended to cover the costs of the program that were not reimbursed;
- Lack of cost benefit analysis to evaluate the cost of the numerous education program initiatives and not prioritizing programs to best apply district dollars;
- Authorizing additional programs without determining if budget dollars are available;
- Failure to revise budgeted expenditures to reflect revenue shortfalls;
- Inability to control costs throughout the district; and
- Escalating health care costs associated with the self-funded health insurance plan.

Laredo ISD (LISD) established a general fund balance goal that exceeded the guidelines established by the TEA and is advancing toward that goal following the instructions established by the board.

LISD board policy CA (LOCAL), issued September 20, 1999, set a goal of attaining an unreserved, undesignated fund balance of at least two months' operating costs within five years. To meet that goal, the policy instructs the superintendent and business manager to implement the following steps:

- Develop and submit for board approval a balanced budget with input from site-based decision making (SBDM) committees and instructional programs.
- Develop staffing patterns and funding formulas based on a per pupil basis.
- Restrict any surplus funds for allocation to the unreserved, undesignated fund balance.

In the management letter for the district's 1998-99 external audit, the auditor commended LISD for adopting the policy requiring maintenance of at least two months of operating expenditures as unreserved,

undesignated fund balance. The auditor further encouraged the board to support management in complying with the policy. The 2001 external audit commends the board and staff for increasing the district's unreserved, undesignated fund balance from \$1.1 million in 1998 to \$10.6 million in 2001.

Recommendation 33:

Establish a general fund balance policy, develop administrative procedures to achieve and maintain the balance and require reports to the board.

The board should establish a fund balance policy that contains a target fund balance that will best meet the long-range district strategic plan. Difficult decisions must be made to prioritize the district's goals, and the board should direct the superintendent to develop a three-year plan with detailed strategies to meet the fund balance target while achieving district goals. The superintendent's plan should include a three-year forecast of the district's anticipated enrollment projections, revenue projections and expenditure projections. The forecast should use the 2000-01 audited financial statements as the baseline. The policy should also require that every agenda item contain a fiscal impact statement showing how the item will affect the fund balance.

Once the target has been established, the superintendent should develop procedures that help the district meet the set target. These administrative procedures should present clear direction on how the target will be met and how it will be maintained. For example, if district officials set a target to bring the fund balance up to the TEA-defined "optimum" level, they must determine what steps are required and establish a timeline for reaching the target. The board would then authorize the superintendent to reduce budgeted expenditures to the necessary level and establish annual procedures to ensure that the fund balance target is maintained.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and assistant superintendent of Business and Finance draft a plan to maintain an optimum fund balance in line with TEA's recommendations.	September 2002
2.	The superintendent and assistant superintendent of Business and Finance present the three-year plan along with a proposed policy to the board.	October 2002
3.	The board reviews the plan and policy, and makes any necessary modifications.	November 2002

4.	The board approves the policy setting the target fund balance and directing it to be maintained.	December 2002
5.	The superintendent and assistant superintendent of Business and Finance include a line item for the internal budget that represents the budgeted contribution to the general fund balance beginning with the 2003-04 budget.	January 2003
6.	The assistant superintendent of Business and Finance prepares a report for the board packet each month detailing the change in fund balance, if any, over the prior month.	September 2003
7.	Before each budget cycle, the board, superintendent and assistant superintendent of Business and Finance review the target fund balance and make any required adjustments to best meet the district's needs.	January 2004 and each January Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

KISD does not have a policy addressing the use of proceeds from one-time events such as land sales. The district is attempting to sell 21 acres of land to Home Depot for \$3.5 million and, at the time of the review team's site visit, the district was pursuing a conditional use permit from the city of Kerrville. The assistant superintendent of Business and Finance stated that the impending sale looked good and would provide a viable means for the district to replenish its general fund balance. The net receipts to the district would be approximately \$2.5 million after allocating \$1 million to rebuild the football field at the high school.

Recommendation 34:

Adopt a board resolution restricting the use of the net proceeds from the land sale without specific approval by the board and invest the net proceeds.

The resolution should contain specific limitations on how these funds will be used. It should contain language allowing for the release of these funds for general operating expenses if and only if the general fund balance exceeds the established target. Any exception to this policy must be presented in a board agenda item, provide the opportunity for public input and be approved by the board.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent and assistant superintendent of Business and Finance draft a board resolution restricting use of net proceeds from land sale until the general fund balance target is met.	September 2002
2.	The board approves the resolution.	October 2002
3.	The assistant superintendent of Business and Finance reports quarterly to the board about progress toward reaching the established target.	November 2002 and Quarterly Thereafter
4.	The board approves release of funds after general fund balance target has been achieved.	When Achieved

FISCAL IMPACT

By investing the net proceeds of the land sale with TexPool, the district could earn additional interest. Assuming an average interest rate of 4.4 percent on an average balance of \$2.5 million, the district would earn \$110,000 annually.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Adopt a board resolution preventing the use of the proceeds from the land sale without specific approval by the board and invest the net proceeds	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000

Chapter 6

FINANCIAL MANAGEMENT

E. TAX COLLECTIONS

The assessment and collection of school district property taxes involve different entities with distinct responsibilities. KISD's board sets the district's tax rate after adopting the district budget in accordance with state law. The local appraisal district is responsible for setting property values and certifying tax rolls. Each May, the appraisal district provides an initial revenue estimate, but certified tax rolls are not available until July.

Local property taxes provide the majority of the district's revenue, comprising 69.9 percent of total budgeted revenue in 2001-02. The KISD Tax Office collects property taxes on behalf of the district. These receipts are held in a clearing account and periodically transferred to the district general operating account at Security State Bank and Trust. The district contracts with an outside law firm to collect delinquent taxes for the district. When delinquent taxes are collected, the law firm retains 15 percent as a commission. The district keeps the remainder of the delinquent taxes collected plus penalties and interest.

The district's Tax Office is located in downtown Kerrville. A part-time tax assessor-collector supervises the office and reports directly to the assistant superintendent of Business and Finance. Two support clerks are responsible for waiting on customers, providing telephone assistance, making bank deposits, generating and mailing tax notices and receiving payments. The district uses software to download appraisal rolls from the appraisal district.

Nearly 60 percent of Kerrville residents are approaching or have reached retirement age. Taxpayer liability for those individuals who have reached 65 years old is frozen at that level for the remainder of the taxpayers' lives. In a retirement-based population, this effectively places a ceiling on the tax revenues that can be derived from a significant portion of the district's tax base.

KISD has a number of large corporate taxpayers that offset the effect that the aging population has on the district's local revenue. Last year, however, the third-largest taxpayer, Mooney's Aircraft, filed for bankruptcy leaving the district with a large amount of delinquent taxes left to be collected. The district has been able to work out a payout plan to collect the delinquent taxes over the next three and a half years.

FINDING

KISD collects 99 percent of its property taxes annually. The tax clerks have been in the tax office for more than 30 years. They have established strong relationships with the local taxpayers. They told the review team that they liked to "adopt community members" by taking an interest in their personal lives, keeping track of important dates and happenings and by making it as enjoyable as possible to come into the office. The atmosphere is friendly and receptive. In a small community like Kerrville, stopping by the Tax Office not only provides taxpayers with the opportunity to pay their taxes but also to visit with long-time friends.

One of the unique factors that enhance the overall environment of the Tax Office is the cat. A stray cat has taken up residence in the Tax Office. This cat has been written up in *Texas Monthly* and is extremely popular with the local residents. The superintendent credits the extremely high collection rate to the two clerks and the popularity of the cat. The Kerr County Tax Appraiser has a collection rate of 95.08 percent and charges 1 percent of collections in fees. According to the assistant superintendent of Business and Finance, the County simply cannot provide the same level of service at a competitive cost.

COMMENDATION

KISD has created an atmosphere that encourages area businesses and residents to pay their property taxes.

FINDING

The district does not have a plan for performing tax collection services should the current employees retire. The tax clerks staffing the tax office are approaching normal retirement age. The clerks have extremely manual procedures for completing their job duties. The tax receipts are filed in copy paper boxes. Although the tax clerks can maneuver through the office effectively, it would be difficult and time-consuming to train replacement clerks to perform the job duties in the same manner.

The Tax Office does not have access to the latest technology tools. The computers in the office are networked to the district mainframe but are old and slow. The staff does not have access to spreadsheet applications, nor is there a printer in the office. It could be prohibitively expensive to update the technology in the office and develop new procedures. There is no question that the environment in the Tax Office will change once these two clerks leave district employment.

A large number of districts have interlocal agreements with a local governing firm for collecting property taxes on their behalf. Usually the same firm is responsible for collecting delinquent taxes as well. The

governing firm provides the district with a tax collection report each month. KISD has been in discussion with Kerr County officials, but district officials have been hesitant to transition when the existing process has been so successful. A one percent drop in the collection rate would reduce the district's cash flow by approximately \$175,000 annually. This would be problematic given the district's precarious financial position.

Recommendation 35:

Review tax office operations and develop a long-term plan.

The assistant superintendent of Business and Finance should continue meeting with the Kerr County Appraisal District to keep the option open to have the county collect taxes on the district's behalf. It is unlikely that the County will be willing to collect taxes without charging the district a collection fee. However, the costs to bring the Tax Office up to date with respect to technology and training new staff may be so prohibitive that the County will become a viable alternative.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Purchasing supervisor, the tax assessor-collector and the Instructional Technology director meet to identify possible Tax Office technology improvements.	November 2002
2.	The assistant superintendent of Business and Finance meets with the Appraisal District periodically to discuss the possibility of establishing an interlocal agreement.	January 2003 and Quarterly Thereafter
3.	The staff accountant evaluates the cost of keeping the Tax Office open once the staff retires.	February 2003
4.	The assistant superintendent of Business and Finance prepares a cost comparison between refitting the Tax Office and turning the tax collection duties over to the County.	March 2003 and Quarterly Thereafter
5.	The assistant superintendent of Business and Finance periodically reviews the operations of the Tax Office and performs a cost analysis to determine if it would be better to modernize with district personnel or to contract it out.	March 2003 and Quarterly Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6

FINANCIAL MANAGEMENT

F. EXTERNAL AND INTERNAL AUDIT

Texas Education Code (TEC), Section 44.008, requires school districts to undergo an annual external audit of their financial statements. The TEC specifies that external audits must be performed by a certified public accountant, and that the audit must comply with Generally Accepted Accounting Principles (GAAP).

Texas State Auditor's Office Report No. 3-010 recommends that all school districts with annual operating expenditures of more than \$20 million and with more than 5,000 students have an internal audit function. Although KISD falls just below the enrollment criteria, it meets the criteria for operating expenditures and would benefit from an internal auditor.

The internal auditor typically coordinates the internal and external audit activities of the district and provides a direct link to the board. Key responsibilities of an internal auditor normally include:

- Review all areas of the district that are at risk on a periodic basis;
- Determine the effectiveness and efficiency of the district's operations;
- Assure that controls and safeguards are in place to protect the district's assets;
- Assist with the budget preparation and analysis;
- Coordinate and assist with the external audit;
- Review the reliability of the district's financial information; and
- Suggest policy and procedure changes that could protect the district's assets.

FINDING

There are no procedures in place to ensure that audit and other report recommendations are addressed and implemented. Pressler, Thompson & Company Ltd. is the district's external audit firm. Audits for 1997-98, 1998-99 and 1999-2000, noted repeated internal control issues. In addition to issuing an opinion on the financial statements, the external audit firm provides an annual management letter. **Exhibit 6-21** details the findings of management letters since 1999.

Exhibit 6-21
KISD's Audit Findings
1998-99 through 2000-01

Fiscal Year ending 8/31/99

- One federal program had not submitted a request for current funds during the entire year. This amounts to a receivable of approximately \$376,000.
- Several reconciling items on the general operating account were noted when reviewing bank reconciliations. These items should have been researched and adjusted.
- In reviewing the federal program final expenditure reports, it was noted that on some of them the indirect cost was not included. This means lost revenue to the general operating fund for administering these programs.
- During the review of the financial statements and comparing the actual expenditures to the budgeted expenditures, we noted the actual had exceeded the budget in the Food Service Fund. State law indicates no funds may be spent in any manner other than as provided in the adopted budget.

Fiscal Year Ending 8/31/2000

- During the review of the special revenue funds, it was noted that one federal program had not submitted a request for current year funds until seven months into the fiscal year. At this time the request was more than \$300,000.
- The district maintains a 457 pension plan for employees that are not eligible for the teacher retirement plan. This plan is not a qualified retirement plan, cannot be rolled over into a qualified retirement plan when the funds are withdrawn and is fully taxable to the individual. When there hasn't been any activity in the plan for at least two years, the individual can withdraw the funds. The district issues the check to the individual and then is required to report this to the individual and then is required to report this to the individual by issuing a W-2. The district has not been issuing the W-2 to the individuals.

Fiscal Year Ending 8/31/2001

- Each fund within the district is a self-balancing set of accounts. Upon initial review of the district's books, it was noted the several of these funds did not balance and the several of the accounts within these funds had not been reconciled.
- For each special revenue fund (the federal and state programs) there is to be an expenditure report filed with the funding agency on a periodic basis, usually quarterly. By filing these reports the district receives its reimbursement for the expenses associated with the particular program. In reviewing these special revenue funds, three things were noted. First, none of the funds had been reconciled with these expenditure reports. Second, several of the expenditure reports had been filed incorrectly by not including all the expenditures charged to the particular fund. By the time

this was noted, it was too late to amend the report and therefore, the general fund had to absorb these under reported expenditures. Third, some of the reports that were entitled to indirect costs had not been claimed which means lost revenue to the general fund for administering these programs.

- During the review of the financial statements and comparing actual expenditures to the budgeted expenditures, it was noted that actual expenditures exceeded the budget in the Food Service Fund. The major cause of the overage is the adjustment for inventory at year-end. However, state law indicates no funds may be expended in any manner other than a provided in the adopted budget.
- During the compliance testing of some of the federal programs, it was noted that some of the vouchers, including reimbursement to employees for travel or other supplies, were not being reviewed or noted as approved by a supervisor or program manager.
- The general operating fund has been declining during the last few years and is now at a serious low.
- In reviewing the monthly/quarterly investment reports and reconciling them to the accounting records and the monthly statements, it was noted that not all interest had been reported timely on the investment reports and the semi-annual interest income had not been recorded on the books of the district. An accounts payable detail by vendor with the related balances payable was not available for review.

Source: KISD's Audited Financial Report, Management Letters, 1998-99 through 2000-01.

The auditors continue to address many of the same issues each year. KISD has not taken the necessary action to correct many of these findings. By not implementing the auditors' recommendations, the district loses the opportunity to improve the Finance Department, the district's business practices and the internal controls in place at the district.

School boards often require that the chief financial officer of the district present an action plan to the board or board audit committee to address audit management letter comments. The plan contains a response to each comment, an approach to address each comment, the person responsible for addressing the comment and a time line to accomplish each comment.

Recommendation 36:

Adopt a formal policy for tracking and periodically reporting on the status of audit and other report recommendations.

The district should develop a policy and revise the staff accountant's job description to include monitoring the implementation of the corrective actions related to audit and other report findings. The accountant should document each finding and prepare the corrective action to best address the issue. Periodically, the accountant should report progress to the superintendent and the school board.

Immediately before the beginning of the next audit, the staff accountant should meet with the external auditor and the assistant superintendent of Business and Finance, review each finding and report on the progress of the corrective action. Any findings that have not been appropriately corrected should be reviewed in detail to determine what continuing action is required to effectively deal with the concern.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance develops a policy to address audit and other report findings, and prepares an agenda item requesting that the board adopt the policy.	September 2002
2.	The board adopts the policy.	September 2002
3.	The staff accountant reviews the preliminary findings from audit and other reports.	November 2002
4.	The staff accountant coordinates corrective actions to address each finding and reviews it with the assistant superintendent of Business and Finance.	December 2002
5.	The staff accountant presents the corrective action plan to the board.	December 2002
6.	The board approves the corrective action plan.	December 2002
7.	The staff accountant begins to implement the corrective action plan.	January 2003
8.	The staff accountant provides the board with a progress report at every other board meeting.	February 2003 and Bimonthly Thereafter
9.	The staff accountant meets with the external auditor to review progress.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

KISD does not have an internal auditor to strengthen district internal controls. The external audit firm identifies the areas lacking internal controls that come to their attention during their annual financial audit and provides the district with its recommendations to resolve the issues. The scope of internal auditing encompasses the continual examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities.

In many school districts, the main purpose of the internal audit is to evaluate the manner in which the district's organizational units conduct their activities and whether they comply with board and administrative policies and procedures, as well as federal, state and local government laws and guidelines.

Recommendation 37:

Hire an internal auditor who reports directly to the board.

The district's enrollment does not meet the SAO criteria, but the operating expenditures of more than \$20 million exceeds the SAO's threshold.

The district should fill this position as soon as possible. An internal auditor can objectively evaluate the district's financial operations. This individual can ensure that the board is kept aware of the status of the district's financial, educational and operational programs.

An internal auditor can develop an internal audit plan that ensures the district is in compliance with GAAP. In addition, this position will provide the necessary detailed review of internal controls.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance prepares an agenda item requesting that the internal auditor position be created and prepares a budget amendment.	October 2002
2.	The assistant superintendent of Business and Finance writes the job description - obtains board approval, posts and advertises the position. An ad-hoc committee is formed to interview the candidates. The committee recommends two candidates to the board.	November - December 2002
3.	The board hires the selected candidate.	February 2003

4.	The internal auditor conducts a risk assessment and develops an audit plan that identifies the key areas to be reviewed during 2002-03.	February - March 2003
5.	The internal auditor develops internal audit procedures for the district to be reviewed by the assistant superintendent of Business and Finance and incorporated into the district's board and administrative policies.	May 2003

FISCAL IMPACT

The yearly cost to the district to hire an internal auditor based on an annual salary of \$45,000 plus benefits will be \$51,750 (\$45,000 + benefit rate of 15 percent). The first-year costs are estimated to be one-half of the annual cost, since the position will not be hired until February.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Hire an internal auditor who reports directly to the Board of Trustees.	(\$25,875)	(\$51,750)	(\$51,750)	(\$51,750)	(\$51,750)

Chapter 7

PURCHASING

This chapter examines the Kerrville Independent School District's (KISD's) purchasing functions in three sections:

- A. Purchasing and Warehouse Services
- B. Contract Management
- C. Textbooks

Efficient purchasing requires that management processes ensure that supplies, equipment and services vital to the school's education mission are purchased from a competitive source, in the right quantity, delivered in a timely manner to the correct location and stored in a secure facility. These criteria should be met for each purchase without sacrificing quality.

Chapter 7

PURCHASING

A. PURCHASING AND WAREHOUSE SERVICES

In 1995, the Texas Education Code (TEC) was revised to expand school district purchasing options by adding three new methods of competitive procurement: design-build contracts, competitive sealed proposals and request for proposals for personal property and construction contracts. In 1997, the 75th Legislature included two additional methods: job order contracts and contracts using construction managers. In 2001, the 77th Legislature added yet another method of competitive procurement: reverse auction procedure. With these additions, school districts can select from among nine methods for competitively purchasing goods valued at \$25,000 or more, or for multiple like items with a cumulative value of \$25,000 or more in a 12-month period (**Exhibit 7-1**).

For purchases valued between \$5,000 and \$25,000, school districts are required to obtain quotations from at least three suppliers, including a formal written and sealed bid if the purchase is between \$10,000 and \$24,999. Purchases of less than \$5,000 can be made if quotations are acquired from one to three vendors.

Exhibit 7-1
Competitive Procurement Methods

Purchasing Methods	Method Description
Competitive bidding	Requires that bids be evaluated and awarded based solely upon bid specifications, terms and conditions contained in the request for bids, bid prices offered by suppliers and pertinent factors affecting contract performance. Forbids negotiation of prices of goods and services after proposal opening.
Competitive sealed proposals	Requires the same terms and conditions as competitive bidding, but allows changes in the nature of a proposal and prices after proposal opening.
Request for proposals	Generates competitive sealed proposals and involves several key elements, including newspaper advertisement, notice to proposers, standard terms and conditions, special terms and conditions, a scope-of-work statement, an acknowledgment form/response sheet, a felony conviction notice and a contract clause.

Catalog purchase	Provides an alternative to other procurement methods for acquiring computer equipment, software and services only.
Interlocal contract	Provides a mechanism for agreements with other local governments, the state or a state agency to perform governmental functions and services.
Design/build contract	Outlines a method of project delivery in which the school district contracts with a single entity for both the design and construction of a project. (The "single entity" is usually a team of firms including a general contractor, architect and sometimes an engineer. One firm rarely does both the design and the construction.)
Job order contracts	Provides for the use of a particular type of contract for jobs (manual labor work) for minor repairs and alterations.
Construction management contracts	Outlines the use of a contract to construct, rehabilitate, alter or repair facilities using a professional construction manager.
Reverse auction procedure	Outlines a bidding process that involves submission of bids by multiple suppliers, unknown to each other, in a manner that allows the suppliers to bid against each other.

Source: Texas Education Agency's (TEA's) Financial Accountability System Resource Guide, 2000 and Legislative Briefing Book, 2001.

In 1999, the Office of the Attorney General issued an opinion (Op. JC-37) stating that school district procurement through an interlocal agreement or a cooperative purchasing arrangement satisfies competitive bidding requirements. Under an interlocal agreement, a district can contract or agree with another local government, including a nonprofit corporation created and operated to provide one or more governmental services, to purchase goods and services reasonably required for the installation, operation or maintenance of the goods.

School districts must advertise bids for purchases worth \$25,000 or more at least once a week for two weeks in any newspaper published in the county in which the district is located. Those between \$10,000 and \$25,000 must be advertised in two successive issues of any newspaper in the district's county. TEC requires advertisements to specify the categories of property to be purchased and to solicit vendors who are interested in supplying them.

Exceptions to competitive bidding requirements include contracts for professional services, including architect fees, attorney fees and fees for

fiscal agents. The TEC also allows sole-source purchases, where a district may purchase items that are available from only one source, if certain criteria are met, including:

- An item for which competition is precluded because of a patent, copyright, secret process or monopoly;
- A film, manuscript or book;
- A utility service including electricity, gas or water; or
- A replacement part or component for equipment that is specific to a particular piece of equipment and only available from one vendor.

To properly use the sole source arrangement, a school district must obtain and retain documentation from the vendor that clearly states the reasons the purchase requires a sole-source. Sole source exceptions do not apply to mainframe data processing equipment and peripheral attachments with a single-item purchase price of more than \$15,000.

Exhibit 7-2 presents a summary of state-mandated purchase and bid approval processes based on purchasing guidelines included in the TEC.

**Exhibit 7-2
Bid and Purchasing
State-Mandated Approval Process**

Purchase Levels	Bid Requirements (if no bid or contract exists)	Approval Requirements
\$25,000 and greater	Formal sealed bid	User department/school approvals Purchasing director Superintendent or designee Board of Trustees
\$10,000 to \$24,999	Formal quotations from three vendors (written and sealed)	User department/school approvals Purchasing director Superintendent or designee
\$5,000 to \$9,999	Quotations for three vendors (telephone, fax or written)	User department/school approval Purchasing agent
\$0 to \$4,999	Quotations from one to three vendors (telephone, fax or written)	User department/school approvals Purchasing clerk

Source: Texas Education Code, Section 44.031.

The KISD Purchasing Department reports to the assistant superintendent of Business and Finance. The Purchasing supervisor handles the district's day-to-day purchasing functions. **Exhibit 7-3** shows the organizational structure of the purchasing and warehousing functions in KISD.



Source: KISD, Purchasing Department, March 2002.

**This organization chart presents only the positions involved in the central warehouse functions.*

The Purchasing Department is located in the district's main administration building at 1009 Barnett St. The district's warehouse, located at 1313 Stadium Drive, serves as the district's Maintenance Department headquarters. The district stocks paper and custodial supplies for district distribution, and small equipment parts, plumbing parts and building supplies for use by Maintenance Department employees. The district's Child Nutrition Department also maintains its food warehouse and offices at the Stadium Drive location. The Child Nutrition Department maintains two walk-in coolers, two walk-in freezers and approximately 1,800 square feet of dry storage space. In addition, each school cafeteria maintains smaller walk-in freezers and coolers and dry storage space.

KISD uses many interlocal agreements and cooperative purchasing arrangements to procure goods. The district maintains purchasing agreements with the Regional Education Service Center Region XX (Region 20), the Texas Building and Procurement Commission (TBPC) and the Houston-Galveston Area Council (HGAC).

The district uses a financial accounting system developed by EDP Enterprises Inc. The system handles general ledger accounting, budget, fixed asset accounting and purchasing.

All schools and departments are required to fill out paper requisition forms. After the paper requisition is approved, school or department staff enters the requisitioned items into the EDP purchasing system. The system then electronically routes the requisitioned items to the pre-established school principal or department head. Upon approval of the initial electronic request, the requisition is electronically routed to the Purchasing Department where the Purchasing supervisor reviews and approves the requests. The Purchasing supervisor reviews all requisitions to ensure the proper budget coding has been applied and that approved vendors are being used. All requests are then submitted to the assistant superintendent of Business and Finance for approval. After the assistant superintendent of Business and Finance's approval, the Purchasing supervisor prints and distributes purchase orders in the following manner:

- Original purchase order sent to vendor;
- Blue copy of purchase order sent to originating school or department for files;
- Green copy of purchase order sent to originating school or department for receiving copy;
- Pink copy of purchase order sent to Accounts Payable; and
- Yellow copy of purchase order kept in the Purchasing Department.

All departments are responsible for obtaining their own quotes for items estimated to cost between \$10,000 and \$24,999. When the anticipated value of an item is \$25,000 or more, departments are responsible for developing bid specifications, but the Purchasing supervisor is responsible for ensuring that the bids are advertised appropriately according to TEC § 44.031(g) requirements. KISD's purchasing policies require that all purchases valued at \$25,000 or more in the aggregate for each 12-month period, except purchases of produce or vehicle fuel, be made by competitive bidding, competitive sealed proposals, requests for proposals, catalog purchases or through interlocal agreements.

The Maintenance director manages the district's warehouse. The district's courier, who reports directly to the Maintenance director, also serves as warehouse stockman and deliveryman. This position is responsible for receiving deliveries of paper goods and custodial supplies, organizing the stock, filling school and department orders and making deliveries to schools and departments. In addition, the courier is responsible for informing the Purchasing supervisor when new supplies need to be ordered.

The central warehouse stocks a four- to six-month supply of copier paper and custodial supplies. User departments fill out paper requisitions when they need paper or custodial supplies. The courier takes these requisitions, delivers the goods and submits the paper requisition form to the accounting department so the user department's budget can be charged.

The Child Nutrition warehouse is staffed with one full-time warehouse supervisor and one part-time delivery assistant who are responsible for receiving deliveries of food and cafeteria supplies, filling school orders and delivering goods to schools.

FINDING

KISD uses several cooperative-purchasing agreements that help control product costs while reducing the workload by decreasing the number of separate competitive bids. This practice allows the district to obtain a variety of goods and equipment at reasonable prices and eliminate some of the effort and expense associated with the bidding process.

KISD participates in three cooperative (coop) purchasing agreements for district procurement as shown in **Exhibit 7-4** below.

**Exhibit 7-4
KISD Cooperative Purchasing Agreements
As of March 2002**

Cooperative Agreement	Goods Procured	Annual Participation Cost
Regional Education Service Center Region XX (Region 20)	<ul style="list-style-type: none"> • General supplies - computer supplies, art supplies, athletic supplies, custodial supplies, copier supplies, lawn and garden supplies, fire extinguishers, graphing calculators and floor care products and machine pads • Commodity processing - canned and frozen fruits and vegetables, prepared entrees, cheese and non-food cups, plates, cutlery and other cafeteria items • Food purchasing 	\$2,787

	<ul style="list-style-type: none"> Educational technology 	
Texas Building and Procurement Commission (TBPC), formerly the General Services Commission	Allows members to "piggyback" off of any contract maintained by the TBPC - KISD purchases its computers through TBPC	\$210
Houston-Galveston Area Council (HGAC)	School Buses	No annual fee, but administrative fee based on each purchase

Source: KISD, Purchasing Department, March 2002.

By using purchasing cooperatives, KISD is able to procure a wide variety of goods and services at competitive prices without spending the time and effort required to obtain competitive bids and quotes.

COMMENDATION

The district uses cooperative agreements to efficiently and cost-effectively procure items while meeting statutory procurement requirements.

FINDING

KISD supports its purchasing function by funding training for the Purchasing supervisor. The Purchasing supervisor has completed two levels of training with the Texas Association of School Business Officials (TASBO). TASBO has developed a voluntary program of professional certification and continuing education to provide recognized standards of professional competence for school business administrators, officials and specialists for the state of Texas.

Certifications held by the Purchasing supervisor are Certified Texas School Business Specialist and Certified Texas School Business Official. The requirements to achieve these certifications included training in accounting, purchasing and distribution and inventory.

School districts that support and encourage training opportunities for employees have a better trained work force.

COMMENDATION

The district supports its purchasing function by providing staff development to its Purchasing supervisor.

FINDING

Despite board policies and internal procedures, KISD does not have strong controls in place over district procurement functions. A review of documentation and observations made during on-site visits of the district revealed deficiencies in district procurement practices.

Interviews with district staff revealed that departments might not be appropriately obtaining quotes for items costing between \$10,000 and \$24,999. KISD procedures require that each department be responsible for obtaining three quotes and maintaining the records for these quotes. However, the district is not doing this properly in all cases. For instance, the district recently purchased two used vehicles for the Maintenance Department. The Purchasing supervisor stated the Maintenance Department maintained the documentation obtained for the quotes. However, when the Maintenance director was asked to provide this documentation, he said he did not maintain this information. He further stated that quotes were not necessarily obtained, but rather when a used vehicle was found, an auto trader magazine was referenced to compare prices.

This practice violates TEC § 44.033(c) that requires three quotes be obtained for items valued between \$10,000 and \$25,000. TEC § 44.033(c) also states these records "...must be retained with the school's competitive bidding records and are subject to audit." District policy that requires each department to maintain documentation of quotes was also violated.

A review of documents showed that the district is also procuring goods without first encumbering the funds. **Exhibit 7-5** shows the results of an analysis of 24 vendor payments. As the exhibit shows,

12 out of the 24 transactions in the sample, or 50 percent, had invoice dates that preceded purchase order dates.

**Exhibit 7-5
KISD Selected Vendor Transactions**

Vendor Name	Check Number	Check Amount	P.O. Date	Invoice Date	
Fitness First Sports	74100	\$597.70	8/30/00	9/5/00	
Oak Farms Dairy	74133	\$7,664.72	9/21/00	8/14/00	*

Bluebell Creameries	74314	\$707.82	9/21/00	9/1/00	*
Dealers Electrical Supply	74330	\$291.12	9/27/00	9/29/00	
Rainbow Manufacturing	74400	\$610.00	10/4/00	9/22/00	*
Office Depot	74601	\$997.99	9/21/00	10/6/00	
Ranger Environmental Services	74613	\$9,868.66	-	6/22/00	
Walsworth Publishers	74662	\$6,484.7	10/4/00	8/26/00	*
Kerr County Produce	74696	\$2,317.1	10/4/00	10/2/00	*
Laser Printers, Inc.	74867	\$1,420.23	11/8/00	10/17/00	*
Insko Distributing, Inc.	75016	\$2,754.52	9/27/00	9/28/00	
Unifirst Corporation	75144	\$8,013.26	9/21/00	9/4/00	*
Unifirst Corporation	75144	\$8,013.26	10/4/00	9/25/00	*
Unifirst Corporation	75144	\$8,013.26	10/4/00	9/25/00	*
Unifirst Corporation	75144	\$8,013.26	10/25/00	10/23/00	*
Matco Tools	75737	\$130.90	11/8/00	10/17/00	*
Canine Deterrent Systems	76449	\$200.00	-	3/28/01	
Computer Express	76456	\$468.00	1/4/01	1/11/01	
Pender's Music	78712	\$310.12	3/28/01	4/7/01	
Wagoner Tire	79284	\$807.60	5/15/01	5/16/01	
Saxon Publishers, Inc.	79714	\$21,638.22	5/30/01	6/11/01	
Childright	79776	\$396.18	8/1/01	-	
Herring Printing Company, Inc.	80246	\$1,837.35	8/22/01	8/20/01	*
San Antonio Spurs, facility rental	998683	\$4,324.50	11/21/00	-	

Source: KISD, Finance Department, March 2002.

**Indicates items that were not approved or encumbered before purchase.*

KISD has developed a draft purchasing procedures manual, but this manual has not been finalized and has not yet been distributed to district staff. During the on-site review, the assistant superintendent of Business and Finance anticipated that the manual would be issued for use in May 2002. Upon a follow-up interview in June, the district said it expects to issue the manual to users before the start of the next school year.

The district's Purchasing supervisor reviews detailed purchasing requisitions from each department and school on a regular basis, but the district has no formalized review or monitoring procedures to ensure that schools and departments follow state laws and district policies for receiving bids and quotes. Both the Purchasing supervisor and the assistant superintendent of Business and Finance stated that departments and schools are on the "honor" system concerning the use of proper procedure for obtaining quotes.

Internal controls are an organization's policies and procedures that protect its assets and the integrity of financial records from error, disaster or fraud. Internal controls ensure that transactions are authorized by those with the proper authority to do so; that records of the assets accurately reflect actual assets in place; that financial transactions are accurately and properly recorded; and that assets are properly safeguarded.

Applied to a purchasing environment, internal controls take several forms. For example, purchasing controls should specify which hierarchical levels might approve purchase orders and contracts, with a specific dollar limitation for each level. Good controls also specify requirements that must be met before a payment can take place, such as having a properly and timely approved purchase order in place and having properly approved receiving documents.

Finally, good purchasing procedures require a system of monitoring the actual purchasing practices and taking corrective action when necessary.

Killeen Independent School District made its bid process more efficient by establishing an annual calendar that identifies when specific items should be bid during the year. The calendar was based on historical experience and allowed the district to purchase items on an as-needed basis as well as spread the bid process out over the full year, rather than trying to bid multiple items at the same time. Based on prior experience, the Purchasing Department worked with other departments to develop the calendar.

Recommendation 38:

Develop and implement purchasing monitoring procedures to improve compliance with state law and board policy.

The district should implement procedures for the purpose of detecting improprieties of the purchasing system. When such instances are detected, Purchasing Department staff should bring them to the attention of the superintendent and the school board, who will immediately address the improprieties with the appropriate district personnel. The procedures should outline steps to be taken when district staff violates policies. Steps

should include a progressive system of addressing violations such as counseling the offending employee/department upon the first occurrence; notifying the employee's immediate supervisor upon the second instance of a violation and revoking purchasing authority upon a third violation.

The Finance Department should also implement procedures to compare invoice dates to purchase order dates to detect purchases made without proper approval or budgetary control.

The procedures should also include a training component with emphasis on the conditions for which bids and quotes are required and proper procedures for obtaining them.

The KISD Purchasing Department should also require that documentation for quotes be forwarded to it for review prior to approving purchases of items valued between \$10,000 and \$25,000.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs the assistant superintendent of Business and Finance to develop purchasing monitoring procedures that will prevent violations of state law and board policy. The procedures should include action to be taken when violations are found.	October 2002
2.	The assistant superintendent of Business and Finance develops review and monitoring procedures.	October 2002
3.	The assistant superintendent of Business and Finance and the Purchasing supervisor develop a training program on district procedures for all appropriate employees.	December 2002
4.	The Purchasing supervisor conducts the training for all appropriate employees.	February 2003 and Ongoing
5.	The Purchasing supervisor puts the new controls in place, including taking affirmative corrective action when policy violations occur.	February 2003
6.	The assistant superintendent of Business and Finance and the Purchasing supervisor review the procedures annually, make any necessary adjustments and conduct additional training.	Annually

FISCAL IMPACT

The recommendation can be implemented with existing resources.

FINDING

The district uses numerous credit cards with few controls. Cards used by the district include MasterCard, Wal-Mart and HEB. District fuel cards include Texaco, Exxon and Chevron. Credit cards are not controlled or tracked by a single individual or department, and procedures and controls associated with the use of credit cards vary depending upon the department issuing them.

The Purchasing supervisor is in charge of issuing and tracking district MasterCards, which are held by the superintendent, assistant superintendent, assistant superintendent of Business and Finance, assistant superintendent of Curriculum and Instruction, Child Nutrition director, Maintenance director, Instructional Technology director, Transportation director, director of Career and Technology, Athletic director, Special Education director, Head Start director, Community Education director and each principal. The district has two Wal-Mart credit cards, also maintained by the Purchasing supervisor. However, employees do not need physical custody of a Wal-Mart card to charge items to the district.

Fuel cards are issued to employees for field trips and other district business that takes the employee away from the Kerrville area. The fuel cards are issued and maintained by the Transportation Department secretary.

The district has 93 fuel credit cards issued to employees through three companies, Texaco, Exxon and Chevron. District policy requires fuel cards to be kept by the Transportation secretary at all times when not checked out for use. However, the secretary reported that most employees have custody of the cards and do not return them after use. In fact, the secretary reported some district employees have left district employment without turning in their cards. Although the secretary is responsible for reconciling the fuel bills each month, she stated she has no way to monitor whether an employee is using the card to purchase gasoline for personal use. The Transportation Department does not require receipts be turned in by district cardholders.

District policy states a purchase order must be issued and approved for any purchases made with a credit card. Policy further states purchase orders should be issued for specific purchases to specific vendors. However, a review of MasterCard billing information showed this is not happening properly.

In addition, the charging of some items to the MasterCard is questionable. Some of these "questionable" items include computer components, equipment repairs and personal items for employee offices such as plants

and candles. One purchase was made for a frame for an employee certificate for \$52. A review of a sample of MasterCard payments also revealed, in some instances, that the district incurred late payment fees on the account.

Exhibit 7-6 below shows a detail of purchases made with the district's Wal-Mart credit account for the period of May 22, 2001 through June 16, 2001. As this exhibit shows, the district made purchases of electronic equipment that included stereos, televisions, videocassette recorders and camcorders. District employees almost daily purchased office supplies from Wal-Mart, even though the district has approved vendors for office supplies.

**Exhibit 7-6
KISD Wal-Mart Purchases
May 22 through June 16, 2001**

Item Description	Amount
Food items and supplies	\$896
Electronic equipment (includes stereos, televisions, video cassette recorders, camcorders)	\$974
Office supplies	\$713
Miscellaneous	\$267
Furniture	\$170
Total	\$3,020

Source: KISD's Wal-Mart detailed billing statement, June 16, 2001.

The type and frequency of Wal-Mart purchases indicates the district may not be using approved vendors appropriately and therefore may not be receiving the best prices for supplies. For example, the district received bids for office supplies and "approved" the use of three local vendors and one non-local vendor. Wal-Mart was not a vendor approved for the purchase of office supplies. The intended use of the discount store cards is for "emergency" purchases; however, the frequency of purchases indicates it may be used as a mere convenience.

The district purchases most electronic equipment through state contracts. By purchasing items such as televisions and videocassette recorders at Wal-Mart, the district may be paying more for these items.

Some governmental entities, including Texas school districts, are implementing procurement cards in place of credit cards. Procurement cards are similar to debit cards but are designed to provide a high level of control while streamlining and simplifying the process for making low-dollar, high-volume purchases. Cards can be controlled at several levels, including by department and by employee. Card limits can be set by individual employee; by single purchase limits; with monthly, weekly, or daily limits; or some combination. Merchant category codes can also be established with each card so that employees can only make purchases through pre-approved vendors.

Similarly, product code restrictions limit the types of allowable items that can be purchased with cards. For instance, employees who are issued cards for the purpose of purchasing small tools and parts for maintenance repairs can be limited to the purchase of only these items. Automated reporting features allow both the cardholder and Finance or Purchasing staff to review cardholder activity daily, weekly or monthly.

TBPC has established the State of Texas Procurement Card System. School districts can choose to "piggyback" on the procurement card contract the TBPC has negotiated. Since KISD is already a member of TBPC's cooperative, they can automatically piggyback off of the state's contract (contract number 946-A1) at no cost.

Recommendation 39:

Develop policies, procedures and limits for credit card use.

Placing stricter controls over the use of district credit cards will help to improve accountability for spending. The district should use discount store cards and grocery cards only for emergency purposes. The district should investigate the option of replacing the MasterCard with procurement cards.

The Purchasing Department should have control and supervision of all district credit cards. Policies for using the discount store cards, grocery and fuel cards should be established and all employees trained on the policies. In addition, records should be kept on who has access to a credit card. All fuel cards should be checked-out and returned after each use.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance and the Purchasing supervisor research the use of procurement cards and present the information on a procurement card program to the superintendent.	October 2002
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2.	The superintendent reviews the information on the procurement card program, and if determined feasible, approves the program.	November 2002
3.	The assistant superintendent of Business and Finance and the Purchasing supervisor develop procedures for district credit cards. The procedures should require that a master list of all credit cards be maintained.	November 2002
4.	The assistant superintendent of Business and Finance directs the Purchasing supervisor to prepare and develop a listing of all employees holding district credit cards.	November 2002
5.	The Purchasing supervisor develops a listing of all credit cards with the names of employees to whom they are issued.	November 2002
6.	The Purchasing supervisor directs all employees holding fuel cards to turn in their cards. If necessary, fuel cards are cancelled with the issuing company and re-issued.	December 2002
7.	The Purchasing supervisor conducts training for all employees on the use of district credit cards.	December 2002
8.	The Purchasing supervisor enforces credit card policies and offending employees lose their privileges to use the cards.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district's inventory management functions are performed manually, with no active inventory tracking and financial recording except at year-end. For the purpose of reordering stock, inventory is counted for food items, dry and frozen goods, and for custodial and paper supplies maintained in the Maintenance warehouse. Inventory counts are not used to monitor theft or spoilage.

When an inventory for food, paper and custodial supplies was requested, the district provided a hand-written inventory for food and cafeteria supplies that is prepared on a regular basis by the Child Nutrition Department. However, the district only conducted an inventory count for paper and custodial supplies on April 12, 2002, upon receiving this request.

To requisition warehoused items, schools, departments and cafeterias send paper requisition forms to either the central warehouse or to the Child Nutrition warehouse. These paper requisition forms, with the exception of

Child Nutrition requisitions, are sent to the accounting department after orders have been filled and delivered so that user department and school budgets can be charged for the items. This system allows for the risk of some items not being charged to users in the event that paperwork is lost. Without regular monitoring and reconciliation of inventories, the likelihood of detecting orders that are not properly charged to departmental or school budgets is low.

The district's financial software system has an automated Warehouse Inventory module. KISD has chosen not to implement the module. This module would be available to the district for an initial installation fee that ranges between \$4,000 to \$5,000, and a maintenance fee that would cost the district an additional \$1,000 annually.

Fort Bend ISD (FBISD) uses an automated inventory system. User departments and schools input their requisitions directly into the automated system. Warehouse staff receives and places the orders. Charges to the appropriate department or school budget are made automatically. In addition, FBISD's system provides inventory usage reports to help the district account for spoilage or theft, and to ensure that the general ledger accurately reflects true inventory values. Although FBISD is a larger school district, these types of procedures could benefit smaller districts as well.

Recommendation 40:

Implement an automated inventory management system and conduct regular inventory counts that are recorded to the district's financial records.

The district will be able to manage its inventory stock better through an automated system. In addition to automating food, paper and custodial supplies, the district could also automate its maintenance and transportation supplies.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance directs the Purchasing supervisor to implement an automated inventory system.	October 2002
2.	The Purchasing supervisor develops a plan for tracking cafeteria, paper and custodial supplies.	November 2002
3.	The Purchasing supervisor develops a schedule for loading all inventory item descriptions and values into the automated system.	December 2002

4.	The Purchasing supervisor oversees the process of entering all inventory data.	March 2003
5.	The Purchasing supervisor trains all departments to requisition items through the automated system.	May and August 2003
6.	All departments begin using the automated system for requisitioning warehouse and food service items.	August 2003

FISCAL IMPACT

Implementing the Warehouse Inventory module of the EDP system would cost the district between \$4,000 to \$5,000 for installation, with an annual maintenance fee of \$1,000.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Installation cost.	(\$5,000)	\$0	\$0	\$0	\$0
Annual maintenance fee.	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Net (Costs)/Savings	(\$6,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)

Chapter 7

PURCHASING

B. CONTRACT MANAGEMENT

A contract is a legally enforceable agreement between two or more competent parties, is mutually binding and obligates one party to furnish something of value and the other party to provide consideration. School districts should have a contract management process that covers the areas of contract negotiation and contract compliance. The contract negotiation process ensures that contracts awarded to bidders are for the best available goods and services at the best prices with terms that are favorable to the district. The negotiation process should also ensure the proper evaluation of terms and conditions by district finance or purchasing staff and that the school board members receive adequate information before voting to accept a contract.

After a contract is awarded, school districts should have a process to evaluate the services rendered or products provided under the contract to ensure the execution of contract terms. The monitoring process should also ensure that the district has someone to represent the district as a final authority for disputes that may arise. In addition, the monitoring process should have a mechanism by which to evaluate a vendor's performance and provide feedback or initiate corrective action when warranted.

FINDING

KISD has no formal contract negotiation or contract monitoring processes in place. The absence of such a process places the district at risk for abuse by vendors and contractors. In addition, not all contracts go through a legal review by the district. Departments are allowed to enter into contracts without the central office's knowledge. The district has many contracts in place that the Finance Department does not know about.

When asked to provide a listing of all district contracts, district staff sent the review team to several individual departments including Purchasing, Finance, Child Nutrition, Transportation and Maintenance.

KISD has no policy requiring that all contracts be reviewed by the Finance Department, nor does it have a policy that requires contracts to be reviewed for legal issues before being executed.

School districts and other governmental entities have rigid contract management and compliance procedures in place to ensure that contracting processes are efficient and effective and that they avoid legal,

ethical and conflict of interest problems. A sound set of procedures and practices for contract management include ensuring that:

- The district obtain value from its contracts;
- All requirements of law and regulations are met before executing an action;
- All contractor and vendor references, licensures or professional affiliations are verified;
- Sufficient funds are available for obligation;
- Contractors receive impartial, fair and equitable treatment; and
- All parties comply with terms of contracts.

Recommendation 41:

Establish a contracting process and assign a staff member in the Finance Department to monitor vendor compliance.

Establishing and enforcing contracting procedures and processes will help the district improve the services it receives, and help protect the district from abuse by contractors and vendors.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs the assistant superintendent of Business and Finance to develop a contracting process.	October 2002
2.	The assistant superintendent of Business and Finance develops a contract negotiation and monitoring process that includes input from all applicable department managers and the district's legal counsel.	October 2002
3.	The assistant superintendent of Business and Finance works with department managers to develop specific performance measures to include in contract requirements based on best practices of other school districts and KISD's needs.	Ongoing
4.	The assistant superintendent of Business and Finance and the appropriate department manager monitor the process to ensure its implementation. The assistant superintendent of Business and Finance provides corrective action to employees who are not following the process.	Ongoing
5.	The assistant superintendent of Business and Finance assigns the Purchasing supervisor the responsibility of monitoring contract compliance in the district.	November 2002 and Ongoing
6.	The Purchasing supervisor begins to monitor contract compliance in the district and provides corrective action to	November 2002 and

	employees who are not following the process.	Ongoing
7.	The assistant superintendent of Business and Finance makes regular reports to the school board about contracts under negotiation and contract monitoring issues for contracts that are in place.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 7

PURCHASING

C. TEXTBOOKS

Chapter 31 of TEC spells out the rules and regulations surrounding state textbooks. Section 31.001 of the code states that "textbooks selected for use in public schools shall be furnished without cost to the students attending those schools."

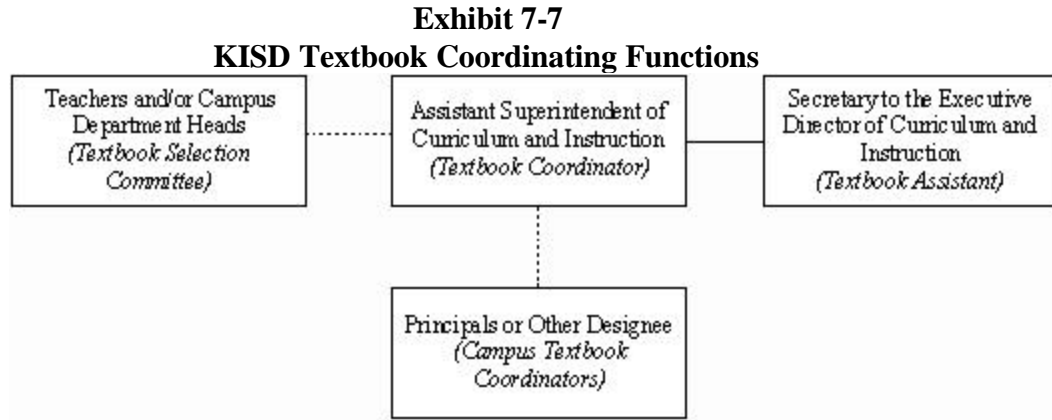
TEA's Textbook Administration Division is responsible for coordinating the review, adoption, purchase and distribution of textbooks and other instructional materials for all Texas public schools and open-enrollment charter schools. After adopting suggested textbooks each year, TEA produces a recommended textbook list that is distributed to all Texas school districts. TEA then loans books upon request to school districts. TEA calculates the number of books allowed to each school district based on enrollment data by subject and grade. Districts submit enrollment data to TEA through the Public Education Information Management System (PEIMS) reporting system. TEA spends approximately \$200 million on textbooks and instructional materials annually. School districts that require more textbooks than their enrollment data allows are required to purchase the additional books with district funds.

KISD maintains a textbook selection committee that is responsible for considering the textbook list recommended by TEA annually; reviewing other texts available; and developing an adopted textbook list for the district. Textbook selection committee membership varies depending upon which grade levels and subjects have books up for adoption. The assistant superintendent of Curriculum and Instruction is responsible for assigning district staff to the selection committee. Members include the assistant superintendent of Curriculum and Instruction, teachers and instructional department heads.

The assistant superintendent of Curriculum and Instruction serves as the district's textbook coordinator. The coordinator oversees the adoption process and presents a proposed adoption list for approval by the school board, ensures that inventory counts are taken each year and monitors inventory discrepancies. The secretary to the assistant superintendent of Curriculum and Instruction assists in the textbook inventory process, and each school has a textbook coordinator to oversee the textbook function at the school.

Exhibit 7-7 shows the organizational structure of the textbook function in KISD. The positions shown in the organizational chart are not full-time

textbook positions, but rather absorb the textbook responsibilities with their other assigned job duties.



Source: KISD, Department of Curriculum and Instruction, March 2002.

The district does not have a central storage facility for the receiving or storage of textbooks. Textbook shipments are received in various locations, including the central office building, and then distributed to schools. Each school is responsible for storing and keeping textbooks assigned to it.

FINDING

KISD does not have a system that allows the district to reconcile campus textbook accounts and track its textbooks. The district uses a manual textbook inventory system that is cumbersome and time-consuming, and does not provide for adequate accountability of textbooks in the district.

Exhibit 7-8 shows a comparison of district textbook records to the records maintained by TEA. As the exhibit shows, as of September 2001, the district was missing \$134,406 worth of textbooks. In addition to the discrepancies listed in the exhibit, the district also reported a total of 1,230 books listed in its textbook inventory, but these books could not be located in TEA's inventory records. Conversely, TEA records showed a total of 912 books, valued at \$38,475 that could not be found in district inventory records. Because of the lack of adequate inventory control methods, it is not possible to determine whether the district's or TEA's records reflect the correct numbers.

Exhibit 7-8
KISD Textbook Inventory
As of September 2001

School	Total Number Missing Titles	Total Number Missing Books	Dollar Value of Missing Books
Elementary Schools	83	11,205	\$57,840
Middle Schools	35	5,169	\$19,564
High School	145	12,026	\$57,002
Total Value of Missing Books - All Schools			\$134,406

Source: KISD, Textbook Inventory reports, September 2001.

Since TEA loans textbooks to Texas school districts, the district is only required to pay for a replacement book if a child is in need of a book, or if the district returns all copies of a title because it was replaced by a new title. If a district keeps its textbooks until they are replaced by TEA with a new adoption, and if replacements aren't needed for students, then the district does not necessarily have to purchase replacement textbooks.

Textbook replacement costs in KISD have averaged \$4,547 per year for the past three years. **Exhibit 7-9** shows actual textbook expenditures for this time period.

Exhibit 7-9
KISD Actual Textbook Replacement Expenditures
1998-99 through 2000-01

Year	Amount
1998-99	\$7,924
1999-2000	\$3,100
2000-01	\$2,618
Three-year Average	\$4,547

Source: KISD, Department of Curriculum and Instruction.

Schools that have adequate mechanisms to track and account for textbooks, and those districts who hold students and parents accountable for textbook losses, have fewer books to replace each year. In Wimberley ISD (WISD), each teacher is assigned a specific number of textbooks and is required to sign for them at the beginning of each school year. At the end of the school year, the teacher returns the textbooks to the principal. The textbooks are then compared to the beginning-of-the-year assignments.

Teachers in WISD are also required to perform textbook verification at least once every six weeks. This task is accomplished by requiring students to bring their textbooks to class on a specific day and then checking them to ensure that the textbook is the same as that assigned to them at the beginning of the school year. Students are charged for any textbooks not returned.

Recommendation 42:

Implement an automated textbook inventory system in the district's middle and high schools to improve textbook accountability.

The district should implement a textbook inventory system and require textbook coordinators in the middle and high schools to use software to track textbooks, to report missing textbooks regularly and to pursue collection of lost and missing books.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent directs the assistant superintendent of Curriculum and Instruction to procure and implement a textbook inventory software system.	November 2002
2.	The assistant superintendent of Curriculum and Instruction issues a Request For Information (RFI) to determine the system options available and their respective price ranges.	December 2002
3.	The assistant superintendent of Curriculum and Instruction requests funding for an inventory system.	January 2003
4.	The school board reviews and approves the budget request.	January 2003
5.	The assistant superintendent of Curriculum and Instruction develops specifications for a textbook inventory system and works with the Purchasing supervisor to request formal quotes from vendors.	February 2003
6.	The assistant superintendent of Curriculum and Instruction and members of the textbook selection committee select a vendor for the textbook inventory system.	March 2003
7.	The assistant superintendent of Curriculum and Instruction develops an implementation plan for the new textbook inventory system for middle and high schools.	April 2003
8.	The assistant superintendent of Curriculum and Instruction and the school-based textbook coordinators implement the new system.	July 2003

FISCAL IMPACT

This fiscal impact requires an initial investment of \$6,935 with an annual \$100 software maintenance fee for each year subsequent to implementation. This estimate is calculated as follows:

Initial cost of software and maintenance per site for the first year	\$1,295
Textbook scanning equipment cost per unit	\$ 685
Total cost per location	\$1,980
Number of sites to be converted to automated system (one high school, one middle school, central office)	x 3
Total cost of software and equipment	\$5,940
Estimated training costs	\$ 995
Total one-time implementation costs	\$6,935

If KISD could reduce its textbook replacement costs by 60 percent (average replacement cost of \$4,547 x .6 = \$2,728) by using an automated tracking system, the system implementation would pay for itself in approximately three years.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Implement an automated textbook inventory system in the district's middle and high schools to improve textbook accountability.	\$2,728	\$2,728	\$2,728	\$2,728	\$2,728
One-time initial investment.	(\$6,935)	\$0	\$0	\$0	\$0
Annual maintenance cost.	\$0	(\$100)	(\$100)	(\$100)	(\$100)
Net (Costs)/Savings	(\$4,207)	\$2,628	\$2,628	\$2,628	\$2,628

FINDING

KISD does not have a permanent centralized location for the delivery and receiving of textbooks, which are normally received during the summer. Textbook shipments are delivered by publishers at various locations throughout the district, based on space availability. These locations include individual schools and the central office. In 1998-99 and 1999-2000, the textbook receiving location was designated as Tom Daniels

Elementary Library. In 2001-02, an art room in Peterson Middle School was designated as the receiving location. Because there is no permanent centralized receiving location, textbooks must be stored in hallways and offices until they can be distributed to schools.

This has placed the district at risk of losing shipments, and the lack of available staff at some of the receiving locations can create problems in inspecting deliveries. For instance, a textbook shipment in August 2001 was delivered to a school where a custodian signed for delivery. After closer inspection of the textbook shipment, the district discovered that many of the books were missing. The district was unable to locate the packing slips or other shipping documents and, as a result, was forced to purchase additional textbooks.

A central receiving location for delivering textbooks facilitates receipt and distribution functions. In addition, having individuals who are at a central site and are trained in proper receiving procedures help districts to ensure accountability over textbooks.

Recommendation 43:

Implement a process for delivery and receipt of all textbooks at the district's Maintenance warehouse.

The district's warehouse is used to store plumbing supplies, small tools and parts, custodial supplies and paper goods. By re-arranging storage space in the central warehouse, the district would create valuable space that could be used to store textbooks until they are ready for classroom distribution.

Warehouse staff could be trained to check in textbook deliveries as they arrive, and then notify the assistant superintendent of Curriculum and Instruction to handle distribution. Warehouse staff could be directed to forward all paperwork to the appropriate district staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance directs the Maintenance director to establish a designated area for receipt and collection of textbooks.	January 2003
2.	The Maintenance director sets up pallets and shelving to accommodate textbooks.	February 2003
3.	The assistant superintendent of Curriculum and Instruction establishes procedures for checking in textbooks as they arrive in the district.	March 2003

4.	The assistant superintendent of Curriculum and Instruction coordinates with the Maintenance director to train the appropriate warehouse staff to receive and process textbook shipments.	April 2003
5.	The assistant superintendent of Curriculum and Instruction notifies all textbook publishers that deliveries will be received at the district's Maintenance warehouse.	April 2003
6.	The district begins receiving all textbook shipments at the Maintenance warehouse.	May 2003 and Ongoing

FISCAL IMPACT

The recommendation can be implemented with existing resources.

Chapter 8

FOOD SERVICE

This chapter examines the Kerrville Independent School District's (KISD's) food service operations in three sections:

- A. Organization and Management
- B. Meal Participation
- C. Financial Management

An effective school food service program provides students with affordable, appealing and nutritionally balanced breakfasts and lunches in a safe, clean and accessible environment. Successfully managed school food service programs provide customer satisfaction and contain costs while complying with applicable federal, state and local board regulations and policies.

The Texas School Food Service Association (TSFSA), a professional organization for school food service employees, has identified 10 *Standards of Excellence* for evaluating school food service programs (**Exhibit 8-1**).

Exhibit 8-1
TSFSA Standards of Excellence

Standard	Description
1	School food service administration identifies and meets current and future needs through organization, planning, direction and control.
2	School food service maintains financial accountability through established procedures.
3	School food service meets the nutritional needs of students and promotes the development of sound nutritional practices.
4	School food service ensures that procurement practices meet established standards.
5	School food service maintains a safe and sanitary environment.
6	School food service provides appetizing, nutritious meals through effective, efficient systems management.
7	School food service encourages student participation in food service programs.
8	School food service provides an environment that enhances employee

	productivity, growth, development and morale.
9	School food service promotes a positive image to the public.
10	School food service measures success in fulfilling regulatory requirements.

Source: TSFSA Web site www.tsfsa.org.

BACKGROUND

KISD's food service operations are organized under its Child Nutrition Department. From September 1998 through August 2001, the Child Nutrition Department has served more than 500,000 meals annually as depicted in **Exhibit 8-2**.

Exhibit 8-2
Kerrville ISD Child Nutrition Meals
1998-99 to 2000-01

Meal	1998-99	1999-2000	2000-01
Lunches	440,853	427,380	405,785
Breakfast (Regular)	129,088	128,321	129,342
Breakfast (Severe Need)	111,249	112,889	111,268
Average Daily Attendance	4,525	4,468	4,483

Source: Texas Education Agency (TEA) Child Nutrition Programs District Profiles, 1998-99 through 2000-01.

Note: Severe need designation occurs when more than 40 percent of the lunches served for the past two years have been at a free or reduced price. Districts receive an additional \$0.22 of reimbursement per meal with this designation.

KISD participates in the federally funded National School Lunch Program (NSLP) and School Breakfast Programs (SBP). The Texas Education Agency (TEA) administers these programs for Texas public schools. To participate in NSLP and SBP, schools must offer free or reduced-price breakfasts and lunches to eligible children. Children from families with incomes at or below 130 percent of the federal poverty level are eligible

for free meals; those from families with incomes between 130 and 185 percent of the poverty level are eligible for reduced-price meals. The meals served must comply with the recommendations of the *Dietary Guidelines for Americans* jointly published by the United States Departments of Health and Human Services and Agriculture. Schools that participate in NSLP and SBP receive donated commodities and cash reimbursements for each meal served.

Funding sources for the Child Nutrition Department include student and adult meal payments, federal reimbursements, a la carte sales and catering fees from special events.

KISD's Child Nutrition Department revenues have exceeded expenses in two of the last three years. Although the Child Nutrition Department experienced a \$20,122 operating loss in 2000-01, the loss was covered by a reduction in the Child Nutrition Department's existing fund balance. For the period ended August 31, 2001, the Child Nutrition Department has accumulated a fund balance of more than \$460,000 (**Exhibit 8-3**).

Exhibit 8-3
KISD Child Nutrition Department Revenue and Expenditures
1998-99 through 2000-01

Revenue Source	1998-99 Actual	1999-2000 Actual	2000-01 Actual	Percent Change 1998-99 to 2000-01
Local	\$532,810	\$540,213	\$488,228	(8.4%)
State	\$29,636	\$15,682	\$15,026	(49.3%)
Federal	\$814,196	\$759,019	\$756,541	(7.1%)
Total Revenues	\$1,376,642	\$1,314,914	\$1,259,795	(8.5%)
Expenditure Category				
Payroll	\$555,068	\$587,394	\$584,266	5.3%
Contracted Services	\$35,085	\$27,841	\$28,416	(19.0%)
Food and Supplies	\$585,635	\$384,878	\$651,905	11.3%
Other Operating Expenditures	\$2,351	\$3,053	\$2,915	24.0%
Capital Outlay	\$31,814	\$24,477	\$12,414	(61%)
Total	\$1,209,952*	\$1,027,643	\$1,279,916*	5.8%

Expenditures				
Excess of Revenues over Expenditures	\$166,690	\$287,271	(\$20,122)	(112.1%)
Other Uses	(\$21,500)	(\$24,500)	\$0	(100%)
Net Profit	\$145,190	\$262,771	(\$20,122)	(113.9%)
Fund Balance (Beginning)	\$74,903	\$220,093	\$482,864	544.7%
Fund Balance (Ending)	\$220,093	\$482,864	\$462,742	110.2%

*Source: KISD Annual Financial Reports, 1998-99 through 2000-01 and Public Education Information Management System (PEIMS) actual expenditures, 1998-99 through 2000-01. *Note: Expenditures by category (PEIMS data) may not sum to the total expenditures (annual financial report data) because of rounding.*

During the same period, KISD's student base decreased by 3 percent, from 4,805 in 1998-99 to 4,662 in 2000-01. The greatest decline occurred at the elementary level, typically the group with the highest participation rates.

KISD serves students in three elementary schools, one upper elementary school, one middle school and one high school. With the exception of the high school, the district operates a closed campus policy for lunch. In the fall of 2002, Tally Elementary will open. The new Tivy High School, which will have a food court, will open in the fall of 2003. The Child Nutrition Department also provides meals from the high school kitchen for the Head Start program.

To serve students and reduce waste, KISD's Child Nutrition Department uses the approved "offer-versus-serve" method. Students are offered required menu items and must select a minimum number of the required items to count as a reimbursable meal under the NSLP and SBP. In addition to the regular serving lines, the middle and high schools feature a snack line with federally approved snacks and meals such as hamburgers and pizza. The Child Nutrition Department uses an automated point-of-sale (POS) system, from Computer System Design, Inc. doing business as Systems Design, that scans student-issued identification cards to track and report its food service sales and student participation data.

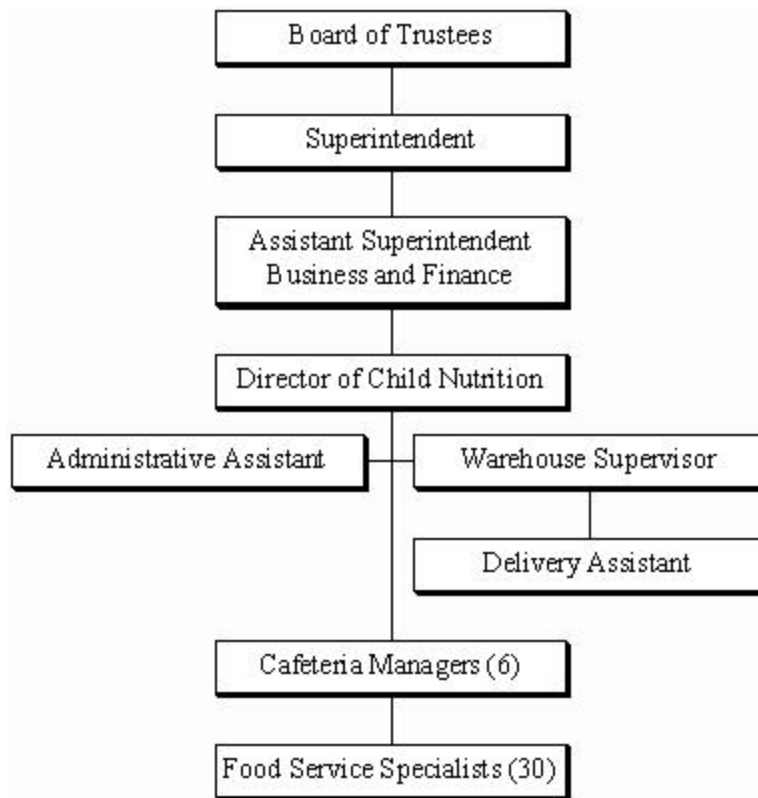
Chapter 8

FOOD SERVICE

A. ORGANIZATION AND MANAGEMENT

The director of Child Nutrition heads the Child Nutrition Department and reports to the assistant superintendent of Business and Finance. The director of Child Nutrition supervises one department administrative assistant, the warehouse supervisor, and six school cafeteria managers. The school kitchens are located at Tivy High School, Hal Peterson Middle School, Tivy Upper Elementary School, and Daniels, Starkey and Nimitz Elementary Schools (**Exhibit 8-4**).

Exhibit 8-4
KISD Child Nutrition Department Organization
2001-02



Source: KISD director of Child Nutrition, March 2002.

The cafeteria managers supervise 30 food-service workers at the six school cafeterias. **Exhibit 8-5** shows the staffing at each school cafeteria, including the six cafeteria managers.

Exhibit 8-5
KISD Child Nutrition Department Staffing
2001-02

School	Full-time Employees (5 Hours or More)	Part-time Employees
Daniels Elementary	5	0
Starkey Elementary	5	0
Nimitz Elementary	5	0
Tivy Upper Elementary	5	0
Hal Peterson Middle School	6	1
Tivy High School	8	0
Floater Position (vacant)	1	0
Total	35	1

Source: KISD Child Nutrition Department, March 2002. Note: Cafeteria staffing includes six cafeteria managers.

The district does not employ, or contract with a licensed registered dietician. The director of Child Nutrition, who has a degree in home economics, performs the district's meal and nutrition analysis.

FINDING

KISD's Child Nutrition Department handbook, developed by the director of Child Nutrition in 1984 and updated annually, effectively communicates food service employee performance expectations. The handbook contains the Child Nutrition Department's objectives, employee job descriptions and policies on outside employment, personal appearance, evaluations and procedures for documenting absence or filing workers' compensation. It also outlines general duties and food preparation tips for various food service roles such as meat cook, vegetable cook or baker. The handbook contains helpful payroll information as well as a code of ethics, excerpts of items to promote team building and customer service and forms that employees use to request personal leave or a transfer of assignment.

The director of Child Nutrition uses the handbook as an educational tool during employee in-service training each year. To promote accountability,

employees sign a form that indicates that they have read and understood the material. The handbook ensures that policies are consistently communicated, that all food service employees are aware of and understand the district's food service policies and that all employees follow the same procedures.

COMMENDATION

The Child Nutrition Department's handbook of facts for food service has improved communication of employee performance expectations.

FINDING

KISD's local food service professional organization has increased employee morale and professional development. In September 1961, the Kerrville School Food Service Association (KSFSFA) became an affiliate of the Texas and American School Food Service Associations. According to the KSFSFA handbook, food service employees become members of the association to: share knowledge and experience with fellow workers; receive inspiration from community leaders; perform worthy and charitable acts through combined effort; and uphold professional and ethical standards.

The KSFSFA, which has 24 members, meets monthly and provides guest speakers on topics such as workforce and insurance retirement plans. KSFSFA members support community activities such as the Cans for Kids Drive. In return for a cookie, the chapter collects canned foods from students and donates the cans to local charities such as the Salvation Army and Children's Shelter. In turn, the charities give the food to needy families in the summertime when there is no school food service program.

To promote teamwork and recognize performance, the KSFSFA presents awards and employee recognition at its May banquet. At this time, the chapter recognizes officers, conference and workshop participants and newly certified members. They are awarded certificates or plaques. Each school cafeteria is also recognized. The types of recognition include awards for perfect sanitation, accident-free records, highest meal totals, the lowest number of employee absences and highest chapter meeting attendance. On an annual basis, the chapter also provides a Heart Award plaque to the individual who best represents excellence in food service.

KSFSFA increases employee morale and teamwork. It also provides professional development through meeting guest speakers and training at the state summer conference. For many years, the KSFSFA chapter has paid participants' conference registration fees. In the past two years, the chapter paid the conference hotel expenses as well.

COMMENDATION

KISD's local food service organization builds teamwork and increases employee morale through professional development, community service and employee recognition activities.

FINDING

KISD has an effective payment policy to reduce errors in cash payments and speed up cafeteria cashiering. In 2000-01, KISD Child Nutrition Department implemented a pre-payment policy that requires students to pre-pay their accounts at all schools by 9:30 a.m. At each cafeteria, there is a locked box with a stack of envelopes near the box. Students submit their payment in an envelope, seal it and write their name, account number and enclosed amount on the envelope. The students place the envelope in a locked box located at each cafeteria. Before the lunch period, the cafeteria manager credits the payment to student accounts in the district's point-of-sale (POS) system. Parents may write one check for multiple students as long as they identify how much to credit each student account.

If a student's account goes negative and the student wants to pay cash in the serving line, the cashier directs the student to place the cash in an envelope and to write their name, account number and amount of cash on the envelope. The student will either place the envelope in the locked box or give it to the cashier. The cashier will allow the student to purchase the meal and will credit the account the next day. Since the policy was enacted, cashiers rarely need to take cash and make change during the meal serving periods. This reduces the chance for errors and increases the speed with which students go through the serving line.

COMMENDATION

KISD's Child Nutrition Department pre-payment policy reduces the potential for cashiering errors and speeds up meal serving lines.

FINDING

KISD's Child Nutrition Department does not meet the recommended industry standards for meals per labor hour (MPLH) at four of its six school cafeterias. MPLH is a standard efficiency performance measure for school districts, hospitals, restaurants and other food services operations. MPLH is the number of meal equivalents served in a given period divided by the total hours worked to produce those meals during that period. Meal equivalents are lunches plus an equivalent number of breakfast and a la carte sales. **Exhibit 8-6** shows the conversion rates for meal equivalents used by KISD and the review team to calculate MPLH.

Exhibit 8-6
Conversion Rate for KISD Meal Equivalents
2001-02

Category	Conversion Rate
Student Lunch	One lunch equals one equivalent
Adult Lunch	One lunch equals one equivalent
Student and Adult Breakfasts	Three breakfasts equal one equivalent
Ala Carte Sales	Sales divided by \$2.00 equal one equivalent

Source: KISD Child Nutrition Work-Hour/Labor Costs/Meal reports, August 2001 to January 2002.

KISD uses the conventional system for meal preparation and service at all locations except the high school, where disposable trays are used instead of washable plastic trays. The conventional system includes the preparation of some foods from raw ingredients on premises, the use of some bakery bread and prepared pizza and the washing of dishes. By contrast, the convenience system maximizes the amount of processed food and disposable wares.

Exhibit 8-7 outlines the MPLH industry standards used to evaluate staff productivity. If the MPLH rate is lower than the recommended rate, either the number of meals served is low or the number of hours worked is high. The number of hours worked is a function of two variables: the number of staff employed and the hours per worker. Both variables are controllable. For a school district that is not meeting the recommended MPLH to achieve recommended MPLH, a school food service operation would have to increase the number of meals served or reduce the number of staff or decrease the hours worked by each employee.

Exhibit 8-7
Recommended Meals Per Labor Hour

Number of Meal Equivalents	Meals Per Labor Hour (MPLH)			
	Conventional System		Convenience System	
	Low Productivity	High Productivity	Low Productivity	High Productivity
Up to 100	8	10	10	12

101 - 150	9	11	11	13
151 - 200	10-11	12	12	14
202 - 250	12	14	14	15
251 - 300	13	15	15	16
301 - 400	14	16	16	18
401 - 500	14	17	18	19
501 - 600	15	17	18	19
601 - 700	16	18	19	20
701 - 800	17	19	20	22
801 - 900	18	20	21	23
901 up	19	21	22	23

Source: School Foodservice Management for the 21st Century, 5th Edition.

Exhibit 8-8 compares KISD's MPLH for each school kitchen to the industry standard for conventional system use for the period from August 2001 through January 2002. The conventional system was used to evaluate KISD's productivity since it is a more conservative approach.

Exhibit 8-8
KISD Meals Per Labor Hour Comparison
August 2001-January 2002

Schools	Average Meal Equivalents Served	Average Hours Worked	KISD Reported MPLH	Industry MPLH Standard	MPLH Variance +/-(-)
Daniels Elementary	604	36.5	16.5	16	0.5
Starkey Elementary	410	36.5	11.2	14	(2.8)
Nimitz Elementary	478	36.5	13.1	14	(0.9)
Tivy Upper Elementary	577	36.5	15.8	15	0.8
Hal Peterson Middle	570	47.5	12.0	15	(3.0)
Tivy High School (includes Head Start participation)	589	58.5	10.1	15	(4.9)

District Total	3,228	252	12.8		
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Source: KISD Child Nutrition Work-Hour/Labor Costs/Meal reports, August 2001 to January 2002. Industry Standards are from School Foodservice Management for the 21st Century, 5th Edition.

Exhibit 8-9 shows the number of hours worked at each KISD cafeteria compared to the industry recommended hours. Compared to industry standards, KISD employs five excess full time equivalents (FTE) for the number of meals served.

Exhibit 8-9
KISD Meals Per Labor Hour Comparison
August 2001-January 2002

Schools	Average Meal Equivalents Served	Average Labor Hours Worked	Allowed Labor Hours at Standard MPLH	Labor Hours Above/ (Below) Standard	Equivalent FTEs at 7 Labor Hours
Daniels Elementary	604	36.5	37.8	(1.3)	(0.2)
Starkey Elementary	410	36.5	29.3	7.2	1.0
Nimitz Elementary	478	36.5	34.1	2.4	0.3
Tivy Upper Elementary	577	36.5	38.5	(2.0)	(0.3)
Hal Peterson Middle	570	47.5	38.0	9.5	1.4
Tivy High School (includes Head Start participation)	589	58.5	39.3	19.2	2.7
District Total	3,228	252	217	35.0	5.0

Source: KISD Child Nutrition Work-Hour/Labor Costs/Meal reports, KISD monthly records and daily record of income reports from August

2001 to January 2002. Allowed Hours at Standard MPLH is calculated by dividing Average Meal Equivalents Served by the industry standards MPLH from Exhibit 8-8.

Effective school districts use MPLH analysis to achieve productivity and control labor costs. By eliminating the number of food service employees above the industry MPLH standards, Ysleta ISD projects it will save \$4,140,084 over five years. The district evaluated each school to determine the correct number of staff required to serve the students and used various strategies to raise the number of meals per labor hour.

Elgin ISD (EISD) also uses MPLH to determine and measure its food service productivity. In 1999-2000, EISD maintained an overall average of 16.82 meals per hour, within the industry standards of 16 to 20 meals per labor hour. The district achieved cost effectiveness by using a combination of convenience, processed foods and conventional systems.

Recommendation 44:

Reduce staffing to achieve industry meals per labor hour standards.

To achieve MPLH standards, a combination of labor reductions and/or increased meals will need to occur. In developing strategies to achieve MPLH, the district could analyze its preparation strategies and identify areas that will reduce labor, such as a reduction in the amount of conventional foods prepared from scratch like breads, rolls and cookies and increase the use of disposables at each school.

The district could consider staggering work schedules or combining preparation and serving at schools that are co-located such as Tivy Upper Elementary and Hal Peterson Middle School. Finally, the district could develop strategies to increase the number of meals served at low MPLH schools such as Starkey Elementary, Hal Peterson Middle School and Tivy High School.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition and Child Nutrition Department managers develop specific MPLH standards for each school and freeze hiring until productivity levels are achieved.	September 2002
2.	The director of Child Nutrition and Child Nutrition Department managers work with school principals to develop a plan to increase productivity and reduce labor costs at schools that exceed MPLH standards.	October - November 2002

3.	The director of Child Nutrition presents the plan to the assistant superintendent of Business and Finance and the superintendent for approval.	December 2002
4.	The director of Child Nutrition and Child Nutrition Department managers implement the plans for improving productivity.	January 2003
5.	The director of Child Nutrition and Child Nutrition Department managers evaluate the productivity of each school according to the MPLH standards each month.	February 2003 and Ongoing

FISCAL IMPACT

Reducing staff by five FTEs to achieve industry standards, KISD would save \$52,687 in labor costs annually. This savings estimate is based on a starting Child Nutrition Department worker's salary of \$7.00 an hour (5 workers x 7 hours a day x \$7.00 an hour x 187 days equals \$45,815 for a school work year) plus fringe benefits at 15 percent, or \$6,872 (\$45,815 x .15 equals \$6,872). Cost savings for 2002-03 are projected as half that of other years since the recommendation will not be implemented until January of 2003.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Reduce staffing to achieve industry meals per labor hour standards.	\$26,344	\$52,687	\$52,687	\$52,687	\$52,687

Chapter 8

FOOD SERVICE

B. MEAL PARTICIPATION

Large student meal participation is important to a school district because it ensures that students are receiving properly balanced, nutritious meals, and it increases the amount of federal reimbursements received. Participation rates are calculated by dividing the total number of meals by the total number of students in attendance.

Exhibit 8-10 shows KISD's annual meal participation rates from 1998-99 to 2001-02. KISD lunch participation rates decreased slightly from 54.12 percent in 1998-99 to 53.38 percent for the seven month period of 2001-02. KISD has increased its breakfast participation rate by 1.07 percent during the same time period.

Exhibit 8-10
KISD Average Annual Meal Participation Rates
1998-99 through 2001-02

Description	Time Period			
	1998-99	1999-2000	2000-01	2001-02
Average Lunch Participation Rate	54.12%	53.74%	51.44%	53.38%
Average Breakfast Participation Rate	15.85%	16.14%	16.48%	16.92%

Source: TEA, District Profile Reports for KISD, 1998-99, 1999-2000 and 2000-01. KISD TEA School Lunch and Child Nutrition Programs Reimbursement Worksheets, September 2001-March 2002.

Note: participation does not include ala carte sales.

Exhibit 8-11 illustrates KISD's participation rates by school for January 2002. Participation rates are calculated by dividing the average daily lunch or breakfast equivalents by the enrollment.

Exhibit 8-11
KISD Meal Participation Rates by School
January 2002

Description	Enrollment	Average Daily Lunch Equivalents	Lunch Participation Rate	Average Daily Breakfast Equivalents	Breakfast Participation Rate
Tivy High School*	1,428	282	19.7%	134	9.4%
Hal Peterson Middle	664	279	42.0%	59	8.9%
Tivy Upper Elementary	731	452	61.8%	110	15.0%
Nimitz Elementary	573	405	70.7%	128	22.3%
Starkey Elementary	546	360	65.9%	81	14.8%
Daniels Elementary	642	526	81.9%	174	27.1%

*Source: KISD Child Nutrition Participation Reports, January 2002. Enrollment figures are from Child Nutrition Man- Hour/Labor Costs/Meal worksheet for January 2002. *Includes Head Start participation.*

KISD elementary schools have the highest lunch participation rates ranging from 65.9 percent at Starkey Elementary to 81.9 percent at Daniels Elementary. Tivy High School, which includes Head Start participation, has a lower lunch participation rate at 19.8 percent. The open campus policy at the high school is a factor that reduces the school's lunch participation rate.

District breakfast participation rates are low, ranging from 8.9 percent at Hal Peterson Middle School to 27.1 percent at Daniels Elementary. Tivy High School also has a low breakfast participation rate of 9.4 percent.

FINDING

KISD's Child Nutrition Department has developed unique and effective tools to communicate menus and food service program information to students and parents to encourage participation and interest. In August

1995, the director of Child Nutrition implemented the first food service menus, a tri-fold menu for the elementary schools and a pocket version for the secondary schools.

In August 1997, the director changed the secondary menu format from the pocket version to a one page, laminated 3-ring insert that can be slipped into a student binder. The insert contains breakfast and lunch choices for the entire year, lists a la carte items and prices and identifies important policies such as the pre-payment policy and student meal payment procedures. The insert also includes the Child Nutrition Department's contact information.

In August 2001, the director of Child Nutrition changed the elementary format from a tri-fold to a calendar. The calendar contains the menu for each month as well as health and nutrition information and activities. The last page of the calendar contains payment policy information and procedures.

Each year the director of Child Nutrition networks with other directors who are members of the Central Texas Food Service Directors Association (CTFSDA) to update school menus. The CTFSDA group works together to decide on a theme, colors and changes to the basic menu design template. To help defray the cost of the calendar, the group has obtained sponsors to help fund the menu. In return for helping to fund the calendar, the retail and commercial sponsors receive a small advertisement.

The CTFSDA works on the calendar design each spring and completes the basic shell by June. Once the basic shell is completed, each member school works with the printer to have their individual project printed and delivered by August. By pooling their resources through CTFSDA, the small schools receive a volume price discount.

The menus enable students and parents to be more aware of the variety of the daily meal offerings at KISD. The director of Child Nutrition said that parents commented after viewing the menus that they were pleasantly surprised by the number of choices offered.

COMMENDATION

KISD's colorful and creative menu formats effectively communicate food service information to parents and students.

FINDING

KISD's middle school has an effective practice that speeds up meal cashing for students and staff. The district uses the System Design food

services software point-of-sale system to record student sales and account balances. Students are issued meal identification cards that can be scanned at meal times to quickly record sales. At Hal Peterson Middle School, where students wait in a single line, students who bring their meal identification cards to the cafeteria at lunch can go to the front of the serving line. As a result of this practice, cashiering is accelerated and more accurate because the cashier is scanning the student's card, rather than entering an account number. Also, the benefit to students with identification cards is that they have more time for eating and socializing with their friends.

Reducing the length of time a student spends waiting in line may positively affect student participation. The director of Child Nutrition said that she informally polled parents on why their students did not eat in the cafeteria. Several parents said that their students brought their own lunch because they thought they would have to spend too much of their lunch period in line.

COMMENDATION

KISD's practice to allow students with identification cards to move to the front of the serving line reduces time spent cashiering and improves accuracy.

FINDING

KISD creates interest in its food service program by using a variety of methods such as promotions, theme days, and special activities. In 1996 the Child Nutrition Department installed a jukebox in the Tivy High School cafeteria. During the review team visit, the reviewer saw students dancing and singing to the jukebox after they had finished their lunch. The jukebox costs \$50 a month and is self-supporting.

At the elementary schools, the Child Nutrition Department offers special theme days such as Grandparents Day, Muffins with Mom and Donuts with Dad to keep the students' interest and increase participation and customer satisfaction. The Child Nutrition Department also operates free giveaways to promote lunch participation. For example, the department will draw names from a roster of those who participated in lunch on a certain day or place a sticker on the bottom of a lunch tray. The winning student receives a prize. The department also promotes itself through contests. The middle school runs contests to guess the scores for basketball and football games. The students who guess the closest to the correct score receive ice cream or a cookie. The cafeteria staff at each school also promotes interest and school spirit by wearing their school's tee shirts on Fridays.

The Child Nutrition Department also works with teachers to support classroom activities. One example was the chuck wagon lunch delivered by the Child Nutrition Department to coincide with a class field trip at the Cowboy Artists of America museum. In another example, the Child Nutrition Department cooked Indian corn mush for students to taste during a class unit about Indians and their culture.

COMMENDATION

KISD's Child Nutrition Department wide variety of activities, promotions and special events creates interest in its food service program.

FINDING

Competition from food incentives and concession and vending sales negatively affects student lunch participation. Vending machines were observed operating during the lunch period adjacent to the high school cafeteria and in the gymnasium. While there are vending machines in other schools, they are not accessible to students.

Concession sales or food incentives occur at all schools. One elementary school cafeteria manager described a parent teacher organization (PTO) incentive, which occurs every Friday, where students who read enough books could turn in tokens for a soda and popcorn. Another manager identified a PTO program where students were taken out to lunch as a reward. During one week, this affected the participation at one school by 90 lunches on one day and 65 on another.

Many vending machine and concession items are of minimum nutrient value and directly compete with the more nutritious and healthy lunches provided by the Child Nutrition Department as part of the National School Lunch Program. In addition, federal regulations prohibit the sale of foods of minimal nutritional value (FMNV) in the food service area during meal periods. FMNV includes carbonated beverages, water ices that do not include fruit or fruit juices, chewing gum and candies made predominantly from sweeteners such as hard candies like lollipops, mints and jaw breakers, jellies and gums such as jelly beans, marshmallow candies, fondant, licorice, spun candy and candy coated popcorn.

In April 2002, TEA distributed a FMNV policy change based on a United States Department of Agriculture (USDA) January 2001 policy memorandum that reinforced the requirements prohibiting FMNV and established financial penalties for schools that violate FMNV restrictions. The USDA recommends that corrective action be taken against schools in violation of the FMNV policy, including not allowing reimbursement for

all meals served on the day the violation was observed and that the lost income be recovered from a source other than food service funds.

Many school districts establish policies and procedures to restrict the sale of foods in competition with meals served under the National School Lunch and Breakfast Programs. Because vending machines and concession sales are fundraisers for a number of school organizations, many schools do not eliminate the practice, but restrict it during lunch periods.

For example, Bastrop ISD (BISD) established a district policy to control the sale of foods in competition with meals served under the National School Lunch and Breakfast Program. BISD implemented procedures so that all vending machine companies must work through the Child Nutrition Services Department. The Child Nutrition Services director has restricted vending machine placement and closely monitors vending sales during serving periods to ensure compliance with federal requirements.

Recommendation 45:

Restrict vending operations and concessions during the lunch period.

The director of Child Nutrition should work with school principals and school organizations such as the PTO to develop and implement policies that limit the sales of vending and concession items during the lunch period at all schools. The vending machines should be turned off during the lunch period, and concession sales and promotions should be restricted until after the lunch period.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition works with school principals and representatives from school organizations to develop policies to turn off vending machines and restrict concession sales during lunch periods.	November 2002
2.	The director of Child Nutrition presents jointly developed policies to the superintendent and board for approval.	December 2002
3.	The director of Child Nutrition and principals implement vending machine and concessions policies.	December 2002
4.	The director of Child Nutrition, principals and representatives from school organizations develop a program and materials to encourage students and parents to participate in the school lunch program in lieu of purchasing commercially prepared lunches.	January - February 2003

5.	The director of Child Nutrition presents jointly developed materials to the superintendent for approval.	March 2003
6.	The director of Child Nutrition distributes the approved materials to principals for use.	April 2003
7.	Principals implement the program encouraging parents and students to participate in the school lunch program.	May 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Competition from commercial food establishments negatively affects high school meal participation rates. Competition occurs when students at Tivy High School, an open campus, choose to eat at nearby restaurants or when parents bring food to the cafeteria for their student. The high school manager identified the open campus policy as the main factor affecting participation.

Commercial lunches directly compete with the more nutritious and healthy lunches provided by the Child Nutrition Department as part of the National School Lunch Program. As a result of competition, the district is not only losing revenues, but students may not be eating a healthy and nutritious lunch.

Many districts have reduced the effect of commercial lunches by contracting with recognized commercial food chains to offer brand name items in their cafeterias and converting them to meals that meet the NSLP requirements. La Joya ISD, for example, instituted brand name market concepts in the 1999-2000 school year to allow students choices that they would recognize and like. La Joya ISD developed bids and awarded contracts to various food chains. In the year following the introduction of brand name items, student participation increased.

In another example, Hamilton ISD had a low, 20 percent lunch participation rate at its high school, due in part to the presence of a number of convenience stores and restaurants within walking distance of the high school. The cafeteria staff worked with these restaurants, food distributors, and national chains to sponsor theme days or events and to provide promotional items for the cafeteria. As a result of this and other strategies, a participation increase of just 5 percent gave the district \$13,260 in additional state compensatory funds.

Recommendation 46:

Introduce brand name items in the high school cafeteria to increase participation.

The director of Child Nutrition should develop strategies to bring commercial brand name items into the cafeteria. As part of strategy development, the director of Child Nutrition should contact districts that have successfully introduced brand name items to obtain procurement documents that were used to solicit bids from vendors. The director of Child Nutrition can use these documents as a model to develop solicitation documents for KISD use.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition researches and contacts districts that have introduced brand name items in their cafeteria.	November 2002
2.	The director of Child Nutrition obtains solicitation materials from districts that have implemented brand name programs.	December 2002
3.	The director of Child Nutrition develops a proposal to implement brand name items in the high school cafeteria and presents proposal to high school principal, assistant superintendent of Business and Finance and superintendent for review and comment.	January 2003
4.	The director of Child Nutrition revises proposal as necessary.	January 2003
5.	The director of Child Nutrition presents proposal to board for approval to begin solicitation process.	February 2003
6.	The director of Child Nutrition works with the Purchasing supervisor to develop solicitation documents.	March 2003
7.	The Purchasing supervisor distributes solicitations.	April 2003
8.	The Purchasing supervisor receives proposals from vendors and works with the director of Child Nutrition and the assistant superintendent of Business and Finance to evaluate bids and recommend award to successful vendor(s).	May 2003
9.	The district awards contracts to successful vendors.	June 2003
10.	Vendors provide services in accordance with contracts.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The director of Child Nutrition is often not consulted in decisions made by school administrators that affect food service operations. There are many decisions made by school administrators that have an effect on food service operations. For example, a decision to add or extend lunch periods increases the amount of labor cost for food services. In another example, when school administrators schedule special events such as field trips and these are not coordinated with the cafeteria manager, too much food is prepared and there is waste. Also, the opportunity for the Child Nutrition Department to provide the lunches and increase participation and reimbursement is missed.

School administrators also make decisions about vending and concession fund raisers for various organizations to help provide funds for activities at their schools. When vending or concession sales occur during the lunch periods, the number of students eating lunch decreases which increases the amount of food waste and decreases the level of reimbursement received.

Without regular communication and coordination between the director of Child Nutrition and school administrators, policies and decisions may be implemented that limit the Child Nutrition Department's ability to operate cost effectively. There may also be decisions made by school administrators that allow food items in the schools that do not comply with local sanitation and food handling requirements or food service federal regulations such as the prohibition of the sale of items determined to be of minimal nutritional value in the food service area during meal periods.

Finally, the decisions that decrease student participation not only affect the reimbursements received for school breakfasts and lunch, but may also affect the amount of Title I and compensatory funding received by the district, since it is based on the identification of students eligible for free and reduced-price meals.

Recommendation 47:

Include the director of Child Nutrition in all decisions that affect food service operations.

The district's leadership team, a committee of administrators, directors and the superintendent meets weekly. The director of Child Nutrition should be informed by the leadership team of food service issues and should attend leadership team meetings when food service issues are to be addressed. Also, the director of Child Nutrition and appropriate cafeteria manager should set up a quarterly meeting with each school's principal to address school specific issues or meet informally as issues arise.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition is included in Leadership Team meetings.	September 2002 and Monthly
2.	The director of Child Nutrition and each cafeteria manager schedule meetings with the school principal.	October 2002 and Quarterly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Child Nutrition Department does not routinely conduct a formal survey of students, teachers and parents to evaluate its food service program. The director of Child Nutrition said that the last formal survey was done five years ago in 1997 and that current menus were based on feedback from that survey. Although a formal districtwide survey has not been done in five years, the director of Child Nutrition has periodically done in-class surveys at several elementary schools, when she has been asked to provide nutrition education. The director of Child Nutrition and cafeteria managers monitor participation to determine popular menu items. The director of Child Nutrition also eats a school lunch or breakfast every day to monitor temperature, quality and portion size of meals. The director occasionally monitors the cafeteria dish window to determine what students don't eat.

The review team surveyed parents, teachers, principals and students to ask questions about food quality, service and environment. As shown in **Exhibit 8-12**, about 44 percent of teachers and parents and 16 percent of students thought the food looked and tasted good. A large percentage of students had no opinion, possibly a reflection of the low participation rate at the high school. All groups were more positive when asked about food temperature. Responses to questions about service time and length of time to eat were mixed, and responses to questions about staff friendliness and cafeteria cleanliness were very positive.

Exhibit 8-12 Food Service Survey Results March 2002

Survey Question	Strongly Agree/ Agree	No Opinion	Disagree/ Strongly Disagree
The cafeteria's food looks and tastes good.			

Teacher	44.4%	23.5%	30.8%
Students	16.1%	40.6%	42.5%
Parents	44.7%	22.3%	30.1%
Principals	76.9%	7.7%	15.4%
Food is served warm.			
Teacher	70.6%	19.0%	9.2%
Students	29.3%	56.6%	12.3%
Parents	54.9%	26.7%	15.1%
Principals	84.6%	7.7%	7.7%
Students have enough time to eat.			
Teacher	n/a	n/a	n/a
Students	27.3%	9.4%	61.3%
Parents	62.6%	6.3%	29.1%
Principals	100.0%	0.0%	0.0%
Students wait in food lines no longer than ten minutes.			
Teacher	75.0%	15.8%	7.9%
Students	21.7%	54.7%	22.6%
Parents	45.6%	36.4%	16.0%
Principals	92.3%	0.0%	7.7%
Cafeteria staff is helpful and friendly.			
Teacher	75.8%	11.8%	11.1%
Students	30.2%	50.9%	17.9%
Parents	65.1%	22.3%	10.2%
Principals	100.0%	0.0%	0.0%
Cafeteria facilities are sanitary and neat.			
Teacher	85.6%	9.8%	3.3%
Students	32.1%	50.9%	15.1%
Parents	78.1%	17.0%	2.9%
Principals	100.0%	0.0%	0.0%

Source: KISD TSPR Surveys, March 2002. Note: Percentages may not add to 100 percent due to no responses on some questions.

Surveys provide an important additional tool for school food service directors to gain feedback and identify areas requiring improvement. Without survey information, food service directors do not have sufficient information to address areas that affect student interest and participation such as menu choices, price, quality of food and image of the food service program.

Falls City ISD (FCISD) Food Service program has achieved success with its menus by using surveys. The Falls City English Honors Class conducted a study in February 2001 reviewing FCISD food service menus. The class' study recorded students' least and most favorite meal preferences. Survey results were used to adjust menus.

Glen Rose ISD's director of Child Nutrition surveys students, teachers and parents annually for input on food presentation, temperature and taste, promotions and the cafeteria environment. The director of Child Nutrition uses the survey results to identify and implement changes to improve food service operations.

Tyler ISD prepared and circulated a questionnaire to solicit feedback from students and faculty on the acceptability of lunch and breakfast meals. In the first two years of implementation of survey suggestions, breakfast and lunch participation increased by 13 percent and nine percent respectively. Since then, meal participation grew one percent in 1997-98 and three percent in 1998-99.

Recommendation 48:

Develop and administer an annual survey to evaluate food service operations.

The director of Child Nutrition should develop a survey and administer it to parents, teachers and students districtwide. To minimize costs and encourage student involvement, the director of Child Nutrition could work with secondary teachers to develop and conduct the surveys as a class project. The director of Child Nutrition should review the survey results and use them to evaluate food service operations and implement changes to improve operations.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition meets with principals to	October 2002
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	discuss the annual survey initiative and to gain approval to meet with appropriate teachers.	
2.	The director of Child Nutrition meets with designated teachers and works with teachers to develop the initiative to use surveys as a class project.	November - December 2002
3.	The director of Child Nutrition works with designated teachers and classes to develop and conduct annual surveys.	January 2003
4.	The director of Child Nutrition designates classes to conduct surveys in and compile results.	February 2003
5.	The director of Child Nutrition reviews survey results and develops recommended changes.	March - May 2003
6.	The director of Child Nutrition and cafeteria managers implement changes.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 8

FOOD SERVICE

C. FINANCIAL MANAGEMENT

Financial management has been a major emphasis of school districts nationwide. Successful school food service operation requires: a knowledge of the financial goals and objectives of the school board; sound planning and budget development to meet board goals and objectives; and a financial accounting system that provides accurate and timely financial information to assist in managing revenues and expenditures.

Controlling Costs in the Food Service Industry, 1998, identifies several reports that are critical to the financial management of a school food service operation. These reports are outlined in **Exhibit 8-13**.

Exhibit 8-13 **Food Service Operations** **Financial Management Reports**

Report	Report Description/Use
Budget	Financial management plan that helps a manager estimate revenue and expenses based on prior year data, estimates and planned changes.
Balance Sheet	Report that provides a "snapshot" of the financial worth of the operation at the end of a reporting period. It shows assets, liabilities and the net worth or fund balance of the operation.
Profit and Loss Statement	Report that shows how the operation has been doing both at the end of a period and over a period of time in terms of the revenue or income generated versus expenditures.
Cash Flow Statement	Report that shows the cash inflow (revenues) and outflow (expenditures) for a period of time.
Financial Trends and Ratios	Provides information on various types of performance trends. Examples include: food costs as a percent of total sales; labor costs as a percent of total sales; and value of inventory and inventory turnover.

Source: Controlling Costs in the Food Service Industry, 1998.

For 2001-02, the Child Nutrition Department had an operating budget of approximately \$1.2 million as shown in **Exhibit 8-14**. This amount was \$73,091 less than actual expenditures in 2000-01. The food and supplies

budget decreased by almost \$101,000. The decreases were offset by increases in payroll, contracted services, other operating expenditures and capital outlay of \$28,035. Payroll related expenditures are the largest component of the 2001-02 budget, representing 48.8 percent of the total. Food and supplies is the second largest category, representing 45.6 percent of the total budget.

Exhibit 8-14
KISD Child Nutrition Department Financial Information
2000-01 and 2001-02

Expenditure Category	2000-01 Actual	2001-02 Budget	Percent of Total Budget
Payroll	\$584,266	\$588,461	48.8%
Contracted Services	\$28,416	\$31,525	2.6%
Food and Supplies	\$651,905	\$550,780	45.6%
Other Operating Expenditures	\$2,915	\$6,060	0.5%
Capital Outlay	\$12,414	\$30,000	2.5%
Total Expenditures	\$1,279,917*	\$1,206,826	100.0%

Source: KISD Annual Financial Report, 2000-01 (Total Expenditures), PEIMS 2000-01 actual expenditures and 2001-02 budgeted expenditures for 2000-01 expenditure by category information and 2001-02 budget information.

** 2000-01 expenditures by category*

(PEIMS data) does not sum to the total expenditures (annual financial report) because of rounding.

KISD generates revenue from federal, state and local sources. The district receives federal and state reimbursements for participation in the National School Lunch and School Breakfast Programs. **Exhibit 8-15** identifies the rates for federal reimbursement received by KISD for 2001-02. KISD qualifies for the severe need additional reimbursement of \$0.22 since more than 40 percent of the lunches served for the past two years have been at a free or reduced price.

Exhibit 8-15
Reimbursement Rates
2001-02

District	Full Price	Reduced Price	Free
Reimbursable Lunches	\$0.20	\$1.69	\$2.09
Reimbursable Breakfasts	\$0.21	\$0.85	\$1.15
Breakfast Severe Needs (additional)		\$0.22	\$0.22

Source: TEA, Child Nutrition News, August 2001.

Setting the meal prices at a competitive level is an important component in managing revenues. **Exhibit 8-16** compares the full-price meal prices charged by KISD and its peer districts for 2001-02.

Exhibit 8-16
Peer District Comparison of Full-Price Meal Prices
2001-02

District	Lunch Prices		Breakfast Prices		
	Elementary	Secondary	Adult	Student	Adult
Levelland	\$1.25	\$1.50	\$2.25	\$0.70	\$1.25
Aransas County	\$1.25	\$1.50	\$2.25	\$0.75	\$1.00
Kerrville	\$1.50	\$1.75	\$2.25	\$1.00	\$1.25
Brenham	\$1.50	\$1.75	\$2.50	\$0.85	\$1.25
Midlothian	\$1.55	\$1.80	\$2.25	\$1.25	\$1.50
Marble Falls	\$1.80	\$2.00	\$2.25	\$0.80	\$1.10
Peer Average	\$1.48	\$1.72	\$2.29	\$0.89	\$1.23

Source: Peer district surveys, April 2002 and KISD director of Child Nutrition.

KISD's prices are comparable with those of its peers. When compared to its peers, KISD ties with Brenham ISD for the second lowest elementary and secondary student lunch prices behind Levelland and Aransas County. All peer districts except Brenham had the same adult lunch price of \$2.25.

KISD has the second highest student breakfast price at \$1.00 behind Midlothian's price of \$1.25.

The remaining peer districts student breakfast prices ranged from a low of \$0.70 at Levelland to \$0.85 at Brenham. Kerrville ISD tied for the second highest adult breakfast price of \$1.25 with Levelland and Brenham. Midlothian had the highest adult breakfast price at \$1.50. KISD's prices are slightly higher than the peer average for student lunches and adult breakfasts and slightly lower for adult lunches. The greatest price difference when compared to the peer average is student breakfast prices. At \$1.00, KISD's student breakfast price is \$0.13 higher than the peer average.

FINDING

KISD Child Nutrition Department has a unique service to control costs by minimizing the potential for food spoilage. Freezers at all KISD kitchens and at the warehouse are alarmed and monitored through the Kerrville Telephone Company. If the temperature rises above a certain level, the telephone company has equipment that dials a pre-defined contact list at the district and a synthesized voice reports the situation.

KISD bought the original alarm equipment for in 1985. The complete cost of the original system and upgrades purchased through 2000 was \$2,738. Kerrville Telephone Company maintains the equipment at no charge. As a result of the service, district personnel receive immediate notification of a potential freezer problem, after hours or during holiday periods, so that they can take steps to fix the problem or transfer the food before it spoils.

COMMENDATION

KISD's freezer alarm monitoring service controls costs by minimizing the potential for food spoilage if a freezer malfunctions.

FINDING

KISD's Child Nutrition Department is not using its budget to fund all appropriate overhead costs for its operations. While the Child Nutrition Department budget pays for utilities, operating costs such as custodial services are not allocated to the Child Nutrition budget. Instead, costs are paid by the general operating fund, the funding source that supports classroom instruction and activities.

In lieu of allocating a portion of custodial costs to its budget, the Child Nutrition Department provides free meals to custodians who clean the dining area and empty dining room and kitchen trash at all but one school.

A total of 20 meals a day are provided to custodial staff in the district as well as five meals a day for educational aides.

Food service profits can only be used for food service operations. When expenses that are used to generate food service revenue such as custodial services are not allocated to the food services operations, the Child Nutrition Department's expenditures are understated and its profit and fund balances are overstated. Also, since the general fund is used to pay for these costs, its expenditures are increased and fewer funds are available for instructional use.

In addition, if fund balances are generated they can be used to fund food service capital equipment, minimizing the need to use general fund or bond fund money, and making the Child Nutrition Department completely self-sufficient.

Tyler ISD developed a cost-allocation system enabling the district to recover costs for utilities and custodial maintenance services resulting from food service operations. Custodial and utility costs were developed on a per square-foot ratio, and then allocated to the General Operating Budget from the Food Service Budget. Since 1996-97, the district saved \$650,000, and expects to save nearly \$1.1 million by 2000-01 by developing a food service cost allocation system to distribute costs to their appropriate revenue source.

Recommendation 49:

Allocate custodial costs to the Child Nutrition Department budget.

The director of Child Nutrition should work with the assistant superintendent of Business and Finance to allocate cost of custodial support to the cafeterias based on a per hour cost for actual food service related activities. The director of Child Nutrition should eliminate the practice of providing free meals to custodial staff and educational aides and apply those savings to offset the additional allocation of custodial costs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition eliminates the practice of providing free meals to custodial staff for assisting in the cafeterias.	September 2002
2.	The director of Child Nutrition works with the assistant superintendent of Business and Finance to identify custodial costs and allocate them to the Child Nutrition Department	October - December 2002

	budget.	
3.	The director of Child Nutrition and the assistant superintendent of Business and Finance allocate custodial costs to the Child Nutrition Department budget.	January 2003 and Ongoing
4.	The director of Child Nutrition and the assistant superintendent of Business and Finance monitor actual costs and adjust the allocation accordingly during each budget process.	May 2003 and Annually

FISCAL IMPACT

By allocating custodial costs to the Child Nutrition Department budget, the district is estimated to save \$34,583 annually in general fund costs. Custodial costs are estimated based on the cost of one custodian for each school for four hours a day (6 custodians x 4 hours x \$7.00 hour x 179 days equals \$30,072 plus fringe benefits of 15 percent of salary cost or \$4,511 equals \$34,583). Savings are prorated for 5/12 of the first year (\$34,583/12 x 5 months) since the allocation will not be implemented until January 2003 and will be effective from January through May 2003.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Allocate custodial costs to the Child Nutrition Department budget.	\$14,410	\$34,583	\$34,583	\$34,583	\$34,583

FINDING

Child Nutrition Department financial analysis and reporting is a manual, labor intensive process. The director of Child Nutrition has developed and extensively uses fill in the blank templates to calculate MPLH, participation rates, food costs and other performance information. In analyzing MPLH for example, the director of Child Nutrition takes participation and sales information from the point-of-sale system and hand writes it in the template. The director of Child Nutrition then takes enrollment and labor hour data from other reports and also writes them in the template.

To calculate the ratios, the director uses an adding machine. The production sheets, labor and food cost analysis and inventory tracking are also manual. The profit and loss statements generated each month are created on spreadsheets from data in the district financial system. The director of Child Nutrition enters the data manually into the spreadsheet to generate the report. These reports are shared with cafeteria managers at

their monthly meeting. While the district's POS system from Systems Design has sales and participation reporting capabilities, the district does not own the inventory tracking module. The POS software company is just beginning to develop an independent financial reporting module, but it has written programs to extract data from a district's financial system into the district's existing food service financial report formats.

With a manual process, a significant amount of labor is expended that could be allocated to other tasks. In addition, the chance for incorrect data entry or calculation of ratios increases. With an automated financial management system, information can be used to generate timely reports that managers can use to evaluate revenues and expenditures and take corrective action.

Glen Rose ISD has software that provides immediate information concerning student participation in each cafeteria. It provides the information while ensuring the confidentiality of students participating in the free and reduced-price meal programs. The software also provides financial information such as sales by menu item, sales by school, volume of cash sales, prepaid sales, and sales to students versus sales to teachers and guests. The food service software is linked to the district's accounting system for financial reporting and analysis.

Recommendation 50:

Automate food service financial and performance reports.

The director of Child Nutrition should work with the assistant superintendent of Business and Finance and Finance Department staff on interim and long-term strategies to automate food service financial reports. In the interim, the director of Child Nutrition should seek assistance from the assistant superintendent of Business and Finance and Finance Department staff to identify all desired financial and performance reports and develop spreadsheet formats for the MPLH and other performance reports that are currently calculated manually.

The director of Child Nutrition should also work with the assistant superintendent of Business and Finance, Finance Department staff and Technology Department staff to develop the specifications and data requirements to automate food service financial reports. Once the specifications have been developed, the director of Child Nutrition should work with the district's Purchasing supervisor to negotiate a contract modification to the existing POS system contract for development of a financial reporting module. Since the software vendor does not have a developed module, there may be opportunities to negotiate reduced development costs by agreeing to be a pilot development site.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition meets with the assistant superintendent of Business and Finance and the director of Technology to request assignment of Finance and Technology Department staff to assist in the development of spreadsheet reports and specifications for a financial reporting module.	October 2002
2.	The assistant superintendent of Business and Finance and Technology director assign staff to work with director of Child Nutrition.	October 2002
3.	The director of Child Nutrition works with assigned Finance and Technology Department staff to identify desired financial reports, calculations and data sources and to develop interim spreadsheet reports.	November 2002 - January 2003
4.	The director of Child Nutrition works with assigned Finance and Technology Department staff to convert interim spreadsheet report requirements into specifications and data requirements for the POS software vendor.	February 2003 - March 2003
5.	The director of Child Nutrition works with the Purchasing supervisor negotiate a contract modification with the software vendor for the development of the reporting module and to purchase the inventory module.	April 2003
6.	The software vendor installs the inventory module and trains staff in its use.	May 2003
7.	The software vendor develops the reporting module.	May - June 2003
8.	The software vendor sends the reporting module to the director of Child Nutrition and assigned Finance and Technology Department staff for testing and acceptance.	July 2003
9.	The director of Child Nutrition implements the software with assistance from the vendor and Finance and Technology Department staff.	August 2003

FISCAL IMPACT

The initial cost of automating financial and performance reporting module is estimated at \$7,500 (100 development hours x \$75 an hour of programmer time). The price for the inventory module from Systems Design is \$4,500 for a total of \$12,000 in one-time costs. Ongoing maintenance costs are 15 percent of the cost of the software or \$1,800 (\$12,000 x .15). Maintenance costs are assumed to start in 2004-05, one

year after implementation of the software and a one year warranty period ends.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
One-time cost for financial and performance reporting module	(\$7,500)	\$0	\$0	\$0	\$0
One-time cost for inventory module	(\$4,500)	\$0	\$0	\$0	\$0
Ongoing maintenance costs	\$0	\$0	(\$1,800)	(\$1,800)	(\$1,800)
Net (Costs)/Savings	(\$12,000)	\$0	(\$1,800)	(\$1,800)	(\$1,800)

FINDING

The Child Nutrition Department does not have a capital replacement plan for its kitchen equipment that spreads the replacement of equipment equally over time. **Exhibit 8-17** shows the amount of equipment by its age based on an analysis of the assets from the district fixed asset listing and updated model year information from the district. The age was determined by subtracting the model year from 2002. As displayed in **Exhibit 8-17**, the majority of equipment is more than 20 years old. According to the fixed asset list, the cost of a dishwasher replaced in 1996 was \$9,217. Ovens that were purchased in 1980 cost \$5,546. The Child Nutrition Department has a fund balance of more than \$462,000 (**Exhibit 8-3**) that can be used to purchase replacement equipment.

Exhibit 8-17
Cafeteria Equipment Ages
2001-02

Equipment Description	Amount of Equipment by Age					Average Age (in years)
	1-5 years	6-10 years	11-15 years	16-20 Years	More than 20 Years	
Dishwashers	0	1	1	0	5	18.7
Convection/Range Ovens	0	0	5	0	11	19.6
Serving Lines	0	0	5	0	8	18.9

Source: KISD Detail Listing of Fixed Assets, January 2002 and Kerrville ISD Child Nutrition director.

Food For Thought: Ideas for Improving School Food Service Operations issued in May 1999, notes that school districts do not regularly replace outdated equipment. Districts let equipment break down or become obsolete and defer maintenance, rather than replace the equipment using the fund balance, which increases the cost of doing business. When equipment is not replaced at an appropriate time, its maintenance and operating costs increase. Also, if equipment replacement is not planned, the district could face unexpected, massive equipment failure and replacement in a single year.

By replacing equipment on a planned basis, the district is able to keep the annual replacement costs reasonable. More energy efficient models can replace older and less efficient equipment. In addition, the older equipment can be sold or used for parts for existing equipment.

Effective school districts routinely plan to spread replacements of capital equipment, such as buses, equally over a time period to keep the replacement costs reasonable while maintaining the operability of the equipment. This concept can easily be applied to food service equipment.

Recommendation 51:

Develop a phased capital replacement plan for food service equipment.

The plan should be based on an analysis of the age and condition of the equipment as well as maintenance and repair records. The effect that older, less efficient equipment has on labor and energy costs should also be considered. Phasing would allow equipment to be retired on a planned basis once the effective, useful life has been achieved. The plan should also consider whether the equipment should be disposed or retained to use for spare parts. The plan should be reviewed and updated annually to reflect changes in equipment condition and needs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Child Nutrition works with Finance and Maintenance Department staff to analyze equipment data and develop replacement criteria.	February 2003
2.	The director of Child Nutrition develops a draft phased equipment plan, including replacement criteria and presents it to the assistant	March 2003

	superintendent of Business and Finance for review and approval.	
3.	The assistant superintendent of Business and Finance presents the plan to the superintendent and board for approval.	April 2003
4.	The director of Child Nutrition implements the adopted plan.	May 2003
5.	The director of Child Nutrition updates the plan.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9

STUDENT TRANSPORTATION

This chapter reviews the transportation operations of the Kerrville Independent School District (KISD) in four sections:

- A. Organization and Management
- B. Safety and Training
- C. Routing and Scheduling
- D. Fleet Maintenance

The primary goal of every school district's transportation department is to transport eligible students to and from school and approved extracurricular activities in a timely, safe and efficient manner.

BACKGROUND

The Texas Education Code (TEC) authorizes but does not require Texas school districts to provide transportation for students in the general population between home and school, from school to career and technology training locations and for extracurricular activities. The federal Individuals with Disabilities Education Act (IDEA) requires a school district to provide transportation for students with disabilities if it also provides transportation for students in the general population, or if students with disabilities require transportation to receive special education services.

Texas school districts are eligible for state reimbursement for transporting regular program, special program and career and technology education (CATE) students. The Texas Legislature sets transportation funding rules, and the Texas Education Agency (TEA) administers the program. TEA requires each school district eligible for state reimbursement to provide two annual school transportation reports, the Route Services Report and the Operations Report. The Route Services Report documents reimbursable miles traveled and the number of riders by program and subprogram. "Reimbursable miles" are defined as verified mileage for transporting eligible students between their residences and their respective schools. The reimbursable miles for a route are determined using the last school served as the route's starting and ending point.

State funding for regular program transportation is limited to transportation for students living two or more miles from the school they attend. The state does not reimburse districts for transporting students living within two miles of school unless they face hazardous walking conditions on the way to school, such as the need to cross a four-lane

roadway without a traffic signal or crossing guard. The state will reimburse districts for transporting students on hazardous routes within two miles of school; however, the reimbursement may not exceed 10 percent of the total annual reimbursement for transporting students living two or miles away. School districts must use local funds to pay for transportation costs the state does not cover.

For regular program routes, the state reimburses districts for qualifying transportation expenses based on the previous year's "linear density"-the ratio of the average number of regular program students transported daily on standard routes to the number of route miles traveled daily. Standard miles and riders do not include miles or riders for alternative, bilingual, desegregation, magnet, parenting or year-round transportation programs or hazardous area service.

TEA uses this ratio to assign each school district to one of seven linear density groups, each eligible for a different maximum per-mile allotment (**Exhibit 9-1**).

**Exhibit 9-1
Linear Density Groups**

Linear Density Group	Allotment Per Mile
2.40 and above	\$1.43
1.65 to 2.40	\$1.25
1.15 to 1.65	\$1.11
0.90 to 1.15	\$0.97
0.65 to 0.90	\$0.88
0.40 to 0.65	\$0.79
Up to 0.40	\$0.68

Source: TEA, Handbook on School Transportation Allotments, revised May 2001.

In 2000-01, KISD was in the third-lowest linear density group. KISD was entitled to a reimbursement of 88 cents per route mile for regular program miles. In the same year, the district's actual operations cost (total annual costs less debt service and capital outlay) was \$1.89 per odometer mile. (Odometer miles are all miles driven, including miles for extracurricular

trips, maintenance and trips to and from bus routes.) **Exhibit 9-2** compares KISD's linear density with those of its peer districts. Levelland has been omitted as a peer from the Transportation chapter because its transportation function is significantly smaller and skews the peer averages.

**Exhibit 9-2
KISD vs. Peer Districts
Linear Density
2000-01**

District	Standard Regular Riders***	Standard Regular Miles**	Linear Density	Allotment Per Mile***
Midlothian	267,660	215,637	1.241	\$1.11
Aransas County	212,940	240,822	0.884	\$1.11
Marble Falls	209,880	285,120	0.736	\$0.88
Brenham	244,080	371,700	0.657	\$0.88
Peer Average	233,640	278,320	0.880	\$1.00
Kerrville	158,940	160,380	0.991	\$0.88

Source: TEA, School Transportation Route Services Reports, 2000-01. Annual riders calculated by multiplying average daily riders by 180 school days.

***Does not include miles or riders for other regular education programs, including alternative, bilingual, desegregation, magnet, parenting and year-round transportation or hazardous area service.*

****Based on 1999-2000 linear density.*

Reimbursement for special program transportation is not based on linear density but instead is set by the Texas Legislature. All transportation for special program students, except certain extracurricular trips, is eligible for state reimbursement at \$1.08 per route mile. In 2000-01, KISD's actual cost for special program transportation was \$1.39 per odometer mile.

The reimbursement for CATE transportation is based on the cost for regular program miles for the previous fiscal year, as reported by the district in the TEA School Transportation Operation Report. In 2000-01, KISD received an allotment of \$1.69 for each reimbursable CATE mile.

Reimbursable miles are miles driven on routes; they do not include miles driven to or from a route, which are called "deadhead" miles, or miles driven for maintenance purposes. KISD operated 197,560 reimbursable regular program miles, 60,365 reimbursable special program miles, and 3,016 reimbursable CATE miles in 2000-01. **Exhibit 9-3** compares KISD's reimbursable route miles with those of its peer districts.

Exhibit 9-3
KISD vs. Peer Districts
Reimbursable Route Miles by Category
2000-01

	Regular Program Reimbursable Miles	Special Program Reimbursable Miles	CATE Program Reimbursable Miles
Brenham	375,660	104,940	0
Marble Falls	297,360	115,560	2,640
Aransas County	260,982	99,998	23,760
Midlothian	253,287	73,269	30,072
Peer Average	296,822	98,442	14,118
Kerrville	197,560	60,365	3,016

Source: TEA, School Transportation Operation Report and School Transportation Route Services Reports, 2000-01.

In 2000-01, KISD received a total of \$244,144 in state transportation funding. **Exhibit 9-4** compares KISD's total 2000-01 annual operations cost and state allotments for regular and special transportation, including CATE, with those of its peer districts. KISD had the lowest percentage of reimbursement for regular transportation, but the second-highest percentage of reimbursement for special program transportation.

Exhibit 9-4
KISD vs. Peer Districts

**State Allotment
2000-01**

District	Regular Program			Special Program		
	Operations Cost*	State Allotment	Percent State	Operations Cost*	State Allotment	Percent State
Aransas County	\$815,930	\$345,117	42%	\$109,589	\$107,998	99%
Marble Falls	\$733,303	\$267,854	37%	\$152,429	\$124,805	82%
Midlothian	\$599,303	\$347,307	58%	\$113,010	\$79,131	70%
Brenham	\$913,400	\$330,581	36%	\$209,000	\$114,151	55%
Peer Average	\$765,484	\$322,715	42%	\$146,007	\$106,521	73%
Kerrville	\$569,186	\$176,895	31%	\$80,124	\$67,249	84%

Source: TEA, School Transportation Operation Report and School Transportation Route Services Reports, 2000-01.

**Operations cost excludes capital outlay and debt service.*

Exhibit 9-5 compares KISD's annual riders, total annual odometer miles and number of total buses to those of the peer districts in 2000-01. The mileage and rider numbers include the CATE program.

**Exhibit 9-5
KISD vs. Peer Districts
Operating Statistics
2000-01**

District	Regular Program			Special Program		
	Annual Riders*	Total Odometer Miles	Total Buses	Annual Riders*	Total Odometer Miles	Total Buses
Midlothian	351,180	315,267	40	13,140	82,608	9
Brenham	257,220	488,847	53	9,540	102,738	4
Marble Falls	243,180	347,951	35	10,620	91,175	8

Aransas County	234,540	366,289	31	10,080	101,538	8
Peer Average	271,530	379,589	40	10,845	94,515	7
Kerrville	178,560	300,914	30	14,760	57,702	5

Source: TEA, School Transportation Operation Report and School Transportation Route Services Report, 2000-01.

** Annual riders calculated by multiplying average daily riders by 180 school days.*

Exhibit 9-6 compares 2000-01 transportation cost efficiency and cost effectiveness indicators for KISD and its peer districts, based on TEA data. Cost per odometer mile is determined by dividing total annual operations cost (less debt service and capital outlay) by total annual odometer miles. The number of miles used to calculate the cost per odometer mile is taken from the TEA School Transportation Operation Report. These miles include deadhead and maintenance miles and other sources of added miles. Cost per rider is determined by dividing total annual operations cost (less debt service and capital outlay) by total annual riders. Total annual riders are determined by multiplying average daily riders by 180 school days. These figures include CATE program riders and miles.

Exhibit 9-6
KISD vs. Peer Districts
Cost Efficiency and Effectiveness Indicators
2000-01

District	Regular Program		Special Program	
	Cost/ Odometer Mile	Cost/Rider	Cost/ Odometer Mile	Cost/Rider
Aransas County	\$2.23	\$3.48	\$1.08	\$10.87
Marble Falls	\$2.11	\$3.02	\$1.67	\$14.35
Midlothian	\$1.90	\$1.71	\$1.37	\$8.60
Brenham	\$1.87	\$3.55	\$2.03	\$21.91
Peer Average	\$2.02	\$2.82	\$1.54	\$13.46

Kerrville	\$1.89	\$3.19	\$1.39	\$5.43
Percent Difference Compared to Peer Average	(6%)	13%	(10%)	(60%)

Source: TEA, School Transportation Operation Report and School Transportation Route Services Report, 2000-01.

KISD's regular program cost per odometer mile and cost per rider are similar to those of the peer districts. KISD's special program cost per rider, however, is lowest among the peer districts and 60 percent lower than the peer average in 2000-01. This is likely the result of using transfers in special program routes. All regular and special routes meet at central locations for students to transfer between buses.

Exhibit 9-7 compares productivity indicators for KISD and its peer districts based on TEA data. The riders per route mile measure is determined by dividing total annual riders by total annual route miles. Total annual riders are determined by multiplying average daily riders by 180 school days. The riders per bus are determined by dividing average daily riders by the total number of buses. These figures include CATE program mileage.

Exhibit 9-7
KISD vs. Peer Districts
Service Effectiveness Indicators
2000-01

District	Regular Program		Special Program	
	Riders/ Reimbursable Mile	Riders/Bus	Riders/ Reimbursable Mile	Riders/Bus
Aransas County	0.82	42	0.10	7
Marble Falls	0.84	39	0.12	7
Midlothian	1.34	49	0.18	8
Brenham	0.62	27	0.10	13
Peer Average	0.91	39	0.12	9
Kerrville	0.83	33	0.27	16
Percent Difference	(9%)	(15%)	125%	78%

Compared to Peer Average				
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Source: TEA, School Transportation Operation Report and School Transportation Route Services Report, 2000-01.

KISD's regular program riders per reimbursable mile figure was lower than the peer average in 2000-01, but similar to statistics for Aransas County ISD and Marble Falls ISD. Riders per bus was 15 percent lower than the peer average. Special program productivity was significantly higher than the peer districts, though. Riders per reimbursable mile measured 125 percent higher than the peer average, while riders per bus was 78 percent higher. Again, high performance for special education is likely the result of using transfers in the special program routes.

Exhibit 9-8 documents five years of KISD transportation service by category of service.

**Exhibit 9-8
KISD Annual Miles of Service
1996-97 through 2000-01**

	1996-97	1997-98	1998-99	1999-2000	2000-01	Percent Change 1996-2001
Regular Program Transportation						
Route Miles (with deadhead)	218,444	232,643	237,269	216,294	216,294	(1%)
Extracurricular Miles	39,910	101,870	107,509	98,063	82,732	107%
Other Miles*	1,829	495	250	292	1,888	3%
Annual Regular Miles	260,183	335,008	345,028	314,649	300,914	16%
Special Program Transportation						
Route Miles (with deadhead)	47,560	55,569	70,312	54,466	54,466	15%
Extracurricular Miles	1,678	1,593	1,593	3,766	2,743	63%
Other Miles*	55	525	55	347	493	796%

Annual Special Miles	49,293	57,687	71,960	58,579	57,702	17%
Total	309,476	392,695	416,988	373,228	358,616	16%

Source: TEA, School Transportation Operation Reports, 1996-97 through 2000-01.

* "Other" miles consist of all miles other than route miles, mileage to and from routes and extracurricular miles.

Route miles generally have not varied greatly from year to year. Regular and special program transportation had higher route mileages in 1997-98 and 1998-99. Extracurricular miles increased over the five-year period. Extracurricular miles rose by 155 percent between 1996-97 and 1997-98, and special program extracurricular trips rose by 136 percent from 1998-99 to 1999-2000. The Transportation director could not explain these variations.

Exhibit 9-9 compares KISD's total and extracurricular transportation miles with those of the peer districts. Extracurricular miles include student transportation for field trips and extracurricular activities such as athletics, band and University Interscholastic League events. KISD operates more extracurricular miles than the peer average.

Exhibit 9-9
Extracurricular Miles
KISD vs. Peer Districts
2000-01

District	Total Odometer Miles*	Extracurricular Miles*	Percent Extracurricular
Brenham	591,585	67,188	11%
Aransas County	467,827	80,518	17%
Marble Falls	439,126	55,141	13%
Midlothian	397,875	60,357	15%
Peer Average	474,103	65,801	14%
Kerrville	358,616	85,475	24%

Source: TEA, School Transportation Operation Report, 2000-01.
 *Includes both regular and special program transportation.

Exhibit 9-10 compares KISD's transportation costs as a percent of total district expenditures with those of the peer districts. KISD's figures are broadly comparable with those of its peers.

Exhibit 9-10
Transportation Cost as a Percent of Total Budgeted Expenditures
KISD vs. Peer Districts
2000-01

District	Total District Expenditures	Transportation Operations Cost*	Percent of Total Expenditures
Brenham	\$30,873,255	\$1,122,400	4%
Midlothian	\$30,583,350	\$712,313	2%
Aransas County	\$25,209,339	\$925,519	4%
Marble Falls	\$24,774,811	\$885,732	4%
Peer Average	\$27,860,189	\$911,491	3%
Kerrville	\$24,435,110	\$649,310	3%

Sources: TEA, AEIS, 2000-01; TEA, School Transportation Operation Report, 2000-01.
 *Includes both regular and special program transportation.

Exhibit 9-11 provides a five-year history of KISD transportation performance data.

Exhibit 9-11
KISD Regular and Special Program Transportation Historical Data
1996-97 through 2000-01

	1996-97	1997-98	1998-99	1999-2000	2000-01	Percent Change 1996-2001
Operations Cost*						
Regular Program	\$449,420	\$502,243	\$490,913	\$529,987	\$569,186	27%

Special Program	\$103,331	\$108,857	\$83,134	\$87,657	\$80,124	(22%)
Total	\$552,751	\$611,100	\$574,047	\$617,644	\$649,310	17%
Annual Odometer Miles						
Regular Program	260,183	335,008	345,028	314,649	300,914	16%
Special Program	49,293	57,687	71,960	58,579	57,702	17%
Total	309,476	392,695	416,988	373,228	358,616	16%
Cost per Odometer Mile						
Regular Program	\$1.73	\$1.50	\$1.42	\$1.68	\$1.89	10%
Special Program	\$2.10	\$1.89	\$1.16	\$1.50	\$1.39	(34%)
Annual Riders						
Regular Program	198,180	194,220	197,100	179,460	178,560	(10%)
Special Program	12,600	13,140	34,560**	12,060	14,760	17%
Total	210,780	207,360	231,660	191,520	193,320	(8%)
Cost per Rider						
Regular Program	\$2.27	\$2.59	\$2.49	\$2.95	\$3.19	41%
Special Program	\$8.20	\$8.28	\$2.41	\$7.27	\$5.43	(34%)

Source: TEA, School Transportation Operation Report, 1996-97 through 2000-01, TEA, School Transportation Route Services Report, 1996-97 through 2000-01.

**Operations cost exclude capital outlay and debt service.*

***Reporting error.*

KISD's regular transportation costs rose by 27 percent over the five-year period. Ridership and mileage have fallen since 1998-99. As a result, costs

per odometer mile and per rider have been increasing the past three years. The cost per odometer mile rose by 33 percent from \$1.42 to \$1.89 from 1998-99 to 2000-01. The cost per rider increased by 28 percent, from \$2.49 to \$3.19, between 1998-99 and 2000-01.

Special program costs fell by 24 percent, from \$108,857 to \$83,134, between 1997-98 and 1998-99, and generally have stayed at this level. Ridership and mileage remained steady over the five-year period. As a result, costs per odometer mile and per rider fell. Special program transportation cost per odometer mile fell by 34 percent, from \$2.10 to \$1.39; the cost per rider also fell by 34 percent from \$8.20 to \$5.43. The Transportation director could not explain these increases and decreases.

Exhibit 9-12 summarizes KISD transportation operations cost for each of five years by object of expenditure as defined by TEA.

Exhibit 9-12
KISD Transportation Operations Cost by Type of Expenditure
1996-97 through 2000-01

Object	1996-97	1997-98	1998-99	1999-00	2000-01	Percent of Total 2000-01	Percent Change
Salaries & Benefits	348,249	420,443	416,366	420,217	470,893	73%	35%
Purchased Services	20,699	26,506	26,448	27,538	24,896	4%	20%
Supplies and Material	165,436	146,538	114,307	105,826	133,254	21%	(19%)
Other Expenses	18,367	17,613	16,926	64,063	20,267	3%	10%
Total Cost	552,751	611,100	574,047	617,644	649,310	N/A	17%

Source: TEA, School Transportation Route Services Reports, 1996-97 through 2000-01.

Chapter 9

STUDENT TRANSPORTATION

A. ORGANIZATION AND MANAGEMENT

The Transportation Department is responsible for providing student transportation between home and school and for extracurricular trips, and for maintaining and servicing all school buses.

The department consists of the Transportation director, the Transportation secretary, a mechanic, 25 drivers and seven bus aides. All employees report to the Transportation director. The director, secretary, and mechanic each have a commercial driver's license and can drive buses if necessary.

The Transportation director is responsible for the department's management and operations, including routing and scheduling and driver supervision. The director is a former mechanic and serves as the department's head mechanic as well. The Transportation director reports to the assistant superintendent of Business and Finance.

The Transportation secretary is responsible for payroll, purchasing, reconciling invoices, dispatching, answering the telephone and preparing paperwork for field trips.

The drivers include 21 part-time route drivers, three full-time floaters (substitutes) and one full time driver who also serves as a driver trainer. The driver trainer's responsibilities include new driver training, field-trip scheduling and assisting the mechanic with fueling, bus washing, seat repair and weekly preventive maintenance checks.

FINDING

The Transportation Department does not have a comprehensive performance monitoring program. The department does monitor performance in some areas and report on performance in an annual report. The Support Services Department conducted a benchmark survey in spring 2002 to gauge parent and teacher perceptions of support services such as Transportation. Even so, the department does not track many standard industry performance measures.

The Transportation Department does not have a formal mission statement, goals or objectives. A mission statement defines the purpose of an organization and serves as the starting point for developing related goals and objectives. Goals are general statements of what an organization should accomplish, and should be compatible with the mission statement.

Objectives define performance measures to be used to evaluate progress toward goals and should be clearly measurable.

While the Transportation Department tracks overall statistics such as mileage and ridership for the annual report, it does not track measures of cost, productivity and service quality. Performance indicators of these kinds can help a school district recognize achievements in areas performing well and support and sustain continuous improvements in goals that already have been achieved. They also can help staff to recognize weaknesses and establish goals for improvements. **Exhibit 9-13** shows various KISD performance measures reported to TEA.

**Exhibit 9-13
KISD Performance Measures**

Performance Indicator	KISD 2000-01 Actual
Costs	
Operation cost per mile - Regular	\$1.89
Operation cost per mile - Special	\$1.39
Operation cost per rider - Regular	\$3.19
Operation cost per rider - Special	\$5.43
Productivity	
Riders per route mile - Regular	0.83
Riders per route mile - Special	0.27
Riders per bus - Regular	33
Riders per bus - Special	16
Riders per bus - Special Linear density	0.991
Service Quality	
On-time performance	Not tracked
Percent of riders that exceed their maximum ride time per trip - Regular	Not tracked
Percent of riders that exceed their maximum ride time per trip - Special	Not tracked
Maintenance	
Miles between preventive maintenance checks	13,000 miles
Average bus age	14 years
Miles between road calls	Not tracked

Source: TEA, *School Transportation Operation Report, 2000-01*; TEA, *School Transportation Route Services Report, 2000-01*.

*Costs exclude capital outlay and debt.

Performance monitoring is a standard practice in the mass transit industry. Transit agencies use performance measures to target increase productivity, reduce costs and improve service quality.

Recommendation 52:

Develop a departmental mission statement, goals and objectives and expand the existing performance monitoring program to measure productivity and service quality.

The Transportation Department should expand its existing performance monitoring program to more comprehensively evaluate its performance. The program should focus on measures of productivity and service quality.

Exhibit 9-14 sets forth suggested performance indicators and targets. These targets were based on peer performance or, in the event of higher performance than the peers, an average of KISD performance covering the past five years. Once KISD establishes its measures, the targets may be adjusted annually to ensure continual improvement.

**Exhibit 9-14
Suggested Performance Measures**

Performance Indicator	KISD Targets
Costs	
Operations cost per mile - Regular	\$1.64
Operations cost per mile - Special	\$1.39
Operation cost per rider - Regular	\$2.94
Operation cost per rider - Special	\$5.43
Productivity	
Riders per route mile - Regular	0.91
Riders per route mile - Special	0.27
Riders per bus - Regular	39
Riders per bus - Special	16
Linear density	0.991
Service Quality	

On-time performance	95%
Percent of riders that exceed their maximum ride time per trip - Regular	0%
Percent of riders that exceed their maximum ride time per trip - Special	0%
Maintenance	
Miles between preventive maintenance checks	3,000 miles
Average bus age	8 years
Miles between road calls	10,000

Source: TSPR, calculated from TEA, School Transportation Operation Report, 1996-97 through 2000-01; TEA, School Transportation Route Services Report, 1996-97 through 2000-01.

**Costs exclude capital outlay and debt.*

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Transportation director adopts key indicators to assess the department's performance and shares the indicators and targets with the Transportation staff and district administrators.	October 2002
2.	The Transportation director monitors the performance indicators and distributes the results to all Transportation personnel.	Quarterly
3.	The Transportation director publishes quarterly and annual performance data in an annual report for district administrators and the public. KISD publishes the annual report on the district's Web site.	Annually
4.	The Transportation director adjusts targets for the performance indicators.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

KISD does not operate the Transportation Department like an internal service cost center, providing services and charging fees to other departments. The Transportation director does not have the authority to make a number of essential decisions. Furthermore, costs for transportation services and supplies are not charged back to other departments.

The Transportation director is not accountable for personnel costs, which make up 73 percent of the department's operating costs. Although the annual total cost of student transportation for 2000-01 was almost \$650,000, the Transportation director was directly accountable for just \$96,000 in expenses for maintenance parts and supplies, fuel, some contracted services, general supplies and education service center services.

The Transportation Department's fuel tanks are used by both the Transportation Department and the Maintenance Department. The Transportation Department, however, is entirely responsible for the cost of fuel and tank maintenance. These costs are not charged back to the Maintenance Department.

The Transportation Department also is not reimbursed for the cost of extracurricular trips, which are funded entirely through the Transportation budget.

Some districts establish support service departments as "internal service funds." In effect, the Transportation Department becomes a separate business operated by the school district. As such, the department "sells" its services to other departments, which are free to purchase its services or to contract with an outside provider. Internal service funds are designed to capture all of the costs of providing services that have a counterpart in the private sector. Examples of such activities undertaken by school districts are transportation, printing, construction and maintenance.

To establish internal service funds, the district must determine the cost of departments' services and set a price for each. For example, the actual cost of providing extracurricular trips could be calculated to determine a price. The district then would allocate money to departments and schools to "purchase" extracurricular trips from the internal service fund. As noted in TSPR's review of Socorro ISD, "The money is provided to the user so that better decisions can be made about...how much of the given service is really needed. The service department must pay close attention to user needs to expand or eliminate service elements, while improving in efficiency areas and eliminating waste."

Recommendation 53:

Establish the Transportation Department as an internal service fund.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance and the superintendent propose to the board that the Transportation Department be converted to an internal service fund.	October 2002
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2.	The board approves the creation of the internal service fund.	November 2002
3.	The assistant superintendent of Business and Finance establishes the accounting mechanisms to charge schools and departments for transportation services.	January 2003
4.	The district adjusts individual school and department budgets to fund transportation services.	August 2003
5.	The Transportation Department implements the new changes and fully tracks the cost of its services. It begins charging departments beginning with the new school year.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9

STUDENT TRANSPORTATION

B. SAFETY AND TRAINING

Driver training primarily consists of six to eight hours of behind the wheel training, 20 hours of Regional Education Service Center bus driver certification training, and "ride-alongs" to learn various routes. Drivers also participate in two days of in-service training every year. The topics for this training vary, and the Transportation director generally relies on Region 20 or other organizations to conduct the training. Special program drivers and aides receive additional training required by the state.

The Transportation director is an Automotive Service Excellence (ASE) certified mechanic, and the mechanic is scheduled to take three ASE certification classes later this year. Both the Transportation director and mechanic are certified in bus inspection and maintenance from the Texas Association of Pupil Transportation (TAPT). The Transportation director is a certified TAPT official, and the driver-trainer is a certified TAPT specialist.

FINDING

The Transportation Department has a driver evaluation program that is in its second year. The Transportation director or a driver-trainer ride with each driver once during the year and evaluate his or her performance. The evaluation has two parts covering the driver's performance in conducting pre-trip inspections and in operating the route. Basic defensive driving criteria are evaluated, as well as the driver's appearance and rapport with students. Completed evaluation forms provided to TSPR for review showed that the Transportation director and driver trainer provide praise as well as recommendations for improvement.

The Transportation director and driver-trainer communicate the evaluation results to the drivers. The Transportation director cited one example of a driver who had many areas that needed improvement. After the evaluation, the Transportation director observed the driver in the field from another vehicle and noticed improvement. The driver will be evaluated again this year as a follow-up.

During a driver focus group, drivers said they are supportive of the evaluation program. Drivers said they are interested in leaning what bad habits they may have. Some said they are looking forward to their evaluations.

COMMENDATION

The Transportation Department evaluates driver performance annually.

FINDING

The Transportation Department's radio system is not adequate to ensure student safety. The district's large service area and hilly terrain make radio contact difficult in some areas. When drivers are in remote areas, dispatch is accomplished through relays with other drivers. This process can be time-consuming. The lack of direct and immediate contact with drivers constitutes a safety hazard. In the event of an emergency, quick communication and action are critical.

The department has a UHF/VHF band radio system. Such systems are shared by several companies, much like a telephone party line. In this case, the district shares a radio frequency with local companies and must compete for airtime. This public frequency has been the target of pranks. The Transportation director cited one example of someone using the frequency to report that a school bus had overturned.

The Transportation director would like to upgrade the existing UHF/VHF band system to a UHF/VHF trunking system. VHF trunking systems provide subscription access and assign available channels to individual subscribers. The main advantages of VHF trunking systems are private communications, faster access and the elimination of any need to monitor the system. Of 34 radios presently used by the department, nine are approximately 20 years old and 12 are approximately 10 years old. These radios cannot be used on a UHF/VHF trunking system and would need to be replaced if the system is upgraded.

Recommendation 54:

Upgrade the Transportation Department's existing radio system.

KISD should upgrade the existing radio system to a UHF/VHF trunking system to give dispatcher and drivers immediate and direct contact with one another. A UHF/VHF trunking system also would provide a private frequency for the department, allowing it to avoid pranks and shared air time.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant superintendent of Business and Finance, with the assistance of the Transportation director develops specifications	October 2002
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	for a UHF/VHF trunking system.	
2.	The assistant superintendent of Business and Finance recommends to the superintendent and board the purchase of a UHF/VHF trunking system.	November 2002
3.	The superintendent obtains approval from the board to issue a bid for a UHF/VHF trunking system.	December 2002
4.	The Purchasing supervisor issues the bids.	January 2003
5.	The assistant superintendent of Business and Finance, with assistance from the Transportation director, evaluates the responses to the bid.	March 2003
6.	The assistant superintendent of Business and Finance presents an analysis of the bid responses and a recommendation for the purchase of a UHF/VHF trunking system to the superintendent.	April 2003
7.	The superintendent obtains approval from the board to purchase a UHF/VHF trunking system.	May 2003
8.	The UHF/VHF trunking system is purchased and installed.	June 2003

FISCAL IMPACT

The Transportation director has received a quote for a UHF/VHF trunking system: mobile radios and antennas would cost \$363 per vehicle; a portable radio for the supervisor would cost \$410; and a control station would cost \$1,427. Monthly costs would be \$8.75 per radio per month for tower rental and \$15 per month for tower electricity. The Transportation director estimated the 13 newest radios in the fleet could be resold for about \$150 each.

The Transportation Department would need to purchase 33 mobile units for each vehicle at a cost of \$363 a unit; one portable unit for the director at a cost of \$410; and a control station at a cost of \$1,427. Capital costs would be \$13,816 ([33 radios X \$363 per radio] + \$410 per portable radio + \$1,427 per control station). Thirteen radios could be sold at \$150 each, for a savings of \$1,950.

Rental costs would be \$313 per month for tower rental and electricity ([34 radios X \$8.75 rental charge per month] + \$15 electricity charge per month) or \$3,756 per year. In the first year, the radios would be in use during June and July before the start of the new school year, so rental costs for the first year would be \$626.

In the first year of implementation, costs would be \$12,492 (\$13,816 new equipment - \$1,950 sold radios + \$626 rental fees). Costs for each additional year would be \$3,756 for tower rental and electricity.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Upgrade the Transportation Department's existing radio system.	(\$626)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)
One time cost for software.	(\$11,866)	\$0	\$0	\$0	\$0
Net (Costs)/Savings	(\$12,492)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)

FINDING

Personnel other than Transportation staff, such as coaches, drive school buses but do not undergo continuing training or receive driving evaluations.

The driver trainer told TSPR that when a new coach with no driving experience comes to the district, the coach receives the same training to drive as any other new driver. If the coach already knows how to drive a school bus, the driver-trainer requires the coach to demonstrate his or her driving ability before she allows them to drive buses on extracurricular trips. The coaches only demonstrate their driving skills once and do not participate in Transportation in-service training.

The Transportation director said the coaches sometimes bring back buses with preventable damage. He provided documentation for one incident in which a coach neglected to set the parking brake and caused \$780 worth of damage to a bus. The Transportation director and the driver-trainer think there would be some benefit in including coaches that drive in ongoing driver training.

Recommendation 55:

Provide annual retraining to all personnel who drive buses and evaluate their driving performance annually.

The Transportation Department should require all personnel who drive buses to participate in annual driver retraining. In addition, the driver-trainer should evaluate the driving skills of each of these employees annually through a driving test. The driver trainer should prepare a summary of the test results and discuss it with each employee. As with retraining, the evaluations could be conducted during the summer months to accommodate employee schedules.

Coaches could be included in annual retraining and driving evaluations with existing resources. Coaches and training staff are full-time workers, and training is considered within the scope of their existing duties.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Transportation director informs coaches that driver retraining and evaluations will be required for those who drive buses on extracurricular activities.	April 2003
2.	The Transportation director evaluates preventable damage caused by coaches during the past year to identify areas for improvement and develops a training curriculum based on his findings.	April 2003
3.	The Transportation director and driver-trainer seek input from coaches and schedule the training class and evaluations during the summer.	May 2003
4.	The driver-trainer conducts the training session and evaluations.	Annually
5.	The Transportation director tracks the type and cost of preventable damage caused by coaches to quantify improvements and identify areas needing improvement. The Transportation director shares improvements with coaches and administration.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9

STUDENT TRANSPORTATION

C. ROUTING AND SCHEDULING

The Transportation Department operates 14 regular routes, three special program routes, two Head Start routes, one route for students participating in a parenting program for pregnant students and those with children, three pre-kindergarten routes and one alternative program route. KISD covers 167 square miles.

All regular and special routes meet at central locations for students to transfer between buses. The district is opening new schools, a move that will affect routes and the transfer procedure in the 2002-03 school year. The Transportation director hopes that new zoning will reduce the number of students that must transfer. The Transportation director already has designed routes for next year to accommodate the new schools.

The Transportation Department has a procedure in place to evaluate potentially hazardous walking conditions and determine whether students should be bused as a result of such a hazard. The procedure is based on a suggested method in the Texas Association of School Business Officials' (TASBO's) *Routing and Scheduling Professional Certification and Training* manual.

FINDING

The Transportation Department keeps special program transportation costs low and productivity high by transferring special program students between buses at a central transfer location, Peterson Middle School. Such transfers help reduce operating costs by reducing the number of buses used and routes needed. In KISD, transfer points allow for more productive and efficient operations by collecting students in one area and then transferring them to a bus that will take them to their school. Transfers maximize bus capacity, consolidate trips and limit long, cross-town routes, resulting in more productive services and savings.

Among the peer districts, KISD has the lowest special program transportation costs and highest special program transportation productivity. Its cost per rider is 60 percent lower than the peer average, while its cost per odometer mile is 10 percent lower than the peer average. Its number of riders per reimbursable mile is 125 percent above the peer average and its number of riders per bus is 78 percent higher than the peer average. Drivers report that students perform well during the transfer.

COMMENDATION

The Transportation Department reduces costs by transferring special program students between buses at a central transfer location.

FINDING

KISD's regular program routing and scheduling are inefficient. Regular transportation costs have risen over the past few years. From 1998-99 to 2000-01, the cost per regular odometer mile rose by 33 percent, while the cost per regular rider increased by 28 percent. Regular program productivity statistics were lower than the peer average, with riders per reimbursable mile 9 percent lower and riders per bus 15 percent lower.

The Transportation director does not have an explanation for these patterns. The department does not analyze its routes and schedules for efficiency, which may explain why performance is lagging.

KISD has a database of student information, but the Transportation Department does not use it to aid its route design. The student database could be used to identify clusters of students and the schools they attend to help plan routes, determine potential bus stop locations and anticipate bus loads. Transit systems regularly use such data to design bus routes efficiently.

The Transportation Department does not have guidelines in place for designing routes and schedules. Such guidelines could help improve and maintain service quality and can be used to monitor department performance. For example, if maximum student ride times are established, the Transportation Department could determine what percentage of routes have student ride times exceeding the allowable maximum.

The TASBO *Routing and Scheduling Professional Certification and Training* manual lists guidelines for designing bus routes. The Transportation Department uses some of these guidelines, such as TASBO's method for determining hazardous routes. This use is informal, however, and should the Transportation director leave or retire, his replacement may not use the guidelines.

Specific examples of the need for guidelines include bus stop selection and maximum ride times. The district does not have a policy for selecting bus stops. The Transportation director would like the district to have a policy to ensure consistency and fairness and avoid parental conflicts. With regard to ride times, some routes are very long; some students ride the bus for more than an hour and a half each way. The school district industry rule of thumb is to keep ride times under one hour for all

students. KISD's size and rural nature, however, may make designing shorter routes difficult. METROLift, the transit service for persons with disabilities in Houston, has set maximum ride time limitations for its riders based on the distance the passenger travels from pickup to drop-off.

The Transportation Department designs its routes and schedules manually. Many districts use automated routing and scheduling programs, such as Edulog, to assist them in designing routes. These programs follow guidelines set by the user to determine the most effective routing and scheduling. They also can analyze student population data. These programs are designed specifically for school transportation, but they are expensive.

Mapping programs with routing capabilities are designed and marketed toward business professionals, but have many functions that could be applied to routing and scheduling in school districts. The mapping programs can download and map address data from external databases, draw routes based on parameters such as speed and time, and determine the time and distance of each route segment. Multiple stops can be entered for routes to simulate bus stops. If a suggested route is inappropriate, route segments can be modified manually, and the programs will automatically refigure the times and distances. The programs can produce and maintain route maps and route descriptions. Polygons can be drawn to simulate attendance zones and the two-mile buffer around schools. Mapping programs also could help with route planning for out-of-town extracurricular trips.

Recommendation 56:

Design routes and schedules based on an analysis of student demographic data and established routing and scheduling guidelines.

The Transportation director should develop and document routing and scheduling guidelines, using the TASBO manual, peer districts' best practices and industry standards as a starting point. Location of bus stops, maximum ride times based on miles traveled and maximum bus loads are some of the areas the guidelines should address. The director should develop routing and scheduling guidelines for regular and special program routes to ensure high service quality for all riders. The guidelines should be shared with administration to demonstrate the Transportation Department's commitment to improving service quality. Some of the guidelines, such as bus stop location and maximum ride time, should be shared with parents as well.

The Transportation director should work with the Technology Department to research available mapping programs and identify which would be most

useful for routing and scheduling school transportation. Once a program has been purchased, the Transportation director should download the district student database information into the program. The Transportation director should analyze the information every year to look for changes that require an adjustment to existing routes.

The Transportation director should enter all of the district's routes into the program and make adjustments according to the new routing and scheduling guidelines. When new routes are added or existing routes modified, the Transportation director should compare them to the guidelines to ensure that the guidelines are met. The program also should be used to evaluate routing effectiveness and efficiency. Since such programs automatically calculate miles and times, the Transportation director could test alternative routes to ensure efficiency and increase linear density to increase the annual state allotment.

The Transportation director should attempt to achieve a 10 percent reduction in regular program odometer miles, from 300,914 to 270,823, and a 14 percent increase in linear density, from 0.788 to 0.900.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Transportation director researches routing and scheduling guidelines at peer districts and other transit providers.	October 2002
2.	The Transportation director develops and documents routing and scheduling guidelines for the Transportation Department. The Transportation director shares the guidelines with district administrators and parents.	January 2003
3.	The Transportation and Technology Department staff research mapping programs for applicability in school transportation planning.	February 2003
4.	The Technology Department purchases and installs mapping software.	April 2003
5.	The Transportation director downloads the student database into the mapping program and conducts demographic analysis.	May 2003
6.	The Transportation director inputs the routes into the mapping program and ensures the routes meet the new routing and scheduling guidelines.	June 2003
7.	The Transportation director informs schools and parents of any new routing changes.	July 2003 and Annually
8.	Drivers learn the new routes.	August 2003

9.	The Transportation director reviews routes for efficiency, effectiveness and consistency with routing guidelines.	Ongoing
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FISCAL IMPACT

Decreasing regular program odometer miles by 10 percent, from 300,914 to 270,823, would save 30,091 miles per year. At a cost of \$1.89 per regular program mile, the reduction would save KISD \$56,872 per year. The savings are targeted to begin in the 2003-04 school year, when the new routes are implemented.

TSPR examined the price of mapping software. Some popular programs include XMap Business (\$100) and Microsoft MapPoint 2002 (\$250). Costs for the mapping software are estimated at \$175.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Design routes and schedules based on an analysis of student demographic data and established routing and scheduling guidelines.	\$0	\$56,872	\$56,872	\$56,872	\$56,872
One-time initial investment.	(\$175)	\$0	\$0	\$0	\$0
Net (Costs)/Savings	(\$175)	\$56,872	\$56,872	\$56,872	\$56,872

Chapter 9

STUDENT TRANSPORTATION

D. FLEET MAINTENANCE

The Transportation Department maintains the school transportation fleet, which consists of 31 active buses, one van and one truck, based on a February 25, 2002 fleet inventory. Of the 31 buses, 21 are used on routes. The remaining buses are set aside as spares and for use by coaches for extracurricular trips.

FINDING

The district does not have a bus replacement plan. The KISD bus fleet is relatively old, with an average bus age at 14 years. Of the 31 buses in the fleet inventory list, 52 percent or 16 are 15 or more years old (**Exhibit 9-15**).

Exhibit 9-15
KISD Active Fleet Inventory By Model Year
2001-02

Model Year	Number of Buses
1999	1
1998	1
1997	2
1996	4
1994	3
1991	3
1989	1
1986	3
1985	4
1984	1
1983	1
1982	2
1981	2

1980	1
1977	1
1976	1
Total Fleet	31
Average Age in Years	14

Source: KISD Fleet inventory, February 25, 2002.

The Transportation director has proposed a 15-year replacement cycle, but the board has not adopted the plan. The plan recommends purchasing three buses a year for three years, then purchasing two new buses per year in subsequent years. Two new buses are scheduled for delivery this year.

The director and mechanic spend a good deal of time keeping the buses running. Two gasoline-fueled buses break down often, and some buses are so old that the parts are difficult to find and must be specially manufactured. All staff interviewed cited old buses as the Transportation Department's greatest problem.

The life of a school bus is generally accepted to be 10 years of service or 200,000 service miles, whichever is longer. An average bus in the KISD fleet operates an estimated average of 13,000 miles a year. The number of years of service life at this rate is 15. A 15-year replacement schedule therefore seems appropriate for KISD.

Over the past five years, KISD has purchased six buses, including the two buses scheduled for delivery, for an average of slightly more than one new bus each year. The new buses cost \$59,869 for a 59-passenger special program bus and \$32,637 for a 35-passenger special program bus. Bids for 77-passenger buses slated for purchase next year have quoted prices of \$54,800 and \$53,978.

Recommendation 57:

Adopt and commit funds to a bus replacement plan.

KISD should adopt a 15-year bus replacement plan by replacing three buses a year every year. Replacing three buses annually would replace the oldest buses in the fleet by 2007 and achieve a 15-year replacement cycle by 2009.

An effective vehicle replacement plan must be supported and funded by district management. By adopting the vehicle replacement plan and making it district policy, the school board could demonstrate its support of

and dedication to the maintenance of an up-to-date fleet. A replacement plan would maintain the necessary fleet size and reduce bus hazards by replacing buses as they reach the end of their life cycle.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Transportation director develops a proposal for a bus replacement plan that replaces three buses each year for four years and two buses a year thereafter.	October 2002
2.	The assistant superintendent of Business and Finance recommends the adoption of the bus replacement plan to the superintendent and the board.	November 2002
3.	The board adopts the bus replacement plan.	December 2002
4.	The board commits the funds needed to support the bus replacement plan.	Annually

FISCAL IMPACT

Over the past five years, KISD has purchased six buses. The majority of the districts buses are 71- or 74-passenger buses, so the estimate assumes a cost of \$54,000 per bus, based on bid quotes. KISD therefore already spends an average of \$54,000 on buses per year.

Increasing annual bus purchases to three buses per year would cost an additional (two buses X \$54,000 per bus) per year. These costs reflect the costs over and above the one bus that the district already purchases a year. The estimate assumes the replacement plan would begin with the 2003-04 budget.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Adopt and commit funds to a bus replacement plan.	\$0	(\$108,000)	(\$108,000)	(\$108,000)	(\$108,000)

FINDING

The Transportation Department's preventive maintenance program is too infrequent based on average annual bus mileage.

Preventive maintenance practices consist of oil changes and inspections conducted every summer. The mechanic also performs "under-the-hood"

inspections every Wednesday. These inspections consist of checking fluids and tire pressure, adjusting brakes and checking for oil and air leaks.

In general, basic vehicle preventive maintenance should be performed every 3,000 (PM-A inspection) and 6,000 miles (PM-B inspections). A PM-A inspection generally includes the following elements:

- Passenger and driver seats and safety belts.
- Driver's sun visor.
- Horn operation.
- Driver's switches and controls for operation and illumination.
- Vehicle instruments and gauges for operation and illumination.
- Wiper condition and operation.
- Windshield washer operation.
- Interior lights.
- Front passenger door operations.
- Radio mounting and operation.
- Parking brake operation.
- Interior for damaged panels and missing decals.
- Fire extinguisher and mounting.
- Interior floor for weak spots or loose flooring.
- Check windows - broken or missing parts.
- Check all exterior lights.
- Check tires and lug nuts - record pressures and tread depths.
- Check wheelchair lift operation and condition.
- Check lift interlock operation.
- Check exterior for paint, body damage and missing or damaged decals.
- Check state inspection sticker.
- Brake condition and adjustment.
- Exterior mirrors mounting and condition.
- Steering components.
- Drive shaft U-joints.
- Check for fluid leaks on engine and transmission.
- Check coolant level, system concentration, and pressure test capacity - change coolant at each 30,000 mile interval.
- Pressure check cooling system - check for leaks.
- Check radiator and condenser fins for dirt and debris.
- Check skirt mounted condenser for fin damage, dirt and debris.
- Check skirt mounted condenser for fans for operation.
- Check engine compartment for defects and problems that could cause road failures.
- Check exhaust system for leaks and loose mounting.
- Check rear axle lube level.
- Retrieve continuous diagnostic trouble codes.
- Perform engine key on engine off on-demand self-test.

- Perform engine key on engine off injector electric self-test.
- Perform injector electric self-test.
- Perform engine key on engine running on-demand self-test.
- Check fast idle operation.
- Load test batteries.
- Check charging system and record voltage.
- Change engine oil and filter.
- Interior cleanliness.

A PM-B program is performed on the vehicles every 6,000 miles, in addition to the tasks performed with the PM-A program. PM-B tasks include:

- Change air intake filter.
- Clean and inspect battery connection.
- Check belt tension.
- Inspect shocks, springs, and air bags.
- Check air ride system for leaks.
- Check air ride air compressor operation and mounting.
- Clean A/C unit filter (rear unit).
- Check front A/C system pressures.
- Check rear A/C system pressures.
- Leak test A/C systems.
- Inspect and treat vehicle for insects and vermin.

The district's annual full inspection contains all of these basic preventive maintenance elements, but the average KISD bus drives an estimated 13,000 miles a year. One bus travels an estimated 23,000 miles a year.

PM-A and PM-B inspections are standard in the transit industry and applicable to school transportation departments. Some states such as Florida and North Carolina have state-mandated school bus inspection schedules regardless of school district size. Aggressive preventive maintenance programs help agencies avoid serious problems and breakdowns.

Recommendation 58:

Conduct preventive maintenance inspections on school buses every 3,000 miles.

The Transportation Department should develop a preventive maintenance program that involves inspections every 3,000 miles. These inspections should contain all of the basic elements of a "PM-A" preventive maintenance program. Because the buses accrue different levels of

mileage, a mileage-based preventive maintenance schedule is recommended.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Transportation director develops a 3,000-mile preventive maintenance inspection plan.	January 2003
2.	The mechanic tracks vehicle mileage and schedules each vehicle for a 3,000-mile inspection.	February 2003 and Ongoing
3.	The Transportation director tracks preventive maintenance performed on time.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10

SAFETY AND SECURITY

This chapter examines the safety and security of the Kerrville Independent School District (KISD) in three sections:

- A. Security
- B. Safety
- C. Student Discipline Management

Children cannot learn in an unsafe environment. Developing safe schools takes a community effort requiring cooperation among school districts, parents and municipal and county governments. Providing a safe school requires more than security services. Districts providing a safe environment for students and staff are developing comprehensive policies, procedures and programs that include elements of prevention, intervention and enforcement. Effective discipline management and alternative education programs are key tools in this process.

BACKGROUND

KISD is located in Kerr County, a rural community approximately 62 miles northwest of San Antonio. As in all communities, the safety of the community affects the safety and security of its schools. The level of community crime in Kerrville is generally low.

Even in districts where the risk of criminal activity is low, safety programs are developed to prevent crime from increasing. In its publication, *Keeping Texas Children Safe*, the Texas School Performance Review (TSPR) notes that the most effective districts have safety plans that include prevention, intervention and enforcement strategies. Effective programs include the steps shown in **Exhibit 10-1**. School districts applying these measures in a comprehensive system achieve significant results.

Exhibit 10-1
Keeping Texas Children Safe in School
January 2000

Strategy	Steps to Be Taken
Prevention	Know your goals and objectives: where your district is going and what you want to accomplish.

	Establish clear expectations for students, parents, teachers and administrators.
	Address warning signs before they turn into trouble.
Intervention	Look for trouble before it finds you.
	Recognize trouble when you see it.
	Have individuals in the right place and at the right time to intervene.
	Have a plan of action appropriate for the occasion and practice it.
Enforcement	Leave no room for double standards.
	Ensure that discipline management extends inside and outside the classroom.
	Alternative programs are not just a matter of compliance with the law; they are many students' last chance at success.

Source: TSPR, Keeping Texas Children Safe in Schools, January 2000.

Student and school employee safety is a priority of parents, educators, taxpayers and the community. The Texas Legislature is assisting the safe school effort by legislating a number of safety and accountability standards for Texas schools. Recent legislative changes require school districts to adopt a student code of conduct with the advice of a district-level committee. Students who engage in serious misconduct must be removed from regular education settings and placed in disciplinary, alternative education programs. Specific information about the arrest or criminal conduct of students must be shared between law enforcement and local school districts. School resource officers, who are peace officers assigned to schools to provide law enforcement and daily role modeling for students, will have training standards. Districts, both large and small, will provide the same quality of law enforcement services to students throughout the state.

In counties with a population of 125,000 or more, school districts, the juvenile board and juvenile justice systems must establish a Juvenile Justice Alternative Education Program (JJAEP). The JJAEP is under the jurisdiction of the Texas Juvenile Probation Commission and provides for the education of youths who are in the juvenile justice system for criminal misbehavior. Juvenile criminal laws consider 17 to be the age of adult behavioral consequences. Students over the age of 17 are not removed to the JJAEP but must receive other consequences for their misbehavior.

Federal legislators are also assisting in the safety school effort by supporting a program for Safe and Drug Free Schools (SDFS). Funding is provided for development of programs that prevent violence in and around schools. The Safe and Drug Free Schools program consists of a state grants program and a national program. The state grant funds are provided to governors as well as state and local governments for use in a wide variety of education and prevention activities. The authorization for the program is found in Title IV, of the No Child Left Behind Act of 2001. Texas schools receive Title IV funds, and each district decides the most effective way to use the money.

Chapter 10

SAFETY AND SECURITY

A. SECURITY

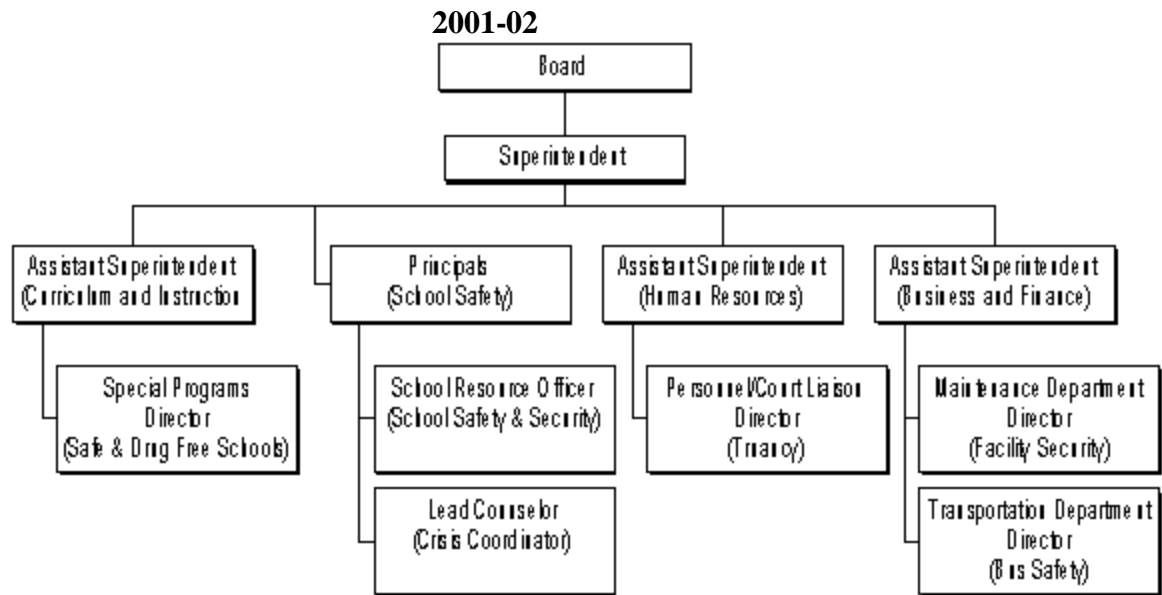
The 1998 U.S. Department of Justice report, *Security Concepts and Operational Issues*, observes that security operations often require a balance among effectiveness, affordability and acceptability. Frequently, schools do not have the funding for an aggressive and complete security program and many effective measures are just too expensive. For example, safety surveillance can include satellites, video cameras or volunteer hall monitors. Schools can provide effective security operations without applying every security approach at every school. Effective security operations are designed upon a determination of who or what needs protection, the type of security threat and facility constraints.

FINDING

KISD has not assigned a position or committee to be responsible for developing or coordinating both safety and security initiatives. Instead, KISD has tasked several positions with safety or security related duties. Before 2001-02, KISD designated the counseling director as the safety coordinator, but this person resigned from the district in 2001. Due to budget constraints, this position was eliminated. The crisis management responsibility was designated as an extra duty assignment and given to the lead counselor, with a stipend provided for performing the extra duties. The crisis management responsibility has no safety budget associated with it and must rely on the Starkey Elementary School budget for copies and other supplies, and the assignment does not have a comprehensive responsibility for safety and security issues. SDFS program administration is assigned to the director of Special Programs.

Exhibit 10-2 shows the KISD Safety and Security organizational structure.

Exhibit 10-2 **District Safety and Security Organization**



Source: KISD Safety and Security Organization, August 2001.

KISD includes safety goals in its district improvement plan (DIP), which is a state mandated plan identifying the goals, objectives and strategies of Texas school districts. The district's goal of implementing a districtwide, values based, safe schools model that incorporates "positive campus climates, school safety, accountability and consequences for behavior" has four objectives:

- By May 2002, there will be a 5 percent reduction in acts of violence and student-to-student conflict;
- Students and staff will indicate they feel safe at school and contribute to a values-based, nurturing environment;
- By May 2002, partnerships between Kerrville Independent School District and outside providers will be refined; and
- Implement counselor staff activities so that the counseling program continues to advance and develop.

KISD uses a committee process to identify and address concerns with safety and drug education and prevention. This Safe and Drug Free Schools Advisory Council includes students, teachers, parents and local government officials as required by Title IV. The committee previews program activities, reviews research for programs and recommends program improvement plans. The committee has four goals with 13 supporting objectives. The KISD Special Programs director administers Safe and Drug Free School funds, which are used to fund a drug education teacher for grades K-4, and to pay the stipend of the district's lead counselor performing the crisis management duties.

The district also has a five-year strategic plan that includes a site-based decision-making component, giving principals both authority and responsibility for safety and security at school. Individual campus improvement plans (CIPs) are developed at the school level. CIPs are state-mandated plans that identify school strategies for achieving the district's safety goals. Along with developing school level safety strategies, principals make school security decisions such as who has key access and, if their school budget supports it, principals may purchase security monitoring systems, walkie-talkies or other security devices.

The superintendent meets regularly with school principals and directors in a leadership committee where district concerns, including safety and security issues, are discussed. The lead counselor in charge of crisis management is allowed to attend these meetings as a guest of the superintendent to address crisis management issues that may arise. The counselor is not normally a part of the leadership committee and only attends on invitation to address crisis or safety issues.

With no clear assignment of responsibility and authority to implement districtwide initiatives, individual departments focus on their own needs without considering districtwide efficiencies. For example, the review team asked the Finance Department staff for a list of walkie-talkies by assignment and cost. The staff could not identify the total number. Some schools had six units purchased for a total of \$500, some had eight for a total of \$400, and transportation had two at \$390 each. With no one responsible for monitoring placement of security equipment, technology may be inefficiently assigned and cannot easily be redirected to meet changing needs.

While it is not unusual for smaller districts to have related functions divided among available staff, safety and security issues should be considered districtwide as well as on a single school or department basis. For example, KISD has burglar alarms in its buildings. The alarms are activated when the buildings are closed and deactivated when buildings are open.

Alarms are activated and deactivated with an alarm code. An alarm code is a sequence of numbers similar to a password, which, when entered into the alarm system, identifies a person as having authority to be in the building. Having an alarm code is like having a key. It gives authorization to enter into secured areas. Alarm codes are assigned and changed by the school principal. There is no district policy or schedule for changing codes. One principal periodically changes the alarm codes, while another changed codes recently for the first time in years. While principals should have authority to assign and change codes, no one has been tasked with

considering district security procedures such as a defining when routine or event triggered code changes should occur.

Effective safety and security measures require coordinated planning that considers district goals and sets project priorities. In the 1996 publication, *Creating Safe and Drug-Free Schools: An Action Guide*, the U. S. Department of Education suggests that districts monitor the implementation and progress of safe schools plans. As security issues increase in complexity, districts of varying sizes have chosen to centralize the oversight of the security function in a single position responsible for making sure that necessary districtwide tasks, like safety planning, implementation and continuous improvement are accomplished.

Recommendation 59:

Expand the Safe and Drug Free Schools committee's scope to add districtwide security issues as a component of safe schools.

As the community grows, keeping abreast of changing security needs and technology will become more important. Designating the SDFS committee to research and facilitate a coordinated approach to security issues should provide a more comprehensive response to a wider range of concerns. The director of Special Programs has responsibility for administering the safe schools program and is the natural position to lead the committee in coordinating the various district approaches to safe schools.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent meets with the SDFS committee and clarifies that safe schools programs include districtwide security issues.	September 2002
2.	The director of Special Programs develops agendas that look comprehensively at all issues affecting district safety and security.	October 2002 and Ongoing
3.	The SDFS committee meets and develops procedures and programs that coordinate services and address issues of school safety and security.	October 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although KISD has implemented a policy that limits the assignment of keys to district buildings, there are still duplicate keys in circulation. KISD secures many of its facilities with traditional key locks. The high school and the central administration building have a magnetic lock system that reads and logs which assigned key was used to gain entrance. High security areas such as computer labs and libraries are alarmed. Classrooms in many schools are not alarmed but may also have high-risk items such as televisions or computers.

Each school has a lock box where keys are stored, and school administrators are responsible for assigning and tracking keys. While principals decide who receives a key to the school, many subscribe to a procedure of assigning one key that gives access both to the entrance and to the teacher's classroom. Principals also decide who gets access codes to the alarmed areas. Codes are not routinely changed when staff leaves. The district has not replaced keys and locks since the late 1980's although some schools have changed locks in response to security concerns.

The high school and the middle school have multiple entrances, but only one door can be opened with a key. The other doors have had the locks removed, allowing insiders to exit while keeping outsiders from entering. Elementary schools have multiple entrances and all have key access from the outside.

The district has facility use arrangements with citizen groups and organizations. Recently, a middle school gymnasium experienced minor security problems, including misplaced or damaged property that have been difficult to correct. When community groups use the gymnasium and equipment or property is misplaced or damaged, it is difficult to determine the cause. The middle school principal has requested that a magnetic key lock be installed as an added measure. Magnetic key codes can be removed from the security system, rendering a lost key ineffective. Magnetic keys also log use, providing the district with necessary information on who recently entered the facility. The cost of adding a magnetic lock to a door is \$1,650.

The Maintenance director said replacing the lock core of the district's system is time consuming, taking as much as an hour to replace the device. The total cost to key and replace one lock core is \$10.50 a core. The district maintenance labor cost is \$7.00 an hour, a new core and pin is \$2.50 and the cost of a replacement key is \$1.00. While the district tracks key assignment on individual logs or spreadsheets, administrators believe that there are former employees or community members with untracked keys.

KISD does not have a policy that gives guidance on events that should trigger the changing of an alarm code or core replacement. If a regular master key is lost or not returned, the key may be replaced, but the district does not routinely change the core. The district does not charge for lost keys and does not recover the cost of replacement.

Controlling building access is a basic protective measure. If keys are lost or unreturned, the building has an increased risk of loss or vandalism. As the community has grown, the area crime rate has grown increasing the risk of criminal mischief or theft. The Donna Independent School District has reduced key loss and recovers the cost of replacing the core by charging \$30 to replace a lost key. Other districts use locks or alarms that capture entry and exit information.

Recommendation 60:

Replace the cores on external school door locks, establish a tracking system that matches a core with all assigned keys and implement a written replacement policy.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance confirms the number of entry doors needing to be re-cored.	November 2002
2.	The director of Maintenance develops a schedule for replacing keys.	November 2002
3.	Principals provide a list of employees receiving keys to the director of Maintenance.	December 2002
4.	The director of Maintenance develops or purchases a tracking program that identifies the number of assigned keys to each core, the date of any changes, and other pertinent information.	January - March 2003
5.	The personnel director/court liaison assists the director of Maintenance in drafting an assignment policy and an acknowledgement that includes a replacement fee.	April - May 2003
6.	The superintendent presents the policy to the board for approval.	May 2003
7.	The approved policy is disseminated to administrators by the personnel director/court liaison for use in assigning new keys.	June 2003
8.	The director of Maintenance implements the changed cores according to schedule.	July 2003 and Ongoing

FISCAL IMPACT

There is a one-time cost of implementing this recommendation that is estimated as \$1,151 based on the cost of \$10.50 for each door re-cored times 43 doors ($10.50 \times 43 \text{ doors} = \451) plus the cost of tracking software (\$700).

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Replace the cores on external school door locks, establish a tracking system that matches a core with all assigned keys and implement a written replacement policy.	(\$1,151)	\$0	\$0	\$0	\$0

Chapter 10

SAFETY AND SECURITY

B. SAFETY

Principals, administrators and supervisors are responsible for developing proper safety behavior in employees and students and educating all district personnel about safety rules and regulations. A safe school district effectively manages its resources and aggressively prepares for potential situations. Procedures must be in place for timely reporting of possible threats and prompt response to potentially dangerous situations.

Many of the safety programs in KISD are focused on the secondary schools. **Exhibit 10-3** shows which safety measures have been adopted from the wide range of available options.

Exhibit 10-3
Security Measures at Secondary Schools
2001-02

Security Method	High School	Middle School	Upper Elementary	Security Purpose
Identify Visitors	Yes	Yes	Yes	Intruder Alert
Identify Staff	No	No	No	Intruder Alert
Identify Students by ID or uniform	No	No	No	Intruder Alert, Minimize Gang Association
Master Key Control	Yes	Yes	Yes	Asset Security
District Security Personnel	Yes	No	No	Truancy, Incident Management, Trespassers
Single Point of Entry	No	No	No	Intruder Alert
Allow Hall Lockers	Yes	Yes	Yes	Weapons, Drug Prevention
Clear Back-packs	No	No	No	Weapons, Drug Prevention
Security Alarms	Yes	Yes	Yes	Asset Security
Security Scanners	Yes	Yes	No	Weapons, Contraband

Source: Interviews with KISD principals, March 2002.

KISD also has a school resource officer (SRO) assigned to the high school. An SRO is a sheriff, constable or police officer assigned to a school to provide students and staff with a daily law enforcement resource for safety and security. The KISD SRO is a Kerrville Police Department officer funded by a federal grant. Along with safety duties, the officer will assist teachers in safety-related presentations and will provide students with information on the legal system and consequences of crime.

The district also uses two crossing guards to assist students at Starkey Elementary School and Tivy High School. The high school pays their guard from activity funds. The upper elementary stations a teacher to supervise students who cross at a busy school zone intersection. Administrators all said that the local police department is very responsive to calls for assistance if traffic or other problems arise.

The district also contracts for K-9 drug intervention services. Dogs trained to sniff and identify drugs are used as an intervention tool to locate and remove the illegal substances from schools. The dog handler charges \$50 per random visit and the district has paid \$1,400 for services in 2001-02.

The high school also uses a tips hotline, where people can call to alert administrators to drugs or weapons at school. The district has trained school nurses in the identification of drug use based on medical observations. The district relies on the medical evidence in removing suspected drug users from the school. Teachers have requested and received additional training in the recognition of commonly used drugs, allowing them to recognize the drugs if they find them on school property.

Schools have reported an increased number of incidents of misbehavior by students, as shown in **Exhibit 10-4**. In 2000-01, Peterson Middle School had the highest number of incidents with 906, followed by Tivy High School with 862.

Exhibit 10-4
Incident Rates by School as Reported on Title IV Annual Evaluation
1998-99 through 2000-01

School	1998-99	1999-2000	2000-01
Peterson Middle School	120	535	906
Tivy High School	97	687	862
Tivy Upper Elementary School	69	248	260
Nimitz Elementary School	2	34	17
Daniels Elementary School	1	53	54

Starkey Elementary	0	49	32
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Source: KISD Title IV report data, 1998-99 through 2000-01.

The district has adopted a goal of reducing misbehavior, and is developing its own program to meet the behavior management goals. The new program should be fully developed by 2003.

FINDING

Through site-based decision-making, the district's upper elementary school has added features to the district crisis plan that address challenges present in the design of the school. The upper elementary school is a 1953 courtyard style school with classrooms opening to exterior sidewalks, which presents a number of security and safety challenges in securing the school during an emergency. For example, with no interior hallways, students changing classes are visible to passing motorists and exposed to the weather. Districtwide plans rarely can be uniform, so schools must adapt to the vulnerabilities and obstacles at each school. The upper elementary has customized the district plan to meet the needs of their students and facility.

The upper elementary school has increased the effectiveness of the district crisis plan through a number of approaches:

- Crisis materials are gathered in a transportable box stored in an easily accessible location. The box includes a digital file of yearbook photographs of all students and staff that can be provided to emergency personnel;
- The box includes diagrams showing the physical layout of the school and surrounding schoolyard, as well as a check off list of assignments. Both are laminated and can be marked with a dry erase marker as classrooms are cleared, contacts are made and tasks are accomplished. The plans can then be wiped clean and reused;
- Teachers who carry personal cellular phones have provided phone numbers for emergency communications;
- Each classroom has a "boogie bucket" that holds first aid supplies, games to keep children occupied, candy snacks, sun screen and other crisis plan documents such as a class period roster; and
- Boogie buckets include a laminated sign, which is red on one side and green on the other. Once a head count is taken, teachers display green for "all here" and red for "someone missing." The card can be hung outside classroom doors or held up from the evacuation location to safely and quickly communicate critical information.

The key to successful crisis management is planning. Effective planning anticipates obstacles and develops strategies to overcome them.

COMMENDATION

District staff has developed crisis communication methods that encourage a rapid response to emergencies.

FINDING

KISD's upper elementary school has a unique method to direct visitors to the main office. While all KISD schools have signs that refer visitors to the office, the upper elementary has painted sidewalk markings that lead visitors to the office. The open configuration of the school allows access to classrooms from almost any direction. Painted paw prints and an occasional painted sign that the visitor is going toward the office, ensure unidentified guests have no excuse for wandering into various areas of the school.

The painting of the paw prints is a community service project that is refreshed at least once a year by the Parent Teacher Organization (PTO). The use of paw prints for directions helps make the impression that the school is not only fun and inviting, but that signing-in is also important to the administration.

COMMENDATION

The district's use of sidewalk markings to direct visitors to the main office is a unique and fun tool encouraging visitor policy compliance.

FINDING

KISD school staff does not actively enforce all parts of the visitor sign-in policy. While the age and layout of district schools make it difficult to control the flow of visitor traffic, office staff did not make sure sign-in was accomplished even when visitors were directed to the main office. In visiting various schools, the review team entered facilities from side entrances or, if the main entrance was used, walked hallways in a direction away from the office. School employees did a good job of stopping and directing team members to the office, even though office staff did not enforce policy requirements for visitor identification.

Once at the office, staff did not ask that the visitor sign the log or wear an identification badge. In some offices, the sign-in log was not easily identifiable. It is common for districts in smaller communities to recognize many school visitors. Over time, the recognition process replaces the sign-

in process. The sign-in sheet does more than identify the visitor to the administration; it is evidence of who is at the school at a particular time.

As police and firefighters respond to an emergency, they need to know who is present at the scene of the emergency. This information is necessary for many tactical or rescue decisions. The Commissioner of Education, in a letter dated October 17, 2001, stated that recent events should serve as a reminder to Texas schools that safety must be of the highest priority. He urged decision makers and leaders to be thinking about the best ways to provide safe environments to our students. Well-prepared schools throughout Texas can provide emergency responders with an idea of who is in the building during a crisis event.

Recommendation 61:

Have staff require visitors to sign-in at the office and wear a badge.

Having visitors sign-in and wear a badge will identify visitors on school grounds and provide necessary information should any crisis arise.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The crisis coordinator provides training to staff on the importance of maintaining a list of school visitors.	October 2002
2.	The superintendent reinforces the importance of the sign-in policy to administrators during a leadership committee meeting.	October 2002
3.	School administrators enforce the sign-in policy at their schools.	October 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The playground equipment at Tivy Upper Elementary School includes a merry-go-round surrounded by very hard packed earth, providing a reasonable risk of injury. The vintage metal merry-go-round sits at a slight angle with a well-worn trench surrounding the equipment.

Comments made at the public forum cited the condition of district playground equipment as a concern. In an interview with the assistant superintendent of Business and Finance, he said that updating playground equipment was on the project list, but since schools prioritize their own

expenditures, playground equipment keeps dropping to the bottom of the list.

New playgrounds are built to much higher safety standards than in the past. The condition of playground equipment varies from school to school based on the age of the school. New parks and playscapes surround equipment with gravel or bark to absorb the shock of an accidental fall.

The National Program for Playground Safety (NPPS) is a nonprofit organization dedicated to playground safety and injury prevention. The NPPS believes that playground safety is a complex issue and has developed four goals that provide a foundation for playground safety:

- Design age-appropriate playgrounds;
- Provide proper surfacing under and around playgrounds;
- Provide proper supervision of children on playgrounds; and
- Properly maintain playgrounds.

Some schools maximize their funding by enlisting parents or parent teacher organizations to build new playground equipment. The national Parent Teacher Association promotes playground safety. In a 1997 resolution, the PTA urges its local organizations to work cooperatively with their local school and district safety committees to develop, maintain and monitor playground equipment safety standards.

Recommendation 62:

Resurface the area surrounding the upper elementary school's merry-go-round for a soft landing, or remove the merry-go-round.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent meets with the principal of the upper elementary school and the director of Maintenance to discuss parent concerns and the safety issues involved in repairing the area around the merry-go-round.	October 2002
2.	The superintendent makes a decision based on the meeting with the principal and director of Maintenance to remove or resurface the merry-go-round area.	October 2002
3.	The superintendent directs Maintenance Department staff to repair or replace the equipment.	November 2002
4.	The director of Maintenance assigns staff to implement the superintendent's decision.	November 2002

FISCAL IMPACT

The fiscal impact to resurface the merry-go-round area for a soft landing is \$366 based on a cost of \$28 per yard for pea gravel which covers approximately 280 square feet at a depth of one inch. The depth of the pea gravel will be 12 inches ($\$28 \times 12 = \336). A delivery charge is estimated at \$30.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Resurface the area surrounding the upper elementary school's merry-go-round for a soft landing, or remove the merry-go-round.	(\$366)	\$0	\$0	\$0	\$0

FINDING

Each school has a different set of signals for emergencies, which can be confusing for students and teachers who transfer, or visiting administrators. Principals can select the bell or crisis signals used at their schools. In a random sample of schools, principals said the crisis alert for their school was not a district-adopted signal. For example, Starkey Elementary has different bell tones for various emergency signals, while Peterson Middle School uses different intercom codes.

In an emergency, familiar sounds and routines foster an orderly response. Schools hold fire drills and crisis drills to familiarize students and staff with the emergency procedures. The more familiar an alert, the less time spent translating its meaning, which is important in a crisis where every second counts. Many districts throughout the state coordinate their emergency alert signals to reduce confusion during a crisis.

Recommendation 63:

Develop a consistent set of emergency signals for all schools.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The crisis manager drafts a system of alerts that can be used throughout the district.	September 2002
2.	The crisis manager meets with the leadership team for input and approval.	November 2002
3.	The crisis manager updates the crisis plan to include the	January 2003

	standardized alert system and distributes the update.	
4.	Principals instruct staff and students of the new system, and hold drills with the new alerts.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10

SAFETY AND SECURITY

C. STUDENT DISCIPLINE MANAGEMENT

The U.S. Department of Education's 1998 publication, *Early Warning, Timely Response*, defines a well-functioning school as one that fosters "learning, safety, and socially appropriate behaviors. These schools have a strong academic focus and support students in achieving high standards, foster positive relationships between school staff and students, and promote meaningful parental and community involvement. Most prevention programs in effective schools address multiple factors and recognize that safety and order are related to children's social, emotional, and academic development."

Texas schools are required to provide standards for conduct and discipline through the adoption of a student code of conduct. KISD has a student code of conduct that is provided to students and parents annually. The code of conduct is built on progressive consequences. Repeated or serious misbehavior receives a more serious consequence than first time or minor offenses. KISD leaves behavior management to the teachers and administrators.

The district has several levels of disciplinary alternatives. Students may be removed from regular classes to a disciplinary alternative learning area on school grounds, which is commonly referred to as in-school suspension (ISS). Students may be suspended and placed in a disciplinary alternative education program. For the most serious offenses, a student may be expelled and placed in the Kerr County Juvenile Detention Center alternative education program.

KISD's Student Code of Conduct places offenses in three misconduct levels. **Exhibit 10-5** presents examples for each category of offense.

Exhibit 10-5
Sample of Offenses from KISD's Student Code of Conduct
Misbehavior Levels
2001-02

Category	Examples of Offenses
Level 1 Misconduct	<ul style="list-style-type: none">• Bullying• Leaving school without permission• Fighting, watching or encouraging others to fight• Sexual harassment

	<ul style="list-style-type: none"> • Possessing matches or a lighter • Falsifying documents • Violating safety rules or the dress code • Possessing a paging device or cellular telephone
Level 2 Misconduct	<ul style="list-style-type: none"> • Gang activity • Threats of bodily harm through sexual harassment • Disrupting the school environment in serious fights • Directing profanity at school personnel • Off campus felony conduct • Assault • Alcohol based offenses
Level 3 Misconduct	<ul style="list-style-type: none"> • Felony criminal mischief • Assault and retaliation against school employee or volunteer • Drug offenses • Robbery or theft • Possession of pornographic materials • Persistent acts of leaving school grounds without permission

Source: KISD Student Code of Conduct, 2001-02.

KISD's discipline philosophy is to keep students at their home school if possible. The alternative disciplinary program averages 18 to 20 student referrals at any one time. **Exhibit 10-6** provides student referral information to the Disciplinary Alternative Education Program (DAEP). More than half of the students in the DAEP are referred from the high school.

Exhibit 10-6
Percentage of DAEP Students by School
1999-2000 through March 2002

School	Percent of Total Placements		
	1999-2000	2000-01	August 2001-March 2002
Tivy High School	56%	63%	63%
Peterson Middle School	37%	33%	35%

Upper Elementary	6%	3%	0.8%
Hill Country High School (Alternative Education)	1%	0%	0.8%

*Source: KISD, DAEP, 1999-2000 through March 2002.
Note: Numbers may not add to 100% due to rounding.*

Exhibit 10-7 is a summary of the district's disciplinary actions for 2000-01. Disruptive behavior and violation of the code of conduct were the two most frequent reasons for disciplinary action. ISS was the most frequent method used to handle the disciplinary actions.

**Exhibit 10-7
KISD Disciplinary Actions
2000-01**

Reason	Expulsion	Out of School Suspension	In School Suspension	Placement in DAEP	Continued Placement from Prior School Year	Total
Disruptive behavior		122	991	3		1,116
Conduct punishable as a felony		1		3		4
Possess controlled substance	16	10	1	17		44
Possess alcoholic beverage	1	1				2
Public lewdness/indecent exposure		1				1
Used/possessed firearm		1	1	1		2
Used/possessed illegal knife	1	2	2	1		6

Used/possessed prohibited weapon			1			2
Indecency with a child	1					1
Violation of Code of Conduct while in DAEP	6	3	1			10
Violation of Code of Conduct		50	737	133	18	938
Terroristic threat		1		1		2
Aggravated assault-not employee or volunteer				1		1
Sexual assault-not employee or volunteer	1		1			2
TOTAL	26	192	1,735	160	18	2,131

Source: TEA, PEIMS, 2000-01.

ISS makes up more than two thirds of the total disciplinary actions, supporting the district philosophy of making every effort to correct misbehavior at the home school.

Truancy can be an early indicator of behavior problems. KISD actively pursues absent students through telephone calls, letters, home visits and court intervention. Through these efforts, KISD's attendance rate remains comparable to the state average. Court intervention is used to reinforce consequences for those families that do not respond to other contact efforts. The district's court caseload for 2001-02 is approximately 60 cases. These class c misdemeanor cases are filed and presented in court by the court liaison officer. Fines generated by truancy cases are split between the county and the district filing the case. In addition to keeping children in school, an active truancy program can also generate revenue to support the program.

FINDING

KISD uses a risk-assessment survey to monitor changes in student behavioral attitudes and measure the performance of intervention and

prevention programs. The assessment program is a grant-funded project initiated in 1997. Of the original eight sites, Kerrville was one of four asked to participate in the second phase of the project.

The survey tool is the Texas Prevention Impact Index (TPII), which is the result of researching behavior indicators. The TPII was created by the Charles A. Dana Center at the University of Texas at Austin. The Dana Center provided research and grants for educational innovation. One of their research projects resulted in the development of a tool for identifying at-risk students. Over the years, several factors have been identified that are associated with a greater risk for negative behaviors. Research showed that certain attitudes were a likely predictor of misbehavior and the index measures those attitudes. The TPII assists school districts in collecting and using data to measure and improve prevention program effectiveness.

Measuring the performance of a character or behavior-based program can be difficult. A child who has not been misbehaving at school has no conduct against which to measure the increase or decrease of future misbehavior. The TPII has indexed certain attitudes as a predictor of risky decision-making. The survey is given to students, whose responses are catalogued. Surveys are repeated and results compared to the original survey to determine if a student's attitude has changed. By tracking programs presented against changing attitudes, districts can attempt to measure performance of programs traditionally hard to measure.

As the emphasis on prevention programs increase, the need to assess and adjust programs for maximum effectiveness is an important element of sound resource management. KISD reviews its prevention programs by committee to determine if funding should be continued. Having an accurate measurement tool aids the review process.

COMMENDATION

The district uses a behavioral risk indicator to measure the success of intervention programs.

FINDING

The district's middle school uses in-school suspension time as an opportunity to redirect misbehavior by providing a character and personal responsibility curriculum to ISS students. Known as the Character Honesty Integrity Learning Lab (CHILL), the program asks students to evaluate the choices that resulted in the suspension. Assignments and worksheets reinforce personal responsibility for the behavior that resulted in the suspension. Activity sheets range from ethics-based, hypothetical problems to letters of apology.

Rather than use ISS as a disciplinary study hall, the middle school program reinforces the district goal of character education as one element for reducing incidents of misbehavior. Students are still expected to keep up with class assignments as part of their home school workload. The environment is strict, with rules such as no talking, no vending machine privileges, and no attendance at extracurricular school functions. Students can exit the CHILL program when the victims of the misbehavior have accepted the students' letters of responsibility and apology. A letter of apology might not be accepted if the letter did not explain how that the student accepted responsibility for his or her actions, or if the student was not sorry for the misbehavior. In the event of rejection, students repeat the assignment to better understand the character lesson.

The 2001 Legislature reinforced the need for character education as a component of a safe school-learning environment. Providing the tools for recognizing and changing misbehavior is in keeping with the KISD mission of educating productive future citizens.

COMMENDATION

The district's middle school has developed a character-based curriculum that is provided to students placed in In-School Suspension.

FINDING

KISD's disciplinary alternative program does not meet during the regular school day, so students do not have regular access to district counseling services. The school meets in an outbuilding at the middle school, from 4:30 to 9:00 p.m. The district DAEP has a 35-student capacity. The disciplinary school meets at night due to lack of space during the regular school day, which means students do not have regular access to district transportation, cafeterias, libraries or other educational support services. The night hours began in 1998, at the peak of district enrollment.

Texas districts usually provide assignments to DAEP students in one of two ways. The DAEP may have an independent computer-based curriculum, or students may receive assignments from their home school. KISD uses assignments from the home school as the DAEP. Teachers at the student's home school prepare a package of assignments, which is picked up each day by the DAEP principal. If the student is not working at grade level, the DAEP adjusts the assignment. The principal makes the daily assignment rounds to ensure students receive assignments on a timely basis.

The district does not provide any security for the disciplinary night program. The local police department patrols the area at night and will make an occasional walk-through visit. The principal locks down the facility once all of the students have arrived as an additional safety measure. District parents are unhappy with the night arrangement. Many households find both parents with jobs outside the home. Because school is at night, these students may be home alone during the day. The DAEP principal believes the program will receive a permanent day location once the new high school opens in the fall of 2003 and space becomes available at other locations.

Since the program meets at night, students do not have access to mentors or other school services. Once a student returns to a home school, there is no transition program to help successful reintegration back into regular school activities. A student at conflict with a teacher or peer returns to that class without additional intervention. **Exhibit 10-8** shows the percent of repeating students at the DAEP.

Exhibit 10-8
Percent of Returning Students
1999-2000 through March 2002

School	Percent of Repeat Referrals to DAEP		
	1999-2000	2000-01	August 2001-March 2002
Tivy High School	17.3%	22%	20%
Peterson Middle School	33.3%	12%	17%
Upper Elementary	22.7%	0%	0%
Hill Country High School (Alternative Education)	7.6%	0%	0%

Source: KISD, DAEP, 1999-2000 through March 2002.

Returning from an alternative program can be stressful. Peer pressure returns once the flexible environment of the home school replaces the controlled environment of the DAEP. Students may be in the program as long as the entire school year. Returning after a lengthy absence can leave a student feeling disconnected and in need of assistance to get back on track.

Glen Rose Independent School District has a reintegration program, which uses counselors to monitor the returning student and provide appropriate

intervention services when indicated. Students are provided with referrals to social service agencies or family counselors. The process provides support for the student and emphasizes rehabilitation.

Recommendation 64:

Develop a reintegration program that provides Disciplinary Alternative Education Program students with access to social services and counseling.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The lead counselor meets with the DAEP principal to develop the outline for successful reintegration of returning students.	October - December 2002
2.	The lead counselor presents the outline to secondary school counselors for development of a program that works with the policy and procedures of the home school.	January 2003
3.	Secondary school counselors work with principals to develop a reintegration program and present it to the DAEP principal.	February - April 2003
4.	The DAEP principal shares the program with the Leadership Team for discussion and approval.	May 2003
5.	Principals implement the program at their respective schools and monitor its performance for continuing improvement.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 11

COMPUTERS AND TECHNOLOGY

This chapter examines the computer and technology functions of the Kerrville Independent School District (KISD) in three sections:

- A. Organization, Staffing and Budgeting
- B. Policies, Procedures and Planning
- C. Infrastructure, Software, Hardware and Operations

The role of technology in Texas school districts is increasing in importance every year. The responsibility for developing and maintaining a viable technological environment in a school district is most often placed in a technology department, whose tasks range from the management of high-end, wide-area networks (WANs) to ensuring that computer cables are connected correctly. Technology personnel are expected to be knowledgeable in the latest advances and able to explain them to the novice user.

Chapter 11

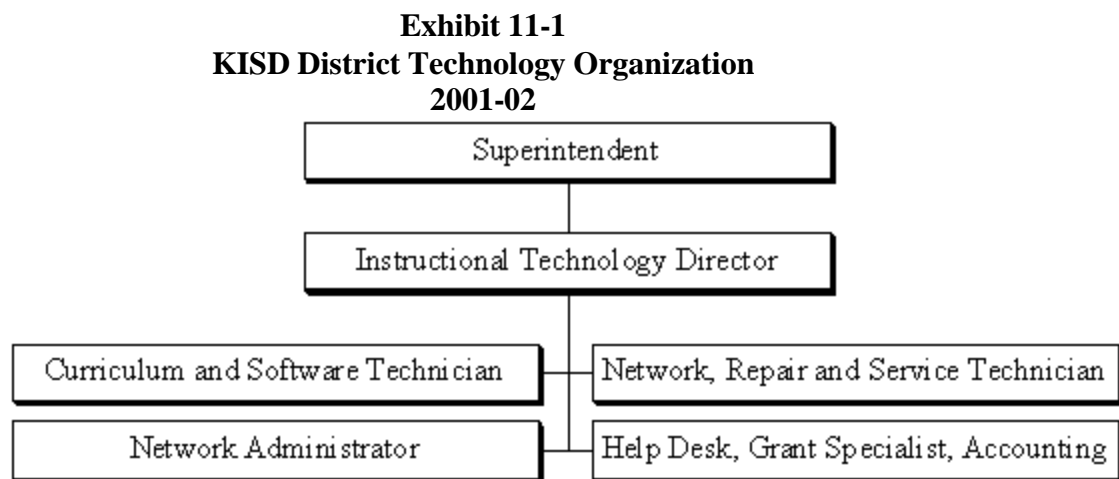
COMPUTERS AND TECHNOLOGY

A. ORGANIZATION, STAFFING AND BUDGETING

School district technology departments must adhere to industry best practices and be staffed with competent employees who receive adequate training opportunities. Open communication and staff availability are critical to the success of the partnership between technology and educational personnel.

KISD established its Technology Department in 1998 with the hiring of an Instructional Technology director. Since its inception, the Technology Department has grown to include five full-time staff members whose efforts are supplemented by the use of a "school technologist" located at each school. A school technologist is a teacher or other staff member who has been designated to provide technology support in a school. The technologists evaluate and attempt to correct computer-related problems when they are first reported. If the technologist is unable to correct the problem, the technologist contacts the Technology Department.

Exhibit 11-1 details the organizational structure of the Technology Department of KISD.



Source: KISD Technology Department, 2001-02.

Technology staff support more than 1,300 computers in the district. The two technicians and network administrator provide direct user support, making the computer-to-technician ratio 433:1, about average compared to the district's peer group. If the average of 2.5 hours of technology support

provided by the seven school-based technologists is included, the ratio is 260:1, the second lowest in the peer group.

Exhibit 11-2 compares the composition of KISD's Technology Department with its peer districts.

Exhibit 11-2
Technology Department Peer District Comparisons
April 2002

District	Administrative	Technology Support	School-Based Technology Assistants
Aransas County	1 Supervisor of Technology	<ul style="list-style-type: none"> • 1 Network Administrator, • 1 Webmaster/Technician • 1 Technician 	6 Technologists (1 at each school except high school)
Brenham	<ul style="list-style-type: none"> • 1 Technology director, • 1 Assistant 	<ul style="list-style-type: none"> • 1 Network Systems Engineer, • 2 Technicians, • 1 Instructional Technology Specialist, • 1 Student Technician, • 1 PEIMS Specialist 	
Kerrville	<ul style="list-style-type: none"> • 1 Instructional Technology Director, • 1 Assistant, Help Desk, Grant Writer, Accounting 	<ul style="list-style-type: none"> • 1 Network Administrator, • 2 Technicians 	7 Technologists (1 at each school)
Levelland	1 Technology Coordinator	<ul style="list-style-type: none"> • 1 Network Administrator, 	<ul style="list-style-type: none"> • 5 Computer

		<ul style="list-style-type: none"> • 1 PC Network Specialist, • 1 K-6 Software Support Specialist, • 1 Technology Training and Support Specialist 	<ul style="list-style-type: none"> • Aids, 2 High School Students
Marble Falls	<ul style="list-style-type: none"> • 1 Technology Director • 1 Secretary 	3 Support Technicians	3 Trainers
Midlothian	<ul style="list-style-type: none"> • 1 Technology director, • 1 Technology Coordinator • 1 Assistant 	<ul style="list-style-type: none"> • 2 Technicians, • 1 Instructional Technologist 	

Source: Peer district surveys, April 2002, and KISD organization chart.

The size of KISD's Technology Department compares favorably to its peer districts. The average number of staff members among the peer districts is 5.2, about the same as KISD's. In addition, the peer districts have similar organizational structures.

To purchase computers and make other improvements, the district has aggressively sought grant funding. Since 1996-97, KISD has applied for and received more than \$1.4 million in grant funding (**Exhibit 11-3**).

Exhibit 11-3
Grant Funds Received by Kerrville ISD
1996-97 through 2000-01

Year	Source	Amount
1996-97	Peterson Foundation Grant	\$224,290
1996-97	TIF Grant	\$208,500
1997-98	TIF Grant	\$99,192
1997-98	TIF Grant - Regional Education Service Center XX	\$115,500

	(Region 20)	
1998-99	Peterson Foundation Grant	\$125,933
1998-99	TIF Grant	\$159,700
1998-99	TIE Grant - Region 20	\$13,000
1998-99	TIE Grant	\$31,851
1998-99	E-Rate Grant	\$24,318
1999-2000	TIE Grant - Region 20	\$13,000
1999-2000	TIE Grant	\$67,989
1999-2000	E-Rate Grant	\$86,438
2000-01	TIF Grant	\$199,999
2000-01	TIE Grant - Region 20	\$13,000
2000-01	E-Rate Grant	\$74,362
	Total Grant Funding	\$1,457,072

Source: KISD Technology Department, 1996-97 through 2000-01.

Note: Grant Fund amounts have been rounded to the nearest dollar

KISD has received the majority of its grant funding from the Texas Infrastructure Fund (TIF). TIF funds were used to create most of the district's computer network. A second major source of grant funding is the Peterson Foundation, a Kerrville-based family foundation that provides educational grants. The foundation's grants have totaled more than \$350,000.

For 1999-2000, KISD budgeted \$750,000 for technology. More than \$630,000 of the budget was used to purchase computers and networking equipment. The district, however, has been unable to maintain adequate financial support for capital purchases from local funds. While the district spent \$634,500 on technology purchases during 1999-2000, no funds were budgeted for technology capital outlays in 2000-01.

The district has been able to attain a student-to-computer ratio of approximately 4.3:1. Although KISD has not met the Texas Education Agency's mid-term goal of a 3:1 student-to-computer ratio, it expects to

meet or exceed the 4:1 goal stated in its long-term technology plan when the number of computers for the new elementary school is included.

Exhibit 11-4 compares student-to-computer ratios for KISD and its peer districts.

Exhibit 11-4
Student to Computer Ratio
KISD vs. Peer Districts
May 2002

District	Students	Computers	Student to Computer Ratio
Kerrville	4,689	1,090	4.3:1
Brenham	4,716	1,300	3.6:1
Marble Falls	3,648	1,000	3.6:1
Levelland	3,024	1,000	3.0:1
Midlothian	4,699	1,562	3.0:1
Aransas County	3,337	1,365	2.4:1

Source: Peer district surveys, KISD Technology Department, 2002 and Texas Education Agency (TEA), Public Education Information Management System (PEIMS) 2001-02 enrollment.

KISD has the highest student to computer ratio at 4.3:1, followed by Brenham and Marble Falls at 3.6:1.

FINDING

KISD's Technology Department does not have a training plan for its staff. The Technology director has not performed an assessment of staff skills or determined the skills needed to meet the district's technology needs.

The Technology Department must be able to support new technology when it is introduced. The absence of a defined training plan may make it difficult for the department to fulfill its support role. In addition, the department does not have a budget dedicated specifically to staff training.

While staff members are informally cross-trained, such informal training is not a substitute for formal training.

Without a departmental training plan, the Technology Department risks deteriorating morale and higher attrition and may not be able to support the district's many technological needs.

Many school districts take advantage of technology training provided through their regional education service center. KISD's Regional Education Service Center XX (Region 20), for example, has the STARTnet program, which offers members training at a reduced price.

Del Valle ISD has a training plan that includes vendor-provided training, education service center workshops and peer-led training. Although the program is directed toward teacher education, a similar program for technology employees could yield similar results.

Fort Bend ISD offers a \$1,500 annual stipend to technical staff members for each approved technical certification test they complete.

Recommendation 65:

Develop a training plan for Technology Department staff members.

The Instructional Technology director should develop a comprehensive training plan for each position in the Technology Department. This plan should identify the skills needed for existing workers and provide a strategy for developing to meet the needs of the district. Once the plans are developed, the Instructional Technology director should identify resources that staff members can use to achieve their training plans. The district should establish and fund a training budget to provide staff members with specialized training. The plan should detail regular cross-training goals to ensure that multiple personnel are trained to cover critical tasks.

Region 20'S Technical Training Institute has created a new Technical Certification Program involving a series of training modules designed to provide technology personnel with the knowledge needed to support school district information technology. The courses offered cover networking, integration of technology into the classroom and software applications. As a member of the Region 20 STARTnet program, KISD can send its personnel to Region 20 training at a reduced price.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director assesses the proficiencies of each staff member.	October 2002
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2.	The Instructional Technology director assesses the district's current and future technological skill requirements.	October 2002
3.	The Instructional Technology director identifies and evaluates available resources for training and communicates the information to department staff members.	November 2002 and Ongoing
4.	The Instructional Technology director develops a training plan with each staff member.	November 2002
5.	Technology staff members follow their training plans by using the identified resources.	January 2003 and Ongoing
6.	The Instructional Technology director evaluates the training progress of each staff member.	May 2003 and Semi-Annually
7.	The Instructional Technology director develops a budget for career development and submits it during the district's annual budget process.	May 2003 and Annually
8.	Technology Department staff members attend training specified in their training plans.	May 2003 and Ongoing

FISCAL IMPACT

The estimated cost of this recommendation is based on the cost of the Technical Certification Program offered by Region 20, which consists of 13 modules ranging in cost from \$40 to \$500 per class for two individuals. As a STARTnet member, KISD's total cost to provide all 13 training modules for two of its technicians would be \$1,872. Allowing \$1,000 for training for each technician annually would produce a total training budget for the four Technology Department staff members of \$4,000 a year, which would cover the cost of the training offered by Region 20.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Develop a training plan for Technology Department staff members.	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)

FINDING

The Technology Department does not have an on-call system to ensure that its staff is available to address technological support needs outside of normal business hours. The Technology Department does not have defined procedures for contacting staff before or after the workday or during lunch.

When a district staff member experiences a technology-related problem, they contact the school technologist for assistance. If the technologist is unavailable, the staff member contacts the Technology Department help desk. (The school technologist also contacts the help desk when he or she is unable to resolve the problem.)

Technology Department staff members carry district-provided pagers and can be reached by other members of the Technology Department. These phone numbers, however, are not available to employees outside the Technology Department.

Without an on-call system, department workers are not always available when problems occur. One example is provided by the Child Nutrition Department's point-of-sale software, which runs on equipment attached to the district's network. Although the Child Nutrition Department has a service contract with the software vendor, the Technology Department supports the network on which the software operates.

Meal-serving time is the critical event that occurs each day in food service operations. If the network goes down before 8:00 am or during lunch, the Child Nutrition Department may have difficulty contacting the Technology Department for help. When such outages occur, the Child Nutrition Department's employees are forced to record purchases manually and cannot post payments to student accounts, a situation that slows service to students. Similar situations can cripple other departments when a problem occurs outside of normal business hours.

Many organizations use on-call programs to provide users with support beyond normal working hours. Missouri Western State College, for example, has developed an on-call support program for equipment and system failures outside of its Computer Center's normal operating hours. The plan outlines contact procedures including phone numbers, hours of on-call availability, reasons to call and reasons not to call. The University of Virginia, Stanford and Yale Universities provide similar services.

Recommendation 66:

Develop a rotating on-call schedule for Technology Department staff.

The Instructional Technology director should develop a schedule for department staff to be on call for technology-related emergencies. The schedule should rotate responsibility for off-hour support between two support technicians and the network administrator. During school hours, the support person who can best address the emergency should be contacted. Technology Department staff members should be compensated

for work performed during off-hours with compensatory time during normal work hours.

The director should establish policies concerning the use of the on-call process. District personnel that should be allowed to use the on-call emergency list should include school technologists, school principals, department heads and Technology Department staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director creates a rotating on-call schedule for the Technology Department.	October 2002
2.	The Instructional Technology director establishes the procedures to contact the technology representative on call.	October 2002
3.	The Instructional Technology director, the superintendent and other administrative level personnel identify district personnel authorized to use the on-call system.	October 2002
4.	The Instructional Technology director explains the new on-call process to these staff members.	October 2002
5.	The Technology Department implements the on-call system.	October 2002

FISCAL IMPACT

This recommendation could be implemented with existing resources.

FINDING

The Technology Department's communication process has not been effective in quickly resolving negative perceptions about technology issues. The Technology Department faced two software problems originally perceived to be hardware failures related to the implementation of the Oasis curriculum and Accelerated Reader software programs. The Technology Department warned district officials of the potential for a problem before the Oasis software implementation, but was unable to provide sufficient evidence of infrastructural constraints to convince district officials of potential problems. When the source of the problem was determined, the Technology Department did not effectively communicate to district staff the actual cause of the problem.

Although the department resolved both problems, which were software related, some departments and schools believe that the problems still exist and consequently many teachers still are not fully using the Oasis curriculum.

The Instructional Technology director addresses technological issues at the weekly district administrator meetings and quarterly Technology Advisory Committee meetings. The Instructional Technology director also sends e-mails to district staff and administrators regarding technology issues.

In interviews with the review team, however, district employees said that issues were not always clearly communicated from the Technology Department because the explanation used technical language that teachers could not understand.

While the Instructional Technology director communicates through e-mails and meetings, the Technology Department does not make consistent use of the school technologists to communicate with school staff. The school technologists do not serve as effective communication liaisons to explain technology issues at their schools and to represent the schools' concerns to the Technology Department.

Effective district technology departments provide informative and timely communications to users that reduce the potential for inaccurate perceptions that affect teacher and staff use of technology. For example, Socorro Independent School District (SISD) disseminates computer-related information and ideas to schools and teachers through e-mail, newsletters, committees, classes, meetings and a Web page. The district also has a mailing list of employees interested in technology; the group communicates daily through group e-mails and meets in person once a month to troubleshoot, offer solutions, ask questions and share successes and ideas.

SISD created a technology committee made up of one technical employee, one non-technical employee and one administrator from each school. The group meets with the district's instructional technology coordinator bimonthly to discuss instructional technology issues facing the district.

SISD's *Technology Newsletter* includes district computer technology updates, descriptions of technology programs and projects from various schools, interviews with technology staff members and a list of useful training classes and educational Web sites.

Most SISD schools use a technology conference as one of their staff training days. The conference features outside presenters, technology vendors and teachers. Twice a year, the district's instructional technology coordinator compiles a catalog of technology training courses taught by district staff at no additional cost to the schools. The catalog lists 160 classes on 23 topics. If the courses are not filled by outside providers, they are offered at no cost to other district employees as well as community

members. In addition, the district's Web page offers the technology-training schedule, manuals and bulletins.

Recommendation 67:

Create a more effective communication process to inform the district of technology-related issues.

The Instructional Technology director should host periodic "KISD Technology Seminars" to communicate pressing technology issues. The seminars should explain the department's process for diagnosing and troubleshooting complex problems. District administrators, teachers and staff should receive periodic status reports concerning technology in the district. The Instructional Technology director also should develop a page on the district's Web site to provide teachers, students and staff with information on technology issues.

The Instructional Technology director also should hold regular meetings with school technologists to inform them of ongoing issues and the status of proposed solutions. This would give the technologists greater insight into problems throughout the district and allow the school technologists to communicate the information to principals at each school. The school technologists also should discuss any technology issues at their schools, so that the department can offer assistance in resolving the problems.

Finally, the Instructional Technology director should work with the existing Technology Advisory Committee to improve communications through more group participation.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director schedules "technology in the district" seminars.	November 2002 and Semi-Annually
2.	The Instructional Technology director develops and updates a page on the district Web site to continuously communicate technology issues and the status of their resolution to users.	November 2002 and Ongoing
3.	The Technology Department meets with school technologists to discuss districtwide issues.	November 2002 and Quarterly
4.	The Instructional Technology director works with the Technology Advisory Committee on more effective communication and interaction.	November 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 11

COMPUTERS AND TECHNOLOGY

B. POLICIES, PROCEDURES AND PLANNING (Part 1)

Leadership and effective management are two traits every successful organization must possess. Well-defined, well-documented policies and procedures are essential to providing consistent, high-quality technology services. Appropriate funding levels are also important to the success of technology in a school district.

The Texas Education Code (TEC) requires school districts to prepare improvement plans for integrating technology into instructional and administrative programs. The best plans contain clear objectives and actions, assign individual responsibility for implementation and identify the milestones toward completion of the projects. Planning for the use of new educational technologies is particularly important due to several factors:

- *Equity*: The amount and type of technological resources available to each school in a district may vary. Careful planning can help ensure that all schools receive adequate support.
- *Change*: Failure to take advantage of new technologies can leave the district with obsolete equipment. An adequate planning horizon (of at least three to five years) can help the district stay abreast of technological change.
- *Funding*: Funding can be the greatest barrier to the effective use of technology in the classroom. Unless planning addresses whether and how projects will be funded, limited funding can have a greater impact than it should.
- *Credibility*: The public is eager to see its tax dollars spent effectively. Planning makes it possible to demonstrate that proposed strategies have been well thought-out.
- *Training*: The adoption of new technologies requires effective training.

To apply information technology effectively, a school district must have an adequate computer network connecting modern computers, administrative and instructional software and up-to-date operating systems. The district must provide effective ongoing training, adequate technical support and an ample professional staff capable of administering the technological environment. Each of these components should be included in a district's technology plan.

FINDING

KISD has an effective program to provide first-level diagnostic support at each school. The district uses school technologists-a designated teacher in each school-to serve as a technology "troubleshooters" to help resolve minor technology problems. School technologists are available during their conference periods and after school and are capable of solving many problems without the involvement of the Technology Department. Their familiarity with minor problems also helps them solve more complex problems with phone support from Technology Department staff. Their support reduces the number of on-site visits required of Technology Department staff. When the problem exceeds the school technologist's expertise and technical help is required from the Technology Department technician, the school technologist will accompany the technician on the service call to enhance the technologist's capabilities.

The routine and first level technology support provided by the school technologists reduces the number of calls to the Technology Department and provides quicker response to problems.

COMMENDATION

KISD uses teachers as "school technologists" to provide responsive, cost-effective technology support at each school.

FINDING

KISD aggressively pursues technology grants to supplement its local funding. Since 1996-97, the district has applied for and received more than \$1.4 million in technology-related grants. During 1998-99 alone (**Exhibit 11-3**), the district received more than \$354,000 in grants.

Exhibit 11-5 lists the amount and purpose of grants received by KISD between 1996-97 and 2000-01.

**Exhibit 11-5
Summary of KISD Grants
1996-97 through 2000-01**

Source	Amount	Purpose
E-Rate Grants	\$185,118	Internet connectivity, network infrastructure
Peterson Foundation Grants	\$350,223	Computers, printers, and software
TIE Grants	\$254,340	Peterson Middle School equipment, video conferencing equipment, partial attendant salary.

		and network infrastructure.
TIF Grants	\$667,391	Network infrastructure
Total Technology Grants	\$1,457,072	

Source: KISD Technology Department, 1996-97 through 2000-01.

The majority of this grant money has been allocated for the purchase of advanced technology equipment, which has facilitated the introduction of technology into the district. The technology purchases have allowed the district to bring the Internet to desktop computers and purchase various educational tools.

COMMENDATION

KISD has used technology grants to improve its technological infrastructure and enhance the educational process.

FINDING

KISD has not established guidelines and controls to maintain standard system configurations for computers in its schools. The "standard system configuration" is simply the way a computer is set up at delivery. Most system and software configurations are set when the system is built and software installed.

A computer's configuration can be changed by accident or through the installation of additional software or hardware. This often occurs when staff members purchase and install software from various sources without consulting the Technology Department. One of the department's functions is to serve as the technology clearinghouse to control software installation and use for the district. When a staff member installs software without the department's knowledge, its control function is circumvented. Technicians often are unable to respond to problems with personal computers quickly because they are not familiar with software installed without their approval and must first learn its functions before they can fix the problem.

Without appropriate configuration controls, unauthorized software can damage the district's computers or peripheral devices such as printers or digital cameras. Even so, the Technology Department is required to support all software and hardware installed on district computers, whether or not it was approved by the department. This leads to additional staff hours required to provide support to multiple types of software and causes an unnecessary drain on technical support resources.

In many organizations, the technology department establishes standards and must approve all purchases of software and hardware. Many technology departments review requests for new or additional technology products advise the requestor of the available options and the possible effects of each and recommend a solution.

To ensure that configuration standards are maintained and that users are not able to change computer configurations, many organizations purchase configuration control software that contains security features prohibiting unauthorized individuals from altering the computer's set-up. The Technology director told TSPR that the department is considering the features and capabilities of configuration control software to help solve the configuration management issue as well as other areas of problems.

Recommendation 68:

Develop a district policy for personal computer configurations and install configuration control software to restrict user ability to alter hardware configurations.

The new policy should be developed by the Instructional Technology director, in cooperation with the Technology Advisory Committee, to restrict the ability of users to install software or change the configuration of district computers. The policy should establish the Technology Department's authority to implement and enforce the policy; define who has the authority to change the computer's core settings; define the computer settings that can be changed and the values to which they can be changed; describe policy enforcement methods; and cite the consequences of violating the policy.

The Instructional Technology director and Technology Department staff should research configuration control software options and acquire the software that best meets district needs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director drafts a policy concerning the configuration of district computers and restrictions placed upon users.	November 2002
2.	The Instructional Technology director reviews the computer configuration policy with the Technology Advisory Committee.	December 2002
3.	The Instructional Technology director revises the computer configuration policy based on feedback from the Technology Advisory Committee.	December 2002

4.	The Instructional Technology director submits the policy to the superintendent and school board for approval.	January 2003
5.	The Technology Department staff distributes the approved policy to district personnel.	January 2003
6.	The Technology Department staff reviews and tests configuration management solutions and selects the best solution for the district.	November 2002 - January 2003
7.	The Instructional Technology director works with the Purchasing supervisor to purchase the recommended configuration management software.	February 2003
8.	Technology Department staff installs the configuration management software throughout the district.	March 2003

FISCAL IMPACT

The estimated one-time cost of implementing this recommendation is \$16,198, based on a per-computer fee for an upgrade from an existing licensed Microsoft operating system to Microsoft Windows XP, at a rate of \$15.65 for each of 1,035 computers ($\$15.65 \times 1,035 = \$16,198$). The district purchased 300 licenses in 2001-02, so the number of licenses required was reduced from 1,335 to 1,035.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Develop a district policy for personal computer configurations and install configuration control software to restrict user ability to alter hardware configurations.	(\$16,198)	\$0	\$0	\$0	\$0

FINDING

KISD does not require its Technology Department to be involved in all decisions on technology purchases. One of the Technology Department's goals is to "design and build a quality standards-based infrastructure" for the district. The district has not supported this role, however, and has excluded the Technology Department from the resolution of some significant technological issues.

An example of this exclusion occurred when the district purchased a number of personal computers. In response to the perception that the Technology Department had purchased inferior personal computers called

"white boxes," the superintendent formed a committee and charged it with developing a report assessing the "white boxes" problem and developing recommendations for future technology purchases. The committee, composed of several principals and department heads, had no members from the Technology Department.

This action jeopardized the committee's findings, since they were based solely on information gathered without the benefit of a technology expert. The final report and recommendations indicate that the committee may not have considered several factors necessary to evaluate the lifecycle cost of computer hardware. Elements such as the reuse and interchangeability of components, component short-term and long-term availability and in-warranty service procedures required by certain manufacturers were not covered in the report.

The committee ultimately decided to allow each school or department to select computers without the input of the Technology Department. The committee stated in its report that its ability to arrive at a decision was limited due to time constraints and its inability to control variables and measure data. The committee's actions undermined the mission, effectiveness and credibility of the Technology Department, eliminating one of its major roles and hampering its ability to provide support to users.

KISD uses a four-step approval process for purchases. An authorized staff member, usually a school administrative assistant, enters a purchase request in the automated purchasing system for the approval of a principal or department head. Purchasing then reviews the request before final approval from the assistant superintendent of Business and Finance. The process does not include the Instructional Technology director in the chain of approvals.

Effective organizations rely on the expertise of their technology departments, authorizing them to evaluate and acquire hardware and software that provide the greatest value in terms of performance and cost. Such organizations have comprehensive purchasing procedures requiring their technology departments to verify the quality of the goods and test them to ensure successful integration.

The San Antonio ISD (SAISD) Technology Department distributes hardware and software standards and provides guidance to departments considering technology purchases concerning minimum specifications and compatibility. The district's purchasing process ensures that high-quality products are purchased as efficiently as possible.

Fort Worth ISD has standards for new computer purchases that are included in an appendix of the District Technology Plan. The standards

provide a comprehensive and accurate procedure for all technology acquisitions. The availability of clearly stated standards helps establish the groundwork from which departments can begin drafting purchase requests and helps reduce the review time for purchases.

Recommendation 69:

Establish a policy that defines the Technology Department's role and authorizes it to define technology standards and approve hardware and software purchases.

The superintendent should establish that the Technology Department should be called upon for its guidance and knowledge when the district is considering technological matters.

District policy should authorize the Technology Department to establish hardware standards needed to ensure hardware compatibility and to approve all hardware and software. The policy should, at minimum, require that all hardware and software purchases be reviewed by the Technology Department and allow the department to reject or modify purchase requests that do not conform to district standards.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The superintendent establishes a policy authorizing the Technology Department to set district technology standards, requiring Technology Department approval for all technology purchases and establishing the leadership role of the Technology Department.	October 2002
2.	The board approves the new policy.	November 2002
3.	The purchasing director revises the purchasing approval process for technology products to require the Instructional Technology director's approval.	November 2002
4.	The district implements the policy to require Technology Department approval for all hardware and software purchases.	November 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Technology Department does not consistently test new technology products before their implementation. The Instructional Technology director said that one reason that technology has been implemented without testing is that the Technology Department often is unaware of it until it has problems, because district employees are allowed to purchase technology without the department's approval.

This has led to problems that could have been mitigated or prevented through proper testing and corrections before use. Although the district has computer labs in its Technology Center and the schools that could be used as test environments, the Technology Department does not use them for testing. Testing procedures in any case, would be difficult to enforce since the Technology Department does not centrally receive and test all hardware and software.

The technology industry often puts new software and hardware through several levels of testing and validation before it is placed in use. Technology firms employ rigorous testing processes to ensure successful solutions.

One of the major steps in the testing process is the "staging" phase, which requires the new software or hardware to be installed and tested in an environment that mirrors the production environment. Environment factors considered include computer models, operating systems and network settings. Each feature and benefit of a solution must pass a comprehensive test plan before it is implemented in the production environment.

Recommendation 70:

Require new technology products be tested before they are placed in use.

The Computer Center training lab provides the Technology Department with a readily accessible and controllable environment in which to test new products. When appropriate, technology products also should be tested in a school's computer lab after the product has passed established testing procedures in the training lab.

The Technology Department should conduct similar tests in the environment in which it is to operate if the software is intended for installation outside of the district, such as employees' homes. Once all testing is complete and the Technology Department is satisfied that the product meets or exceeds expectations, the product then can be approved for installation.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director establishes a policy that requires testing of new hardware and software and for the use of the Computer Center training lab and school computer labs as test environments.	October 2002
2.	The Instructional Technology director establishes testing procedures for new hardware and software that call for using the Technology Department training lab and school computer labs as testing environments.	October 2002
3.	The Instructional Technology director assigns staff to begin testing new hardware and software before wide distribution.	November 2002

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Not all technology problems are recorded in the district's problem-tracking software. Three of the four Technology Department employees directly involved in providing daily technology support use a vendor software package to record and track problems on a regular basis. The use of tracking software is not required for all Technology Department staff, however, and school technologists are not authorized to use it because the district does not have enough software licenses. The district has a multi-user version of the problem-tracking software with five user licenses, but the Technology Department has not purchased the additional licenses needed to allow school technologists to use it. In addition, the district has no procedures requiring Technology Department staff to record the problems resolved by school technologists in the problem-tracking software.

Without established procedures for reporting and tracking problems, several school technologists have developed their own paper-based system to track problems and their solutions. These solutions to common problems, however, are rarely shared with technologists at other schools or the Technology Department staff. The practice leads to duplication of service calls, which increases the workload placed on school technologists and the Technology Department and reduces their effectiveness.

Well-managed technology support operations provide *all* support staff with access to problem-tracking software and require that all problems and their associated resolutions be recorded. Tracking and sharing problems and resolutions allows the support department to provide timely solutions and increases technicians' ability

to solve unfamiliar problems. Technology support managers also benefit from a complete record of staff activity.

Chapter 11

COMPUTERS AND TECHNOLOGY

B. POLICIES, PROCEDURES AND PLANNING (Part 2)

Recommendation 71:

Require all Technology Department staff and school technologists to use the problem-tracking software.

Each school technologist should have access to the problem-tracking software to enter problems and solutions and search for resolutions to unfamiliar problems. The Instructional Technology director should establish a policy requiring that each problem, solution and root-cause analyses be entered into the software regardless of where the problem is reported.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director establishes a policy requiring Technology Department staff and school technologists to use the district's problem-tracking software.	October 2002
2.	The Instructional Technology director works with the Purchasing supervisor to purchase additional licenses of the problem tracking software.	November 2002
3.	The Instructional Technology director implements the tracking policy and Technology Department staff and school technologists all begin using the tracking software.	December 2002 and Ongoing

FISCAL IMPACT

The fiscal impact for this recommendation is estimated at \$1,980, based on the need for additional software licenses for all school technologists. The vendor sells additional five-user license bundles for \$990. KISD would need two license bundles totaling \$1,980 (\$990 x 2) to meet its licensing needs.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Require all Technology Department staff and school technologists to use the problem-tracking software.	(\$1,980)	\$0	\$0	\$0	\$0

FINDING

The Technology Department does not use the trend-analysis feature of its problem-tracking software. The Technology Department's software has a powerful reporting module that can be used as an effective tool in problem identification and resolution. With reports from the software, Technology Department managers can analyze trends and identify failure patterns of defective equipment; pinpoint software deficiencies and hardware incompatibilities; detect the misuse of equipment; and identify training deficiencies in standard desktop software.

Exhibit 11-6 shows the number and percent totals of problems recorded in the district's problem-tracking software from January through May 2001. As shown in **Exhibit 11-6**, the largest number of recorded problems (25.3 percent) were defined as user error.

Exhibit 11-6
Number and Percent of Total of Technology Problems
January 2001 - May 2001

Problem Type	Number of Problems Reported	Percent of Total
User Error	73	25.3%
Hardware	57	19.8%
Software	30	10.4%
Miscellaneous	28	9.7%
Network	22	7.6%
Installation	14	4.9%
Printer	12	4.2%
EDP	9	3.1%
I gear	8	2.8%
Set up	8	2.8%
Virus	8	2.8%
Supplies	7	2.4%
Training	5	1.7%
Internet	4	1.4%
Email	3	1.0%

Total	288	100%*
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Source: KISD problem tracking software database report, 2001-02.

*Totals may not sum to 100 because of rounding.

This information indicates that a significant portion of the problems addressed by the Technology Department may be reduced through user training.

The use of problem-reporting trend reports allows technology departments to make better use of their resources to resolve issues faster and prevent the recurrence of known issues.

Recommendation 72:

Use the total capabilities of the district's problem-tracking software.

The Technology Department staff should review existing reports from its problem-tracking software and create new reports to identify and understand problem trends. Technology Department staff also should review reports detailing problem priorities and severities as well as the elapsed time to resolution. As the Technology Department increases its understanding of how problems affect the district, it will enhance its ability to assign the resources needed to achieve timely resolutions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director reviews and modifies existing reports and creates custom reports from its problem-tracking software.	October 2002
2.	The Instructional Technology director reviews and analyzes the reports.	October 2002 and Monthly
3.	The Instructional Technology director adjusts policies, procedures and the organization based on report analysis.	October 2002 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Technology Department has not documented many of its policies, procedures and standards. Although the department has been able to

function without proper documentation, its work is hampered by inadequate documentation. Unwritten policies understood within the Technology Department are not known or followed elsewhere in the district.

For example, the Technology Department does not have a policy addressing custom software development. At the high school, a staff member has created a small software program to reduce data entry burdens on district software. TSPR found, however, that the Technology Department was not aware of the existence of this application and may not be able to support it without the author's help. Without a policy on software development, the Technology Department cannot specify documentation, security or performance standards.

The district also lacks a documented daily backup plan identifying who is responsible for tape backup at remote locations, which has led to confusion regarding this responsibility.

Network hardware labeling processes used by the district are inconsistent and incomplete, and its network security policies are not documented. KISD has no documented policy for recording and tracking assets and reporting those that are missing or stolen. It has no policy dealing with the recovery of missing or stolen assets.

The lack of complete documentation can lead to misunderstandings concerning policy or job-related functions, ultimately creating circumstances that may require disciplinary action by management.

District technology departments should have detailed policies and procedures to manage their technology operations and assets. For example, San Antonio ISD's Technology Department provides the district with clear, informative and user-friendly technology policies to ensure adherence by faculty, staff and students. The scope of the policy documents covers all aspects of hardware and software in the district. The documents are available on the district's Web site and district staff members are encouraged to contact the department for any clarifications they seek.

Recommendation 73:

Update and document all district technology policies, procedures and standards.

The Technology Department must make a concerted effort to document all of its policies, procedures and standards. The department should identify technology documentation deficiencies throughout the district. Following

the assessment, the Technology Department should establish a committee to address any areas of concern by creating new and updating existing documentation. The committee's mandate should include the publishing and distribution of policies to the district personnel.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director assesses documentation deficiencies throughout the district.	October 2002
2.	The Instructional Technology director creates a list of needed documentation.	November 2002
3.	The Instructional Technology director creates a plan, including a schedule, for updating department documentation.	December 2002
4.	The Instructional Technology director works with school principals and forms a technology documentation committee of Technology Department staff and school technologists to update technology documentation.	January 2003
5.	The technology documentation committee updates technology policies, procedures and standards.	January 2003 - July 2003
6.	The Instructional Technology director releases a complete set of policies, procedures and standards for the district.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Inconsistent funding levels have hindered the completion of the district's technology plans. The funds available to the Technology Department for capital outlay have fluctuated significantly in recent - years; the 1999-2000 technology budget included \$634,500 for new technology hardware, while the 2000-01 technology budget had no funds for capital outlays.

In at least one instance, a lack of funds prevented the Technology Department from addressing an Internet bandwidth issue that was both solvable and of high importance to the district. The Technology Department identified a part of the network causing network traffic to slow down, but was unable to purchase the \$13,500 piece of equipment to solve the problem.

Without a stable operating and capital expenditures budget, the Technology Department may not be able to support the network infrastructure or to service the district's computing needs.

McLennan Community College has implemented an integrated planning and budgeting process to help it achieve its strategic technology goals and objectives. It's Computer and Network Services Department reviews the technology maintenance budget to ensure that the college's hardware and software are up and running as expected; the review product is a detailed report listing required technology maintenance expenditures and the reason for each.

The process includes listing all required technology expenses; reviewing maintenance contracts; investigating alternative maintenance contract options; reviewing findings with the director of Network Services; analyzing data and preparing a discussion document for the administration; and meeting with the college president and vice presidents.

Recommendation 74:

Link the technology plan's requirements with the annual Technology Department budget submission.

The Technology Department should use the annual budget process to identify and communicate the minimum level of funding required each year to maintain the district's infrastructure. The amount identified should be linked to the district's technology plan. The Instructional Technology director should identify the impact of inadequate funding on the district's ability to achieve its technology plan. The board should review the budget submission and approve its funding to the extent that it can.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director establishes a minimum operating budget needed to sustain and support the district's infrastructure and presents it in the department budget request.	May 2003 and Annually
2.	The board reviews the proposed budget and approve funds as available as part of the annual budget adoption process.	August 2003 and Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Most KISD schools do not use the district's automated tools for Public Education Information Management System (PEIMS) reporting. Texas school districts are required to report financial, staffing, and student information to the state using PEIMS. The district's software package for the electronic collection of PEIMS data allows for direct entry of PEIMS data into the system.

About 80 percent of the district's schools, however, collect PEIMS data manually, through a process involving the collection and recording of data on paper or in an electronic spreadsheet followed by data entry into the PEIMS system. This practice duplicates effort and may produce data errors.

According to TSPR's April 2000 report *Helping Schools Make Technology Work: Managing Information Technology From Classrooms to Lunchrooms*, school districts should identify systems in need of integration to help reduce the risk of costly transcription errors made when data are moved from one system to another.

Recommendation 75:

Require the use of the district's automated tools to collect PEIMS data.

The PEIMS/insurance coordinator, district staff and EDP representatives should collaborate in an effort to improve the PEIMS data collection process. The EDP vendor can provide instructions on how to best use its software and provide examples from other districts that have successfully integrated EDP into their data collection processes.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The PEIMS/insurance coordinator and the Instructional Technology director schedule a meeting with the PEIMS data collection team and the Technology Department staff to review the software's capabilities.	November 2002
2.	The PEIMS/insurance coordinator and the Instructional Technology director review proposed solutions and establish a plan with the PEIMS data collection team to implement the solutions.	December 2002 - January 2003
3.	The PEIMS/insurance coordinator and the Technology Department staff implement the PEIMS automation plan.	February 2003
4.	The PEIMS/insurance coordinator provides training for PEIMS district personnel involved with data collection.	February 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The district disaster recovery plan does not follow industry best practices. Although the district believes that its disaster recovery plan is adequate for simple data restoration, it does not detail specific procedures for data recovery in the wake of a natural disaster.

The district's current plan primarily provides for periodic backup of automated data. Each campus has a tape backup system that backs up its systems each Friday. The network operations center's mission-critical data is replicated on different servers and bi-monthly backups are made of the entire system. The EDP accounting system is backed up daily, with the monthly tape saved for 12 months.

The plan does not, however, contain key elements of a disaster recovery plan such as the definition of the disaster recovery team, staff notification procedures, a list of critical business functions, a list of equipment needs and the identification of staff required immediately after a disaster.

Exhibit 11-7 presents the key elements needed in a disaster recovery plan.

Exhibit 11-7
Key Elements of a Disaster Recovery Plan

Element	Tasks
Build the disaster recovery team.	<ul style="list-style-type: none">• Identify a disaster recovery team of key policy makers, building managers, end users, key outside contractors and technical staff.
Obtain and/or approximate key information.	<ul style="list-style-type: none">• Develop an exhaustive list of critical activities performed within the district.• Develop an estimate of the minimum space and equipment needed to restore essential operations.• Develop a timeframe for starting initial operations after a security incident.• Develop a list of key personnel and their responsibilities.
Perform and/or delegate key duties.	<ul style="list-style-type: none">• Develop an inventory of all computer technology assets, including data, software, hardware, documentation and supplies.

	<ul style="list-style-type: none"> • Set up a reciprocal agreement with comparable organizations to share each other's equipment or lease backup equipment to allow the district to operate critical functions in the event of a disaster. • Make plans to procure hardware, software and other equipment as needed to ensure that critical operations are resumed as soon as possible. • Establish procedures for obtaining off-site backup records. • Locate support resources that might be needed, such as equipment repair, trucking and cleaning companies. • Arrange with vendors to provide priority delivery for emergency orders. • Identify data recovery specialists and establish emergency agreements.
Specify details within the plan.	<ul style="list-style-type: none"> • Identify individual roles and responsibilities by name and job title so that everyone knows exactly what needs to be done. • Define actions to be taken in advance of an occurrence or undesirable event. • Define actions to be taken at the onset of an undesirable event to limit damage, loss and compromised data integrity. • Identify actions to be taken to restore critical functions. • Define actions to be taken to reestablish normal operations.
Test the plan.	<ul style="list-style-type: none"> • Test the plan frequently and completely. • Analyze the results to improve the plan and identify further needs.
Deal with damage appropriately.	<ul style="list-style-type: none"> • If a disaster occurs, document all costs and videotape the damage. • Be prepared to overcome downtime on your own; insurance settlements can take time to resolve.
Give consideration to other significant issues.	<ul style="list-style-type: none"> • Do not make a plan unnecessarily complicated. • Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement if it is needed.

	<ul style="list-style-type: none"> Update the plan regularly and whenever changes are made to your system.
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Source: National Center for Education Statistics, "Safeguarding Your Technology" (Modified by TSPR).

KISD's backup tapes are stored in a fireproof safe in the Administration building, next to the Technology Center. The best disaster recovery plans require that backup tapes be moved to an off-site storage facility immediately after the backup process is completed to protect their data. KISD's practice of storing its backup tapes in close proximity to the Technology Center greatly increases the potential of data loss should a disaster occur.

Industry best practices call for contracting with an off-site data storage facility to ensure that backup tapes are stored in a safe, climate-controlled and secure environment. Off-site storage, in safety deposit boxes, for instance, provides greater reliability for data restoration in the event of a disaster. When off-site storage services are not available, many school districts store their tapes in bank safety deposit boxes.

Recommendation 76:

Revise the disaster recovery plan and require data archive tapes to be stored at an off-site location.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director contacts local banks to research services and costs associated with obtaining a safety deposit box.	October 2002
2.	The Instructional Technology director works with the Purchasing supervisor to develop a contract with a bank to obtain a safety deposit box.	November 2002
3.	The Technology Department staff stores data archive tapes off-site daily.	November 2002 and Ongoing
4.	The Instructional Technology director establishes a Disaster Recovery Team, composed of department representatives from finance, payroll, purchasing, student accounting and technology area to revise the disaster recovery plan.	November 2002

5.	The Disaster Recovery Team revises the disaster recovery plan.	November 2002
6.	The Instructional Technology director presents the plan to the superintendent and board for approval.	December 2002
7.	The Instructional Technology director communicates the plan to the appropriate personnel.	January 2003
8.	The Instructional Technology director runs a scheduled test of the plan.	February 2003
9.	The Instructional Technology director reports the results to the superintendent and board.	March 2003

FISCAL IMPACT

The estimated cost of this recommendation is \$51 annually, which represents the cost of purchasing a standard safety deposit box at one of the local Kerrville banks.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Revise the disaster recovery plan and require data archive tapes to be stored at an off-site location.	(\$51)	(\$51)	(\$51)	(\$51)	(\$51)

Chapter 11

COMPUTERS AND TECHNOLOGY

C. INFRASTRUCTURE, SOFTWARE, HARDWARE AND OPERATIONS

Network infrastructure is the underlying system of cabling, phone lines, hubs, switches, routers and other devices that connect the various parts of an organization through a wide area network (WAN). A sound infrastructure gives most users access to people and information throughout their organization and beyond, greatly increasing their ability to perform their jobs.

A WAN allows users to communicate with personnel within the organization through tools such as electronic mail. It also provides a bridge to the Internet that allows anyone connected to the WAN to access information and people outside the organization. WANs usually are "closed," meaning that they include security measures to prevent unauthorized users outside the organization from accessing information or people inside the organization.

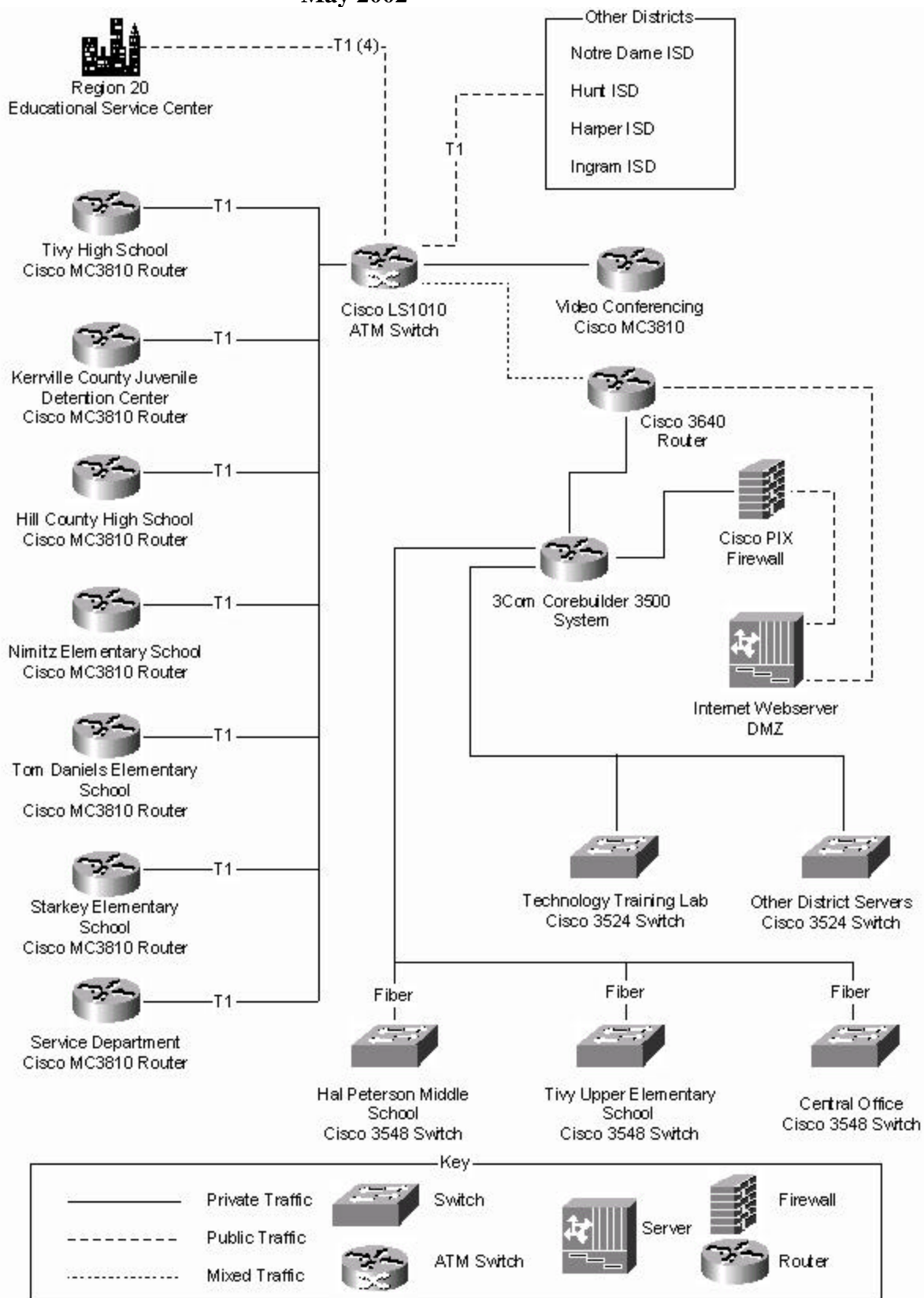
The KISD network as shown in **Exhibit 11-8**, includes the following:

- T1 lines and fiber-optic cable connecting each of the schools/departments to the Technology Center;
- Internet access provided through four T1 connections from the Technology Center to the Region 20 Education Service Center in San Antonio;
- Local area networks at each school comprising a router, hubs and switches and connected via category 5 10/100 Base-T cable;
- A Domain Name Server (DNS), Firewall, Mail and Antivirus servers based at the Technology Center; and
- the computer systems for each school, comprising Intel-based PCs running Windows 2000 Server and Novel NetWare (being phased out) with Windows 98 clients.

Exhibit 11-8

KISD Infrastructure

May 2002



Source: KISD Technology Department, May 2002.

FINDING

The Technology Department has been able to purchase more computers by developing detailed specifications allowing the district to purchase non-name-brand computers instead of more expensive proprietary computers. The department has specified that manufacturers use high quality, interchangeable components in building these "clone" computers. These specifications outline the minimum standards of quality or state the specific component to be included. This practice has allowed the district to purchase high-quality computers at less cost that were on par with more expensive ones.

Purchasing non-proprietary components has also allowed the Technology Department to extend the useful life of its computers. Standard components allow the department to recycle components from older computers within the district. And non-proprietary components allow the district to search for the low-cost replacement parts rather than relying on the original vendor for parts.

The district has been able to stretch its technology budget by carefully developing specifications to meet the district's needs. The Technology Department provides vendors with detailed specifications for computer components to ensure that the resulting computers are of similar quality as name-brand computers.

COMMENDATION

KISD has researched and developed standardized specifications for its computer hardware.

FINDING

KISD has a teacher incentive program designed to promote the use of technology in the classroom. The district encourages teachers to attend technology training by offering earned days off as a reward. In addition, the district is expanding the incentive program to reward teachers and schools with high training attendance with additional or specialized equipment. This program not only helps teachers understand technology, but also stresses the importance of continuing education in achieving proficiency in the use of computer technology in the classroom.

COMMENDATION

The district promotes technology training and encourages the use of information technology in the classroom through an incentive program.

FINDING

KISD's Technology Department uses a variety of programs and initiatives to help district staff develop their computer skills. The Technology Department provides both formal and informal training at regularly scheduled intervals. The department provided more than 100 summer training classes in 1999, 2000 and 2001, ranging in length from one hour to all day. The topics covered included network introduction, Microsoft Office and Star Office, Internet navigation and technology integration.

In addition to the summer training classes, the Technology Department follows a rotating schedule of on-site training during the school year. The Instructional Technology director has created a schedule that calls for a staff technician to be placed at designated schools during specified hours to provide one-on-one or small group training. The person requesting the training determines the topics. Individual training sessions have covered issues such as how to retrieve e-mail and the creation of complex spreadsheets.

COMMENDATION

KISD's Technology Department provides district employees with extensive and unique technology training opportunities.

FINDING

The Technology Department does not have the tools it needs to adequately monitor and manage the district's network. The network administrator is unable to monitor the performance of the network from either a technical or use standpoint. Users incur problems that could be prevented and the system can be used for inappropriate activities.

The network administrator cannot monitor each school's bandwidth use on a regular basis and cannot identify bandwidth problems within the district. Users of the network can download non-educational material such as music and streaming audio and video. Such activities consume significant resources and reduce overall network performance. In one instance, the high school technologist reprimanded a student for downloading a full-length feature film using a district computer. The Technology Department is familiar with network monitoring tools and said they planned to implement them when funds become available.

The network administrator must electronically "visit" each network device to determine its software settings, configuration and operating system version. Component vendors provide updates and patches to network software every few months. A network management tool allows network administrators to view and update each component using an integrated solution. The use of network monitoring tools can improve the ability of technology departments to identify inappropriate uses as they occur and to address the situation quickly. This process enhances the district's acceptable use policy by improving enforcement and increasing the availability of network resources. Without automated network monitoring and management tools, inappropriate activities will continue to use resources and reduce network availability.

A network management tool also speeds recovery from network problems by automatically identifying failed components or the location of the failure. It also allows network administrators to manage the settings for network components from a central location. This procedure ensures consistency throughout the network and ease of recovery after a defective component has been repaired.

Del Valle ISD uses a network-monitoring tool to examine network usage and performance. The monitoring tool has integrated bandwidth management capabilities that allow support departments to finely control bandwidth usage without interfering with user productivity.

Recommendation 77:

Acquire a network management tool to enable staff to efficiently direct the district's technology infrastructure.

The Technology Department should accelerate its review and purchase of network monitoring software and hardware already under consideration. The Instructional Technology director and Technology Department staff should review the available network management tools and decide which tool best suits the district's needs.

The software and hardware solutions acquired must provide the district with the ability to monitor school bandwidth usage by network segment; identify usage by port; identify the type of network traffic; and terminate inappropriate activities. The tools also should provide automated data collection for trend analysis as well as dynamic alerts and alarms when unexpected events occur or thresholds are exceeded.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Instructional Technology director reviews network	October 2002
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	monitoring and management tools and works with the Purchasing supervisor to develop bid specifications.	
2.	The Purchasing supervisor prepares bid specifications and seeks competitive bids.	October 2002
3.	The assistant superintendent of Business and Finance obtains board approval of the purchases.	November 2002
4.	The Instructional Technology director installs the network monitoring and management software.	November 2002
5.	The network administrator creates a baseline of network activity.	November 2002
6.	The network administrator configures network monitoring and management tools to monitor and manage network activity.	December 2002
7.	The network administrator reviews monitoring data and reports findings to the Instructional Technology director.	January 2003 and Monthly
8.	The Technology Department staff responds to network alerts as identified by the network monitoring tools.	Ongoing

FISCAL IMPACT

The Cisco Works 2000 LAN Management Solution enables network administrators to more effectively manage the district's network. The solution provides access to network maps, network hardware configurations and the ability to monitor network performance. The solution allows the network administrator to access the tools from anywhere in the network. The fiscal impact is based on the district acquiring a solution similar to the Cisco Works 2000 LAN Management Solution.

Recommendation	2002-03	2003-04	2004-05	2005-06	2006-07
Acquire a network management tool to enable staff to efficiently direct the district's technology infrastructure.	(\$13,842)	\$0	\$0	\$0	\$0

Appendix A

PUBLIC FORUM AND FOCUS GROUP COMMENTS

As part of the review process, the review team held a public forum and focus groups to obtain input. During the public forum parents, teachers and community members participated by writing personal comments about the 12 major review areas; and in some cases, talking in person to review team members. Teachers, principals, community leaders and parents participated in three small focus groups where the 12 areas under review were discussed.

Comments below convey community perceptions of KISD and do not reflect the findings or opinion of the Texas Comptroller of Public Accounts or the review team. The following comments are organized by area of review.

DISTRICT ORGANIZATION AND MANAGEMENT

- The poor promotion of this meeting leads to low attendance and input that may not be well thought out.
- I'm Hispanic and can read both English and Spanish. Important notices that need to reach the Mexican families are not getting to them. These families are being, and are continuing to be, pushed to the side because no one wants or has the time to spend with these families to learn English, nevertheless these families do not get the messages. Yes, students are learning English as a second language but the parents are not being educated.
- Board and superintendent are readily accessible.
- Very open to parents, they listen.
- Information at meetings is well publicized.
- Excellent open communication between administrative staff and campus.
- Very progressive district.
- Board does not ask enough questions of community. Must be doing a good job or they would hear about it. The members are well-rounded, no micro-managing, they function well.
- Interest of community in schools is low. Most move to Kerrville after kids are grown up, to retire here.
- Teachers seem very receptive to community input.
- Hispanic parents do not seem to be interested in being involved. Parent education at district is weak. Other districts much stronger at this. Need district-level position heading this up.
- Project graduation is a strength at KISD.
- Couldn't make it without PTO and Hill Country Grant.

- Examples of communication: KISD bulletin, Advisory Committees, FCAC, CATA committee (20 on committee, give scholarship).
- Outdoor Education Program (6th grade) - 100 parents on 3 day/2 night campout. Committees present, training to be part of the community. All 6th graders (except 7 or 8) have participated.
- DCC excellent - meet once a month, with two representatives from each campus.
- Most parent volunteers at low grade levels, more involvement from students at high levels.
- Mentoring program - lots of volunteers. Sid Peterson "family" program keeps kids together throughout grades. Very good program.
- Family Reading Night every Tuesday, open to children and parents. Advertised all year and invitations are sent.
- District has refused to deal with issues affecting my children until I requested a grievance hearing. I have had to go all the way to the board regarding my daughter's absences and the lack of transportation to the practice fields for my son. At the last minute the board backed down and granted my request in some cases.
- My son was in special education and was denied access to the full class schedule even though he could have benefited from the courses. Special Education does not receive its full funding.
- Character Counts is a great program.
- District administrative staff is very open and receptive.
- Parents were given more weight than teachers when re-aligning schools.
- Administrative energy is high.

EDUCATION SERVICES DELIVERY

- Too much emphasis is placed on TAAS testing, more so at the elementary campuses. TAAS tests minimal skills not highest achievement. Positively speaking, having exemplary campuses in the district is harder than not, but too much classroom time is being used for TAAS preparation instead of teaching. My viewpoint is that of a 1972 graduate of a Texas public school, spouse of a public school teacher (elementary classroom) and parent of three children in the district.
- High School students should have geometry textbooks before completing one-half of the semester.
- What disturbs me is that I feel my fifth grader is enabled. Example, I learned yesterday that he had flunked the practice TAAS math test. The only information given to me was a request that he attend math tutoring in preparation for the true TAAS test. Is my child being coddled because his mom is very, very active on campus and

they don't want to offend me? I prefer the harsh reality. I want to work with him towards improving his Math scores. Oh, also, my son's grades in Math, A's & B's!! How would I know of his struggle?

- Gifted and Talented - more should be done in KISD in this area; however, this is the situation in most of the smaller districts.
- District very open to new ideas and new courses, new sizes and types of classes.
- TEAM program is very good.
- Staff Development is very good. Teachers get to choose study groups for professional development. They are encouraged to grow professionally.
- KISD Graduation Profile is good.
- Course at high school - Marketing Yourself (very good program) - shows kids how to budget, interview, make presentations, inner person lessons and time management.
- The district does not have a well balanced program of athletics. By this I mean there are a disproportionate number of football coaches for the number of participants versus other sports. The district has no swim team. The soccer practice fields are dangerous and an embarrassment. The girls programs are not on par with the boys. However, my daughter is in the ninth grade, the district does respond when pressed and the differences are not significant to warrant Title IX issues.
- Very unhappy and angry that progress reports (three weeks) and report cards do not require parents signature. This is not consistently enforced at the high school. This spring's first six weeks was over a seven week period. One teacher sent progress reports in the sixth week, which I did not receive, and called me after the reporting period to tell me my child had failed the course.
- The Accelerated Reading program (AR) is really good. I'd like to have more tests at 8th grade level and above. The AR program is very motivating for our children.
- Computer skills taught are limited to keyboarding only. Our children should have more experience with other software such as Word and Power Point.
- District has a comprehensive program K - high school, good ESL, gifted and talented and Head Start programs in elementary.
- Math teachers are weak at secondary level.
- Flip-flopping of schedule arrangements (Acc Block, AB Block) is chaos for students and hurts the confidence of parents.
- Middle school & high school have increasing numbers of students with emotional difficulties; the human services program is practically a crisis center; major physical, mental stress on faculty.

PERSONNEL MANAGEMENT

- Working for KISD will break you, as in the "pocket book." Recruitment, hiring practices, are selective, "favorite choices." The salaries are miserable when you have to pay at least \$500 a month for health insurance which is almost half of the pay.
- The philosophy of KISD regarding teacher salaries has always been "we pay minimum salaries because teachers want to come to KISD." As a result surrounding districts pay more than does KISD.
- I think staffing patterns need to be looked at closely. The district does not seem to have a staffing formula. My greatest concern is non-teaching staff, both at the campus level and at central office.
- Very low pay, big health insurance problem. Easy to go 45 minutes to San Antonio and make \$10,000 - \$15,000 more. Foreign language, math & science areas have weak teachers.
- Teachers don't know what they will be paid until October after school year starts. Very frustrating. They decide whether or not to stay the previous July.
- Good training for staff.
- Salaries should be higher to show appreciation.
- Benefits are bad.
- Teachers accessible, well trained staff, even though low pay, they attract good teachers, especially in elementary.
- Turnover of teachers in elementary schools is low.

FACILITIES USE AND MANAGEMENT

- Custodial staff is great; they are understaffed and underpaid, over worked; very old buildings.
- Maintenance cut with budget.
- Repair staff is understaffed; fast at repairs; not timely because understaffed.
- Tivy High is in terrible condition. Not community friendly. Retirement community does not want to hang out at library or use district facilities.
- The KISD board and administration have misplaced their direction by building a new high school and elementary school. Though there was and is an apparent need for elementary classroom space, it appears we will have 100 percent excess space for the seventh & eighth grade campus and grade 6 campus. This is a waste of taxpayers' money for both debt service and taxes for maintenance and operations to maintain the excess space. Unfortunately, not much can be done at this point, since the bond issue passed and the buildings are under construction.
- A bond issue was passed about three years ago. As a result a new high school is being built as well as a new elementary school. I was not living in the district when the issue passed, but feel that the district has moved in the wrong direction. There has been limited

growth at the high school - while the district talked about over crowding at the campus. The campus has only slightly over 100 students more than it had during the mid-to-late 1970's.

- Currently grades 6 and 7 are housed on one campus. The plan is to move grade 5 back to the current middle school campus. This will result in about 300 students occupying a campus designed for 750-800 students. The middle school is to move to the current high school campus. I feel the current high school campus will be tremendously under utilized. It seems more logical to combine grade 6 with grades 7 and 8.

ASSET AND RISK MANAGEMENT

- I am glad to see that the district have done away with the self health insurance. Still the district needs to make a greater contribution to employee's health care.
- Very high risk working for KISD, it costs more for the employer to be employed in order to have health coverage by KISD. There is more out-of-pocket expense than money coming in.

FINANCIAL MANAGEMENT

- Finances; legislature has no clue about retired population effect on school (50 percent); no industry in Kerrville.
- Hour-glass economy; reflected in test scores; very little middle-class in Kerrville.
- Ten years ago, project was overspent by \$400,000. The district lost credibility and the overspending was never explained. This is a challenge in a retired community.
- Information is available, but hard to understand.

PURCHASING

- Teachers start in August, but budget/fiscal year does not start until September. It is very hard to get supplies in time. Orders must be turned in previous March to get for August, but teachers have no idea at that time what they need.
- Slow, very frustrating. Very tight, hard to get funds approved.
- KISD slow to pay businesses in past, so were cut off from ordering from some vendors. Might be corrected by now.

FOOD SERVICES

- We don't eat there. Calories are too high in foods.
- Well managed and very accommodating on field trips.

- Prices very fair, enough time to eat. Children enjoy when choices are given.
- "Outstanding job"; it will be a challenge at new high school (closed/open campus).

TRANSPORTATION

- Children are reprimanded appropriately for misbehaving.
- Buses are clean but old.
- Very accommodating on field trips, but need to reserve far in advance.
- Shortage of drivers.
- After-school program is very helpful.
- Need a monitor on each bus.
- Need a monitor on bus so the driver can drive. Need a telephone on each bus. General feeling is there are few accidents.

SAFETY AD SECURITY

- There is rarely an incident. Kids feel secure. Safety is why many move to Kerrville.
- Tivy High School has good security. This was a big consideration in facilities study/planning. Very close to interstate, lots of fear in community about kids.
- Need new high school building to be closed campus.

COMPUTERS AND TECHNOLOGY

- The Business office and campuses continue to use EDP software. It seems to be outdated, especially in the area of scheduling and grade reporting.
- Classroom technology seems to be lagging. While the campuses have a number of computer labs - computers do not appear to be available in the classroom.
- The equipment used here with KISD is so out-dated that by the time our children are taught the system, they are about 5 years behind.
- Voice mail system very frustrating to teachers, principals, parents; should be in Spanish. "Can never get a human being." Not enough lines.
- Voice mail needs to tell you date and time.
- Computers not reliable. Not equitable across district.
- Building conditions prevent cabling necessary for good system. Not district's fault.
- Very limited access at high school; students need most access at this age/grade, very low number of units at library.

- The computer committee needs help from the community to receive input for other areas that we need to grow.
- Regarding technology, the committee doesn't know where to grow or what to add to the existing programs. We need more brainpower and ideas.
- Are we providing enough computer training to our teachers? We need to show them how to best use the technology we have.
- Computers not reliable. Not equitable across district.
- Building conditions prevent cabling necessary for good system. Not district's fault.
- Technology for teachers, Spanish dominant population is a challenge.
- Technology is in terrible shape, and not adequate to provide instruction necessary.

Appendix B

PARENT SURVEY RESULTS

(n=206)

Demographic Data

Note: Totals may not add to 100 percent due to rounding.

1. Gender (Optional)	Male	Female	No Response			
	29.6%	60.2%	10.2%			
2. Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No response
	74.8%	1.0%	14.1%	2.9%	2.9%	4.4%
3. How long have you lived in Kerrville ISD?			0-5 years	6-10 years	11 or more years	
			27.8%	24.9%	47.3%	
4. What grades level(s) does your child(ren) attend?	Pre-Kindergarten	Kindergarten	First	Second	Third	
	6.8%	13.6%	12.1%	10.7%	14.1%	
	Fourth	Fifth	Sixth	Seventh	Eighth	
	15.5%	15.0%	14.1%	10.2%	14.1%	
	Ninth	Tenth	Eleventh	Twelfth		
	12.6%	14.1%	14.6%	8.3%		

A. District Organization and Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1. The school board allows sufficient time for public input at meetings.	6.8%	30.6%	50.5%	9.2%	1.5%	1.5%
2. School board members listen to the opinions and desires of	5.8%	31.6%	44.7%	10.7%	5.8%	1.5%

	others.						
3.	The superintendent is a respected and effective instructional leader.	5.8%	37.4%	30.6%	18.4%	6.8%	1.0%
4.	The superintendent is a respected and effective business manager.	5.8%	29.1%	35.0%	18.9%	9.7%	1.5%

B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
5.	The district provides a high quality of services.	13.1%	56.8%	13.6%	14.6%	0.5%	1.5%
6.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	9.2%	44.2%	32.0%	10.7%	1.5%	2.4%
7.	The needs of the college-bound student are being met.	7.3%	42.2%	34.5%	10.2%	3.9%	1.9%
8.	The needs of the work-bound student are being met.	6.3%	35.9%	41.3%	11.2%	3.4%	1.9%
9.	The district has effective						

	educational programs for the following:						
	a) Reading	19.9%	63.1%	5.3%	8.7%	1.0%	1.9%
	b) Writing	18.4%	61.2%	8.3%	7.8%	2.4%	1.9%
	c) Mathematics	17.5%	60.2%	4.9%	13.6%	2.4%	1.5%
	d) Science	16.0%	64.1%	10.7%	4.4%	2.4%	2.4%
	e) English or Language Arts	19.4%	62.1%	8.3%	5.8%	1.0%	3.4%
	f) Computer Instruction	17.5%	63.1%	8.7%	6.3%	2.4%	1.9%
	g) Social Studies (history or geography)	15.0%	63.1%	13.6%	5.3%	1.0%	1.9%
	h) Fine Arts	12.6%	56.8%	16.5%	9.7%	1.9%	2.4%
	i) Physical Education	17.5%	67.5%	6.3%	3.9%	2.9%	1.9%
	j) Business Education	7.3%	48.1%	37.4%	2.9%	1.9%	2.4%
	k) Vocational (Career and Technology) Education	8.3%	38.3%	40.8%	7.8%	2.9%	1.9%
	l) Foreign Language	8.7%	40.3%	35.0%	10.7%	2.9%	2.4%
10.	The district has effective special programs for the following:						
	a) Library Service	15.5%	55.8%	14.6%	7.8%	2.4%	3.9%
	b) Honors/Gifted and Talented Education	17.5%	51.9%	18.9%	7.8%	1.5%	2.4%

c) Special Education	12.6%	49.0%	29.6%	4.4%	1.5%	2.9%
d) Head Start and Even Start programs	13.1%	44.7%	36.9%	2.4%	0.5%	2.4%
e) Dyslexia program	3.4%	20.9%	63.1%	7.3%	2.9%	2.4%
f) Student mentoring program	15.5%	48.1%	25.7%	4.4%	2.4%	3.9%
g) Advanced placement program	11.2%	44.2%	36.9%	3.9%	0.5%	3.4%
h) Literacy program	9.7%	37.9%	45.6%	3.4%	0.0%	3.4%
i) Programs for students at risk of dropping out of school	7.8%	23.3%	48.5%	14.6%	2.9%	2.9%
j) Summer school programs	7.3%	33.5%	41.3%	8.3%	7.3%	2.4%
k) Alternative education programs	8.3%	34.5%	41.7%	8.7%	1.9%	4.9%
l) "English as a second language" program	7.8%	30.1%	53.4%	3.9%	1.5%	3.4%
m) Career counseling program	5.3%	31.6%	43.2%	10.7%	6.3%	2.9%
n) College counseling program	4.4%	29.6%	45.1%	12.1%	6.3%	2.4%
o) Counseling the parents of students	8.3%	34.5%	28.2%	16.5%	9.7%	2.9%
n) Dron out	6.8%	20.9%	53.9%	10.2%	5.3%	2.9%

	prevention program						
11.	Parents are immediately notified if a child is absent from school.	21.8%	40.3%	15.0%	14.6%	6.3%	1.9%
12.	Teacher turnover is low.	9.2%	32.0%	36.9%	14.1%	6.3%	1.5%
13.	Highly qualified teachers fill job openings.	8.3%	42.2%	22.3%	17.0%	8.3%	1.9%
14.	A substitute teacher rarely teaches my child.	8.7%	43.7%	13.6%	30.1%	2.4%	1.5%
15.	Teachers are knowledgeable in the subject areas they teach.	13.6%	68.0%	8.3%	7.8%	1.5%	1.0%
16.	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	12.1%	51.5%	20.9%	9.7%	3.4%	2.4%
17.	Students have access, when needed, to a school nurse.	26.7%	70.4%	2.9%	0.0%	0.0%	0.0%
18.	Classrooms are seldom left unattended.	13.1%	50.0%	29.6%	5.3%	1.0%	1.0%
19.	The district	14.1%	60.2%	10.2%	12.6%	1.0%	1.9%

	provides a high quality education.						
20.	The district has a high quality of teachers.	14.1%	58.7%	12.6%	10.7%	2.9%	1.0%

C. Community Involvement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
21.	The district regularly communicates with parents.	9.2%	51.5%	14.1%	20.9%	3.4%	1.0%
22.	District facilities are open for community use.	7.8%	45.6%	33.0%	9.7%	2.9%	1.0%
23.	Schools have plenty of volunteers to help students and school programs.	10.7%	38.3%	27.7%	18.0%	4.4%	1.0%

D. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
24.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	5.8%	39.3%	31.1%	16.5%	4.9%	2.4%
25.	Schools are	16.0%	68.9%	4.4%	5.8%	3.9%	1.0%

	clean.						
26.	Buildings are properly maintained in a timely manner.	11.7%	56.8%	14.6%	10.7%	4.4%	1.9%
27.	Repairs are made in a timely manner.	8.3%	47.6%	27.2%	11.7%	3.9%	1.5%
28.	The district uses very few portable buildings.	8.7%	50.5%	19.4%	14.6%	3.9%	2.9%
29.	Emergency maintenance is handled expeditiously.	10.2%	46.6%	35.4%	3.9%	1.9%	1.9%

E. Asset and Risk Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
30. My property tax bill is reasonable for the educational services delivered.	3.9%	29.1%	26.2%	26.2%	12.1%	2.4%
31. Board members and administrators do a good job explaining the use of tax dollars.	4.4%	19.4%	32.0%	26.2%	14.6%	3.4%

F. Financial Management

Survey Questions	Strongly	Agree	No	Disagree	Strongly	No
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		Agree		Opinion		Disagree	Response
32.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	3.4%	23.3%	54.9%	10.7%	4.9%	2.9%
33.	Campus administrators are well trained in fiscal management techniques.	2.9%	28.2%	55.8%	10.2%	1.0%	1.9%
34.	The district's financial reports are easy to understand and read.	2.4%	23.8%	47.6%	19.9%	4.9%	1.5%
35.	Financial reports are made available to community members when asked.	3.9%	27.7%	57.8%	6.8%	1.5%	2.4%

G. Purchasing and Warehousing

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
36. Students are issued textbooks in a timely manner.	9.2%	73.3%	6.8%	6.8%	1.9%	1.9%
37. Textbooks are in good shape.	10.2%	76.2%	5.3%	6.3%	0.5%	1.5%

38.	The school library meets student needs for books and other resources.	12.1%	66.5%	6.3%	10.2%	2.9%	1.9%
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H. Food Services

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
39. My child regularly purchases his/her meal from the cafeteria.	20.9%	39.3%	9.7%	21.4%	7.3%	1.5%
40. The school breakfast program is available to all children.	23.3%	46.6%	23.8%	2.9%	1.5%	1.9%
41. The cafeteria's food looks and tastes good.	9.7%	35.0%	22.3%	18.0%	12.1%	2.9%
42. Food is served warm.	10.2%	44.7%	26.7%	10.2%	4.9%	3.4%
43. Students have enough time to eat.	9.7%	52.9%	6.3%	18.9%	10.2%	1.9%
44. Students eat lunch at the appropriate time of day.	9.7%	61.7%	5.8%	16.5%	3.9%	2.4%
45. Students wait in food lines no longer than 10 minutes.	7.3%	38.3%	36.4%	12.6%	3.4%	1.9%

46.	Discipline and order are maintained in the school cafeteria.	12.6%	62.6%	18.9%	4.4%	0.5%	1.0%
47.	Cafeteria staff is helpful and friendly.	17.5%	47.6%	22.3%	8.3%	1.9%	2.4%
48.	Cafeteria facilities are sanitary and neat.	15.5%	62.6%	17.0%	2.4%	0.5%	1.9%

I. Transportation

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
49.	My child regularly rides the bus.	10.7%	21.4%	24.8%	23.3%	17.0%	2.9%
50.	The bus driver maintains discipline on the bus.	4.9%	20.9%	59.7%	7.3%	3.9%	3.4%
51.	The length of the student's bus ride is reasonable.	6.3%	23.8%	55.3%	7.3%	4.4%	2.9%
52.	The drop-off zone at the school is safe.	7.8%	41.7%	43.2%	2.9%	1.5%	2.9%
53.	The bus stop near my house is safe.	6.3%	28.6%	54.4%	4.9%	3.4%	2.4%
54.	The bus stop is within walking distance from our home.	7.3%	32.0%	51.0%	4.4%	2.4%	2.9%

55.	Buses arrive and depart on time.	7.8%	32.5%	52.9%	2.4%	1.9%	2.4%
56.	Buses arrive early enough for students to eat breakfast at school.	6.3%	22.3%	64.1%	3.9%	1.0%	2.4%
57.	Buses seldom break down.	7.3%	25.7%	62.6%	1.5%	0.5%	2.4%
58.	Buses are clean.	6.3%	26.2%	61.7%	1.5%	1.5%	2.9%
59.	Bus drivers allow students to sit down before taking off.	6.3%	28.2%	57.3%	1.9%	3.4%	2.9%
60.	The district has a simple method to request buses for special events.	2.9%	21.8%	70.4%	1.5%	1.0%	2.4%

J. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
61.	Students feel safe and secure at school.	10.7%	61.7%	8.7%	13.1%	3.4%	2.4%
62.	School disturbances are infrequent.	9.7%	55.3%	13.1%	16.0%	4.4%	1.5%
63.	Gangs are not a problem in this district.	9.2%	37.9%	20.9%	25.2%	5.8%	1.0%
64.	Drugs are not	5.8%	18.9%	17.0%	39.8%	17.0%	1.5%

	a problem in this district.						
65.	Vandalism is not a problem in this district.	6.8%	27.7%	23.3%	31.6%	9.2%	1.5%
66.	Security personnel have a good working relationship with principals and teachers.	8.3%	40.3%	43.7%	2.9%	1.9%	2.9%
67.	Security personnel are respected and liked by the students they serve.	7.3%	38.8%	44.7%	3.9%	1.5%	3.9%
68.	A good working arrangement exists between the local law enforcement and the district.	16.5%	56.3%	21.4%	2.9%	1.0%	1.9%
69.	Students receive fair and equitable discipline for misconduct.	7.8%	55.8%	13.1%	15.5%	5.8%	1.9%
70.	Safety hazards do not exist on school grounds.	7.3%	41.3%	34.0%	11.2%	4.9%	1.5%

K. Computers and Technology

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
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71.	Teachers know how to use computers in the classroom.	8.3%	60.7%	25.2%	1.9%	0.5%	3.4%
72.	Computers are new enough to be useful to teach students.	8.3%	63.1%	19.9%	4.4%	1.0%	3.4%
73.	The district meets student needs in computer fundamentals.	8.7%	63.1%	19.4%	4.4%	1.9%	2.4%
74.	The district meets student needs in advanced computer skills	7.3%	41.7%	34.5%	9.7%	3.9%	2.9%
75.	Students have easy access to the Internet.	4.9%	43.7%	32.5%	13.1%	2.4%	3.4%

Appendix B

PARENT SURVEY RESULTS

NARRATIVE COMMENTS (PART ONE)

The following comments below reflect the perceptions and opinions of parent survey respondents and do not reflect the findings or opinion of the Texas Comptroller of Public Accounts or the review team.

- Regarding question #44: Not Kinder
- I think 9th graders should have to take a course to learn and develop study skills.
- The majority of teachers and campus personnel are well qualified and caring.
- The District Superintendent and business manager make it difficult for teaching and parents to do their best.
- Schools are not kept in repair.
- The special education program is wonderful. My daughter attends Peterson middle school and her class is great. The teachers are great. Her class is her second family. I feel we are very blessed. They care about the kids and they teach with love, respect, and a great deal of knowledge in their field.
- Regarding question #9: For the mainstream student
- Regarding question #10a: Aides only in libraries.
- Regarding question #13: In most instances.
- Regarding question #20: Agree for elementary, Disagree for Secondary.
- Regarding question #36: Not special Ed, Agree for regular Ed, strongly disagree for special Ed.
- Regarding question #61: Strongly agree elementary; agree and disagree second.
- Regarding question #71: Some do; some don't.
- Regarding question #72: New but not reliable.
- For the most part, the teachers and principals are very child-centered, especially at the elementary schools. The new high school principal is excellent and is trying to lead Tivy in a better direction, but it will take time. There is a big breakdown in the upper elementary and middle school as far as leadership is concerned. The central office administration is viewed with great distrust throughout the community and for good reason. The superintendent and financial director have not always been truthful or disclosed all facts. It is well past time for a change in district leadership in order for district staff morale and community support to increase.

- The school district places too much importance on sports and not enough on academics and computer skills.
- They are only recognized for sports and rarely for band or UIL events.
- Too many teen pregnancies and advocated by a cut-rate day care and the high school. Too much "bad characteristic acts" at junior high not being addressed by submissive principal. Teachers at junior high level seeking parents out for any kind of problem that should be handled at school. There is much theft at junior high and high school levels. Elementary levels are very good. Too many bad kids being in school system and not dealt with problem. High rate of Medicare/welfare recipients that show no responsibility for their children in this small town! Kerrville is known as the Mecca for government subsidized families and non-English speaking that are catered to, leaving the tax-payer children out in the cold!
- My eleventh grader has often complained about the excess use of substitute teachers which are completely untrained and unknowledgeable in the class they are "teaching". These babysitters may be present for a week or more at a time, then the regular teacher returns to give a test over material that their substitute could not explain or teach to them! Shameful and Ludicrous! Graded tests affect honor roll standings, GPA's, college, etc. There is no doubt that my son would receive a higher level and quality of education in a private or home school. To make matters worse, our superintendent insisted we just had to have a new high school due to increasing enrollment. Guess What? A little research by a newspaper reporter uncovered the truth: KISD was in a decreasing enrollment situation. Too late though. He got his way. Newer and bigger buildings are not the answer to better education for my children. My property taxes went up again to finance this glorious new venture. Further insuring that I can't afford the true solution to public education's woes, which would be privatization of his education.
- Regarding question #66: There are no security personnel!
- My daughter is in Kindergarten. I'm very pleased with her progress as a student. The teacher has been fundamental in her becoming a good student and a good citizen. I'm impressed with how this teacher and her principal have coordinated efforts to help the students learn how to read and recognize letters and numbers. On my visits to the classroom the students look inspired and ready and willing to learn. My daughter loves school. Her initial experience with the staff at Nimitz Elementary has been very positive. I'm very thankful to all involved as I think Kindergarten is a crucial first step to all learning experience in the classroom.
- Elementary schools in the district are great. I feel most of the "problems" occur on the upper-elementary, middle, & high school

campus, i.e. the drugs, vandalism, unequal punishment, gangs, etc. There is less supervision. All school campuses are clean at all times.

- I think KISD needs more "one-on-one" contact with the parents. It seems like once our kids reach high school we no longer get back any info (feed back) from the teachers regarding any problems with our children.
- When letters to parents are written concerning students problems, they are held for a week before mailing. Sometimes there are dates by which a student must have time made-up and the parent finds out the day before. Parents need to know before this.
- I feel KISD is heavy in administration. This makes teachers disgruntled as they see the cutbacks and lack of replacements hired to fill necessary positions.
- I feel the district on a whole tries hard but misses the mark in many areas, one major area of concern is the lack of concern or the lack of quality of the individuals who are hired to coach all children in athletics. We have been very disappointed for the last seven years at what type of individuals that our district has hired to work with our children in athletics. These individuals spend large quantities of time with our children much more than your average teacher of academics but it seems very little research or criteria is used in the hiring process - even less in girls athletics than in boys. It appears that those in charge do not view athletics as an educational program - but the children and the parents do. Several of my friend's children have had special needs and learning disabilities this school district fails to treat the needs of these children on an ongoing basis. We chose to raise our children in this beautiful hill country community but the school system is definitely disappointing.
- My children attend Tom Daniels Elementary KISD. Both of them were in a family grouping. What a great experience as a parent as well as for the child. Teacher/student relationships were made. Family groupings, in my opinion, are great assets. The teachers are highly qualified and are in tuned to the children's needs. I suggest family grouping to all parents. All teachers are underpaid in every district. My support goes out to all of them. In an overview, I am satisfied with KISD. My children have been and are challenged everyday to their potential. My greatest thanks to family grouping at Tom Daniels.
- I am satisfied overall with my school district. I am, however, concerned with violence and discipline problems stemming from disrespect for adults and seemingly no "fear" of consequences. I want so badly to raise my children to show honor and respect to their elders, to their community, their country. I strive to live out

that example in my own life, and pray that God will somehow fill in the gaps where I fall short.

- My daughter goes to school in a car. Thanks, this is why I have no opinion.
- Hi. I have a favorable opinion. I love what my daughter is learning. She is very well behaved in terms of manners. She says bless you, thank you and other words in English. I see she has made changes thanks to the school and her teachers. Thank you.
- It is my first year and I like it. 1,000 times thanks for this survey. I hope I answered what was needed.
- Hi. What I can say is that my daughter is a good girl and she tries very hard and she likes to learn. The teachers here are very good and attentive and saviors. The meetings are excellent and they help a lot. They even educate us. Thank you very much.
- I would like to know, being a parent of a child who attends Nimitz, why someone can not be at the cross walks with our children. It is hard enough to keep your child safe. I think/know something should be done. Thank you.
- Restrooms at high school have no soap, towels, or frequently no hot water at all.
- Not enough power to enforce rules at high school concerning smoking and off campus rules.
- Some resource classes are at a "baby sitting" level instead of meeting the challenge.
- All schools need stronger discipline. I do not see this issue addressed in this survey. Though and stronger control of classrooms is needed. Our state needs to take over the classrooms in low achiever classrooms.
- Regarding ethnicity question: This should not matter EVER.
- Regarding question #9e: Yes and no.
- Regarding question #10d: If you are not on government aid, you do not qualify.
- Regarding question #36: Not enough science books to go around.
- Regarding question #44: 10:45 is too early, my child is famished at the end of the day.
- Regarding question #51: 1 hr.
- Regarding question #61: Most of the time.
- We have many excellent teachers and they stay in KISD out of love for kids and the quality of our community but.... They need a pay raise! Thanks
- Regarding question #9l: No variety.
- Regarding question #26: Tivy Upper.
- I have now put my children in private schools so my children won't attend Kerrville any more. The other children are home schooled. No, my taxes are not spent right if I feel my children will not benefit from KISD.

- There are a few things I cannot answer with much knowledge, because my son is only in Pre-K. Thank you for this opportunity.
- Regarding question # 23: Only in elementary schools.
- Why do we get the reject coaches and teachers? Surely with enough complaining to the right people we could have good ones - wrong! Don't get us wrong there are some good teachers but very few. The coaches are very poor examples to our kids - Junior and High school!
- We are new to Kerrville. My child has been a student here for only a few weeks. My overall impression of KISD is favorable. It offers a good curriculum. I have visited with a few of the teachers and felt comfortable with their abilities and interest in my child. The school is very crowded and I would like to see a better teacher to child ratio.
- Regarding question #25: Starkey.
- Regarding question #41: Not always.
- Regarding question #49: No.
- The freshman and sophomore students seem to get taught by the less qualified teachers causing their GPA to suffer. Inadequate teachers lower GPA and deprive our children of a quality education. Let the students answer a survey on teacher quality. They have first hand information.
- As a divorced single mother of a kindergarten student I have been extremely pleased with both my child's teacher and the school's office staff.
- We have a hard time attracting well-qualified, enthusiastic teachers - probably because we are in a small town and the pay scale is low. We also seem to have a hard time getting rid of poor teachers, however, that seems to be a universal problem. I do feel that for the highly motivated, intelligent student KISD provides a quality program that prepares students for higher education. I don't know that the same is true for the under-achieving, poorly motivated student who has learning problems.
- More emphasis on college requirements - selection and financing needs to take place.
- We need a counselor assigned to a kid struggling with grades to work with parents. Right now our son is struggling and we have to talk to nine different teachers nine different times, which is almost impossible for two working parents.
- The district does not budget money well.
- My children participate in Tejas village program at Tom Daniels. It is a great program. A real plus to have a stable group of teachers and students.
- Regarding question #20: on the most part.
- As for the most you could answer the way the survey asked, but some of the teachers, we have experience, in the higher grades

some are good and some lack the one thing that lets all students relate to them. So some were good at teaching and some aren't.

- I feel parents were not told the truth about a lot of things. Education is very important. However, the school district had you think we needed a new High School because some teachers did not have a classroom and more students were moving into the district, every year enrollment is lower. Yet we are getting a new high school. But the school district has no money. We will have a new school but no money. They cut back our teachers, so the high school we have now will be just fine. If a student forgets his lunch money or does not turn it in by 9:00 am the student does not eat. I hope you can understand the concerns parents have.
- I am pleased with the Kerrville ISD. Where my child goes to school I feel everyone is doing a great job and they are always thinking of ways to make their school even better. I am very thankful for that. A pleased parent.
- I do not feel the KISD has a very good grasp of the needs of their students. They have a hiring freeze for teachers and aids, their middle school is in need of repairs, and they are using out-dated learning materials. Yet they are spending large sums of money to build a new elementary and high school and have no increase in student population.
- The KISD has no summer school programs for our daughter, grade 2. They only offer summer school for passing students, grades 3-8. They didn't offer any help for our second grade daughter who needed help in reading. They had no summer school program and she was kept back a year in the second grade.
- Regarding question #2: Listen but don't always do the will of the voters.
- Regarding question #24: But then they do as they please.
- Regarding question #49: Transfer bus.
- We are blessed by the excellent teachers, paraprofessionals, nurses and principals. We are fortunate to have community involvement as volunteers and board members. Students pursuing college interests are well prepared academically but not counseled well in choosing colleges, financial aid, or career choice. The high school counselors are "paper pushers" instead of "counselors." Many of us are concerned about the space usage in our new high school. Community opinion was received and teachers gave input, but administrators are doing as they please. We are concerned for those students not desiring college. They need to receive training and guidance. We are losing qualified teachers to better paying districts and hiring less qualified teachers as time progresses there will be a problem. Medical benefits are poor and unaffordable. Another reason for qualified staff to look outside the districts. Another problem is the lack of school districts paying into social

security, as well as the loss of social security benefits upon retirement.

- I have four children in KISD. I am sure they are receiving everything they need to excel in school. The teachers have loved them, taught them, and inspired them to reach their potentials. I feel very fortunate to be in this district.
- I feel Kerrville ISD is a good school district. However, as with every district in Texas, class size needs to be much smaller, especially in grades K-8. I also feel that more attention needs to be given to students who are having trouble with reading. That is very crucial in grades K-3. If they are below level in those grades it is very difficult to be successful in other subjects as well.
- Regarding question #16: But children are often denied access.
- Regarding question #23: Could be more.
- Regarding question #28: Except for Middle School.
- We only have one child in grade 3 (grandson). He seems to be happy with school and teachers take a lot of interest in the students.
- My opinion - The performance could be better if the district could give the teachers supplies needed to do better!
- I feel the district is not spending money wisely, such as building a new high school in a sorry area of town - when they could have remodeled the current one. Too many elected people want to be able to say we have a "state of the art" high school here in Kerrville Texas. Education takes a back seat to having bragging rights!!!
- My child is receiving a wonderful educational experience.
- Our only complaint is that our property taxes are nothing short of exorbitant.
- Regarding question #9e: No books.
- Regarding question #9g: No books.
- Regarding question #10o: Counselor seems too bothered.
- Regarding question #11: Not always.
- Regarding question #15: Grade 7-8 math/history no good and science.
- Regarding question #19: Not in math & history & science.
- Regarding question #25: But bathroom stalls.
- Regarding question #36: No books English & World Geo & Science.
- Regarding question #41: Some.
- Regarding question #42: Sometimes more than not in grades 7 and 8 there is not enough food left for second & third (for sure) lunch. Not fair
- Well I feel the high school has good programs for college, and business prep are great - although I do not know at this time of the teachers qualification of knowledge to teach. My two biggest complaints are: our junior high math and social studies, history and

science teachers are not teaching effectively - two years of social studies/history - my child didn't learn a thing. Math not taught for kids to understand - not enough class time and moves too fast for kids to learn effectively. High school kids have no books in World Geography and English and Science. Also junior high - second and third lunch, not enough food of menu meal.

- Regarding H. Food Service: I know there never seems to be enough food on a tray.
- I'm not happy with the area surrounding TUES and Peterson. That club across the street (drug rehab center) is no good close to a school. A lady got shot and killed there. The TUES school is old and nasty. The cafeteria food is not very good in elementary (TUES) school.
- I think the school is safe. I don't have to worry about my child. I know my child is in good hands. Thank you
- When a teacher is being replaced for health reasons the old teacher should teach the new teacher what to do, and also what's going on. It's not fair to the children. When something changes in the classroom the parent can always tell. The child acts differently.
- Regarding question #6: don't know.
- Regarding question #41: They should have healthier meals.
- I'm overall very satisfied with the performance of my daughter's school.
- I would love to see her and the other kids spending a little more time with music and art programs
- I feel the need of healthier meals for those growing kids. Thank you.
- Regarding question #41: Need more nutrition.
- I wish they would serve more fresh fruits and vegetables in meals.
- Overall we are pleased with KISD. And the way they handle my children's education. I see need for improvement in some areas but things are good for the most part.

Appendix B

PARENT SURVEY RESULTS

NARRATIVE COMMENTS (PART TWO)

- I feel that KISD would greatly benefit from continued love and logic training for school personnel and teachers specifically. I feel that the superintendent and the school board would better serve the needs of the students by paying more heed to the input of the teachers and parents. The student's needs must be foremost in the minds of our educators and their supervisors. I applaud this districts willingness to support the education of teen parents and encourage the continued willingness to do so. Being a teen parent myself I made use of the teen parenting program at THS. Without this program I (as a single mother) would now be welfare dependant. I am proud to say that TCDC helped me to become financially independent as well helping me to realize and understand how important good parenting skills are. I strongly feel that training educators in easy and effective methods of de-escalating crisis, refocusing students and teaching/role modeling a sense of responsibility for ones own actions is not only important but to not do so would amount to a total neglect of student needs. I further believe that Love and Logic with my own kids as well as with the at risk teens (juvenile criminals) that I have worked with for the past three years.
- The children are rushed in the lunchroom. They have 20 minutes this is stressful. They also need more recess time to run and work of their stress and extra energy if punished they loose recess this does not help their behavior problems.
- I think we need to pay our teachers more money, and the superintendent less pay. I think we need more funds for the schools to pay for aides. The teachers have too much to teach and little time for the slow students. I also think that so much testing is not a good thing. Please try to help our teachers pay they are greatly needed. I have a daughter in Tivy, a daughter in Peterson and a son at Nimitz. Nimitz is a wonderful school. Peterson is getting gangs in its school. I dont think K-star children should be in with our children. The ones that are in fights all the time. Not the homeless ones. Tivy is a good school. I'm glad we are getting a new high school. At Tivy we need more certified teachers.
- Over all I think that the KISD does a good job with the kids. My kids have really enjoyed their years that they have attended the schools in Kerrville. Both of my children make good grades in school. I think that that tells me that the teachers are doing a good job in teaching the kids what they need to know to advance in life.

- Kerrville spends too much time and money on football and does not share the "wealth" with baseball, softball, band, soccer, track and fine art programs.
- It is difficult to rate all levels because they vary in quality. Elementary schools are strong. Middle schools are very weak overall. The high school depends on which tract you are in. There are some excellent teachers, but they are fewer than the "poor" teachers. The present high school is very run down, but a new one is being built. We just had an incident with a janitor and a middle school girl who (janitor) has made sexual advancements. The present superintendent is not well liked nor trusted by many parents and teachers. The elementary schools have sufficient volunteers and aids but high school needs more. Reading programs are strong in elementary, but get progressively worse. Some high schoolers can't read well at all. Our district is sports "heavy." So much money and fundraising goes towards these instead of the fine arts and scholastic programs. When my children entered high school, they were appalled by the number of pregnant girls in school. It seems dress codes and other rules in the handbooks aren't enforced well. All of my children have enjoyed their school experience, and they could tell you who the "good" teachers are and the "bad" ones.
- Regarding question #91: Need adaptive PE.
- The district does not adequately meet the needs of the gifted and talented or the at risk non-college bound students. The class sizes are too big in high school and discipline and truancies are horrendous.
- Overall good.
- I feel there is a lot lacking in our math department. We need better teachers. It is difficult to get in to see counselors. I think the junior and senior kids need more help with college choices and counseling on careers and help with scholarships.
- Regarding question #91: in elementary.
- Our elementary schools are excellent. I like the GT program better in grades 5 and 6, than K-4. I feel many (gifted academically) students are left out on lower grades. I strongly feel that Spanish should be offered as a regular course before grade 7.
- Regarding question #20: most not all.
- I feel my children are receiving what they need. On a personal note it is very frustrating to come across a teacher that after many discussions continues, I think, with a negative attitude. This is occurring with my son in grade 6. I can't wait for summer just to be away from her. I feel she gives a marginal performance, poor attitude and the administration tolerates it. So be it for the student.
- Regarding question #9: Neither one of my boys can read or write!
- Regarding question #10k: For misbehave kids.

- Neither one of my boys can read or write very well. I tried to get the schools help but never seem to get any additional help. They (the school) said that they can not focus on just one child because they have a whole classroom full of children. My sixth grader asked if he can come to school early and stay late to get help - but there are too many children that come early and stay late that he doesn't get the help he needs. My husband and I try to help the boys each night but it takes so long, by the time we get off work, get supper then start on homework it is well past bedtime. The school has gotten to be so fast paced my younger son is unable to keep up. He is flunking and will be held in the sixth grade again next year. This has made him very depressed. The school seems like they don't care. When my older son had a lot of problems in school with reading and writing he also went through depression. I had to send him to counseling and it cost me \$100 per hour. I think if the kids could learn at their own pace it would be easier on them.
- Overall excellent school system from elementary on up. We've lived in Kerrville over 20 years and it compares very favorably with other school districts. The only area of improvement my wife and I see is more equal funding for all athletic sports. In our view, football should not get most of the money - this may not be any more than ours and some other parents, but we feel strongly that all students participating in their sport of choice be afforded the same level of equipment as any other. Thanks.
- Regarding question #13: except for math.
- Regarding question #15: Pre-AP-Algebra II teachers not good.
- Regarding question #20: Except math.
- 1) Principal of Tivy High school is a very approachable person who works hard for teachers, students, and parents. 2) Math teachers are hard to locate and inadequate teachers such as Pre AP Algebra II are tolerated when this showed not to be the case. Transportation issues should be re-evaluated to accommodate those students in the age range of "too old for day care" too young and far to walk home. The two mile rule is too rigidly enforced, forcing younger students who live 1 mile to 2 miles to ride bikes, etc.... this is not safe for them!
- Regarding question #4: "Control vs. Leadership" disliked in this community.
- Regarding question #10c: Very poor.
- Regarding question #10e: Very poor.
- Regarding question #10f: Not used to full capacity.
- Regarding question #13: Teachers need continued Education in areas such as: Age appropriate behaviors! Positive behavior strategies in the classroom. Promoting Self-Esteem in children.
- Regarding question #16: Are classes are poor.

- Regarding question #20: They need continued Ed in Behavior Strategies in the classroom.
- Regarding question #22: Do not know.
- Regarding question #23: Mentoring Program is poor.
- Regarding question #30: Way too high.
- Regarding question #41: Very Poor. High carbohydrates and sugar.
- Regarding question #50: Very poor discipline strategies. Children are yelled at and threatened.
- Regarding question #59: The bus drivers need more training.
- Regarding question #66: What security personnel. I have never seen any security personnel.
- Regarding question #69: Poor.
- There are not enough services for students that fall under the 504 guidelines. Disabilities are confused with behavior problems. The mentoring program is not in place and used at the grade 6-7 levels. School bus rides are a nightmare for the children and the driver. Need an aide on every bus that has a nurturing attitude towards children. The school food is horrible and nutrition, or lack of nutrition, is a big part of children's attitude towards learning. Behavior Modification - Not Medication!!
- Regarding questions #66 & 67: There is no security personnel.
- My children attend Tom Daniels Elementary School. All three are in the family grouping program there. This has been a great and wonderful program for me and my children. I believe every student should have the opportunity to participate in this. The only regret I have is sometimes the children are made to feel segregated or different in ways. Principal and vice principal seemed to be busy, too busy to address minor concerns of parents.
- I feel drugs are a big problem. Especially on the high school campus. There are also a number of teachers at high school that need to retire.
- Regarding question #4: never attended
- Regarding question #13: Pay is too low and lousy benefits.
- Regarding question #14: is necessary
- Regarding question #23 I am sure they can always use more.
- Regarding question #24: I believe so! Hope so.
- Regarding question #41: The boys don't complain
- Regarding question #44: A little early
- Regarding question #69: Most of the time
- I am pleased with, the education my children are receiving, the teachers are happy and positive overall. I do feel KISD in the Elementary school does not want to admit they have a gang problem and I feel that its partly due to they have limited ways to handle it. Overall I am happy with Kerrville schools in all aspects.
- The only complaints I hear from my children regularly are 1) How bad smoking, alcohol use, and drugs are at the schools and 2) How

bad the kids act on the school bus. Other than these two major complaints, my children are very happy with this school district.

- I find that Starkey Elementary spends too much time practicing for the TAAS test. I have two children in this school and because they spend so much time studying for the TAAS they bring an extremely amount of homework home. I feel like I am the one teaching them their studies. Their school is just worried about the TAAS.
- Regarding question #4: Excellent
- Regarding question #5: Excellent
- Regarding question #9f: Programs available are very good. Need more courses with more time slots available.
- Regarding question #17: excellent care
- Regarding I. Transportation: Based on school trips and athletic events and we do qualify for the bus - just don't use regularly
- Kerrville is doing a wonderful job meeting needs of students. It is a system that is "family friendly" and students/faculty/community care about each other.
- Vocational education needs to be enhanced.
- I am deeply concerned about how long my children are on the bus going and coming home from school! They are on it one hour plus - I feel this is unacceptable! No wonder there is no discipline! What kid could sit "anywhere" for over 1 hour? We need additional buses to shorten the length these kids are on a bus!!!! Plus my kids have to be taken or walked down a long hill, the bus won't come up there - but other kids live up there also!
- My daughter is in the eleventh grade and does not know how to write a paragraph. I must pay a tutor for her to learn this skill.
- Regarding question #20: Too many students to one teacher.
- My child and I have experienced two problems at Tom Daniels Elementary School. My child has been counted tardy many times in the morning and I think the problem is that the drop off area is too congested and my child can not get out of the car until we reach the front of the building. Well by the time that happens she's late. And the other problem is other children pick on my child and she doesn't want to attend school. I talked to principal about issue and other children were disciplined, so far no problems other than those.
- Sports is strictly politics! Does not matter your ability to play - what matters is who you are. This is very very harmful to the children who try so hard. Kerrville ISD as a whole is very bad about this.
- Regarding question #75: Not in grade 5, thank heavens!
- I'm very happy with KISD. We moved here in 1999 when my son was in grade 3 and needed special Ed. In two years time these dedicated teachers brought him "up to speed" whereby he was

mainstreamed in grade 5. Now After 3 semesters - he maintains an A/B average and hasn't yet missed being on the Honor Roll. It's because of the Special Ed. teachers that my son has come so far. I'm a big fan of these ladies and KISD.

- Any time money is involved (i.e. taxes) there is a responsibility to always look for better and or more efficient personnel, supplies, materials, etc. I have as a tax - payer rarely felt well informed of district administrator or consequences of activities.
- Regarding K. Computers and Technology: Need more.
- Children are rushed through lunch to eat and then go outside. We need more computers in the classrooms! One per 22 students is not enough.
- Overall I think KISD is very good. I do think gangs and drugs, especially drugs is a serious problem in the junior and high schools. Teenage pregnancy is also a problem. As a whole I feel good about KISD. I especially like Nimitz Elem.
- Parents of high school students consistently talk about the lack of quality math teachers at our high school. Are they ready to pass a math TAAS to graduate?
- I feel we, as parents, should be able to choose the school my child would go to if I have concerns about our district school.
- Overall my child has received a quality education. The teachers appear to be effective and we appreciate instructional strategies with the exception of the Math Department at Tivy High School. There appears to be major problems in that department. My main concern is with the obvious disrepair of existing buildings and lack of routine maintenances. The present administration and school board have pushed for new buildings and yet can find no \$ to repair the ones the district already has in its possession. Too because the population of Kerrville is disproportionately represented with elderly people. The few of us under 65 years of age carry a disproportionate share of the taxes. It would be extremely helpful if the state could fund schools with an income tax rather than a property tax.
- I strongly feel that art should be an elective. I support the arts but do not feel like this should be a required basic life skill. There are many other courses which would teach a necessary life skill which should be required over art (such as money management/financial type basics, conflict resolution, cooking). These are all elective and can't all be made mandatory. But if art weren't mandatory, one might better fit in one of these instead - which are more needed for life on your own than art.
- I feel very strongly that foreign languages should be offered to students at an early age (elementary). I also feel that clustering students according to academic performances has a negative effect on some average students. This system (advance placement)

exposes the average student to classroom situations where attention is often given to disciplining behavior. Well-behaved "average" students should be given the opportunity to be challenged and experience the benefits of motivated, well-behaved classroom situations.

- KISD is efficient and effective in meeting the needs of gifted and talented as well as special Ed students. My children transferred from Houston ISD and have been successful and Happy with the transition. I would recommend KISD to anyone.
- Our elementary schools are too big. The principals are not "out and about." They are not helping their teachers. They have no idea what goes on in the classrooms. Where are the certified librarians and computer teachers? The district is not spending its money on the students or teachers.
- Regarding question #44: 12:45?
- As Hispanic parents we believe that we need more information in our own language regarding every issue or event happening at school. i.e. lunch schedule, school awards and newsletters, use of tax information, school supplies, National Anthem information, field trips, conferences. Variety of Mexican dishes no tex-mex food. Also parenting classes in Spanish.
- The educational opportunities for the very bright students are abundant. The programs for special populations (Special Education) are very good - but the large number of kids in the middle are not academically or vocationally prepared for post secondary opportunities. The high school faculty has been exceptional but master teachers are retiring because they are tired of the disrespect shown by administrators at the top level. Without the master teachers to guide new teachers coming into the system the academic program will suffer. Unrest - particularly among high school faculty and students over bell schedule changes this year. New campus to open on 2003 - closed campus will be bigger challenge for all.
- Many of my "No Opinions" are because my children are not old enough to have dealt with the questions yet.
- Regarding question #2: Listen but don't consider.
- Regarding question #6: Suggest only.
- Regarding question #12: Not recently.
- Regarding question #12: Few teachers have specialized certification or masters degrees. No compensation for any additional qualifications.
- Regarding question #31: Still no explanation of \$1.3 million deficit last year.
- Regarding question #38: No certified librarian. No computers for student use to access resources.

- I worked as a paraprofessional in KISD for two years. The quality of teachers is excellent. However, the superintendent had very little support from teachers and staff. He seemed to be more concerned about what looked best to the board and had no grasp of what was truly going on in the classroom. The board tends to take everything he says as "gospel" without doing any independent research.
- I really hate filling out paper after paper that states that consequences of every class will happen then I have to sign the stupid form so that if my child has to face the consequence I know ahead of time. I resent those forms at the beginning of school each year.
- With regard to my daughter, she has received a very complete education. For whatever my opinion is worth, we should return to allowing prayer like we did before.
- The math department has major problems. Eighty percent failure rate is not just the kids' problem. They are not allowed to have their exams back because the teachers want to use the same tests year after year. It's not the teacher's fault but maybe they are being a bit lazy. If something isn't working, continuing to use it and expecting it to work, is a sign of insanity. Please change this policy and let the kids learn from their mistakes. Wasting the money on the "dumb school" is a big mistake. Location is bad.
- Regarding question #10a: High school level (disagree).
- Regarding question #13: pay is not competitive.
- As a parent and teacher in a near-by district I am concerned that our school board in some instances presents themselves to the public in one way yet has a hidden self-oriented agenda many times. Money issues are not handled straightforward by our business department at central office either! Student success has reached an all time high, yet the school board re-arranges the schedule for what reason? To improve?? They're ignoring the good that has happened because it was not done their way but the facts and figures are there before them. Yet we are forced to change! Why?!
- Regarding question #41: It is nasty.
- I have three complaints about the Kerrville District. 1) The bus my children (grades 7 and 8) leaves so quick after the bell rings, they have to run to catch it and sometimes are too hurried to get all homework etc together. 2) I am sometimes not called when there is a problem, I find out after. 3) The cafeteria food is quite disgusting. I have always loved the food at Ingram ISD and am shocked Kerrville ISD food at Peterson and Tivy Upper is so bad.
- My son was injured on the playground. The ground needed to be cleared of an exposed tree root. This was never done.

Appendix C

DISTRICT ADMINISTRATIVE AND SUPPORT STAFF SURVEY RESULTS

(n=134)

Demographic Data

Note: Totals may not add to 100 percent due to rounding.

1. Gender (Optional)	Male	Female	No Response			
	23.9%	67.9%	8.2%			
2. Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No Response
	73.1%	0.7%	12.7%	0.0%	3.0%	10.4%
3. How long have you been employed by Kerrville ISD?						
	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
	42.5%	23.1%	18.7%	7.5%	6.7%	1.5%
4. Are you a(n):	Administrator	Clerical Staffer	Support Staffer	Other	No Response	
	16.4%	23.9%	50.7%	0.7%	8.2%	
5. How long have you been employed in this capacity by Kerrville ISD?						
	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
	51.5%	17.9%	14.9%	6.7%	3.0%	6.0%

A. District Organization and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school board allows sufficient time for public input at meetings.	9.7%	34.3%	35.8%	13.4%	3.7%	3.0%
2.	School board members listen to the opinions	5.2%	39.6%	24.6%	22.4%	6.0%	2.2%

	and desires of others.						
3.	The superintendent is a respected and effective instructional leader.	8.2%	31.3%	26.1%	22.4%	9.0%	3.0%
4.	The superintendent is a respected and effective business manager.	6.0%	25.4%	26.1%	29.9%	9.7%	3.0%
5.	Central administration is efficient.	6.0%	38.1%	20.9%	25.4%	6.7%	3.0%
6.	Central administration supports the educational process.	9.7%	44.8%	24.6%	11.9%	4.5%	4.5%
7.	The morale of central administration staff is good.	10.4%	29.9%	38.1%	11.2%	6.0%	4.5%

B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
8.	Education is the main priority in our school district.	19.4%	47.0%	9.0%	17.2%	2.2%	5.2%
9.	Teachers are given an opportunity to suggest programs and materials that	9.0%	46.3%	30.6%	8.2%	1.5%	4.5%

	they believe are most effective.						
10.	The needs of the college-bound student are being met.	8.2%	36.6%	35.8%	14.2%	0.7%	4.5%
11.	The needs of the work-bound student are being met.	5.2%	26.1%	35.8%	25.45	4.5%	3.0%
12.	The district has effective educational programs for the following:						
	a) Reading	9.0%	61.2%	20.1%	6.7%	0.7%	2.2%
	b) Writing	7.5%	53.0%	24.6%	11.2%	1.5%	2.2%
	c) Mathematics	6.7%	51.5%	25.4%	10.4%	3.7%	2.2%
	d) Science	6.7%	54.5%	25.4%	10.4%	0.7%	2.2%
	e) English or Language Arts	7.5%	63.4%	21.6%	4.5%	0.7%	2.2%
	f) Computer Instruction	6.7%	54.5%	25.4%	8.2%	1.5%	3.7%
	g) Social Studies (history or geography)	6.0%	58.2%	27.6%	5.2%	0.7%	2.2%
	h) Fine Arts	6.7%	50.0%	29.1%	9.0%	2.2%	3.0%
	i) Physical Education	6.0%	52.2%	30.6%	6.0%	2.2%	3.0%
	j) Business Education	5.2%	41.0%	43.3%	6.0%	1.5%	3.0%
	k) Vocational (Career and Technology) Education	6.7%	38.1%	37.3%	11.2%	4.5%	2.2%

	l) Foreign Language:	5.2%	47.8%	38.1%	5.2%	1.5%	2.2%
13.	The district has effective special programs for the following:						
	a) Library Service	8.2%	46.3%	27.6%	11.2%	3.0%	3.7%
	b) Honors/Gifted and Talented Education	9.7%	45.5%	30.6%	10.4%	1.5%	2.2%
	c) Special Education	15.7%	50.0%	19.4%	8.2%	3.7%	3.0%
	d) Head Start and Even Start programs	13.5%	57.9%	21.8%	4.5%	0.0%	2.3%
	e) Dyslexia program	5.2%	28.4%	47.8%	11.2%	3.7%	3.7%
	f) Student mentoring program	11.9%	55.2%	23.9%	5.2%	0.7%	3.0%
	g) Advanced placement program	12.7%	40.3%	41.8%	0.7%	0.7%	3.7%
	h) Literacy program	7.5%	38.8%	41.0%	8.2%	0.7%	3.7%
	i) Programs for students at risk of dropping out of school	3.0%	34.3%	28.4%	24.6%	6.7%	3.0%
	j) Summer school programs	5.2%	38.8%	32.1%	14.2%	7.5%	2.2%
	k) Alternative education programs	8.2%	38.1%	26.9%	17.2%	6.0%	3.7%

	l) English as a Second Language program	9.0%	35.3%	34.6%	15.0%	3.0%	3.0%
	m) Career counseling program	3.7%	23.9%	48.5%	15.7%	6.0%	2.2%
	n) College counseling program	5.2%	26.9%	45.5%	14.9%	5.2%	2.2%
	o) Counseling the parents of students	2.2%	26.1%	38.8%	22.4%	7.5%	3.0%
	p) Dropout prevention program	2.2%	21.6%	44.8%	21.6%	6.0%	3.7%
14.	Parents are immediately notified if a child is absent from school.	6.8%	37.6%	28.6%	18.0%	5.3%	3.8%
15.	Teacher turnover is low.	3.0%	24.6%	29.1%	31.3%	9.7%	2.2%
16.	Highly qualified teachers fill job openings.	3.7%	28.4%	28.4%	28.4%	6.0%	5.2%
17.	Teacher openings are filled quickly.	3.0%	38.8%	31.3%	17.9%	6.0%	3.0%
18.	Teachers are rewarded for superior performance.	2.2%	9.7%	30.6%	38.1%	14.9%	4.5%
19.	Teachers are counseled about less than satisfactory performance.	3.7%	29.9%	44.8%	16.4%	3.0%	2.2%

20.	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	6.0%	44.0%	25.4%	15.7%	5.2%	3.7%
21.	The student-teacher ratio is reasonable.	5.2%	50.7%	21.6%	16.4%	3.7%	2.2%
22.	Students have access, when needed, to a school nurse.	23.1%	62.7%	9.0%	1.5%	1.5%	2.2%
23.	Classrooms are seldom left unattended.	8.2%	45.5%	28.4%	9.0%	6.7%	2.2%

C. Personnel Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
24. District salaries are competitive with similar positions in the job market.	1.5%	14.2%	9.0%	41.8%	29.9%	3.7%
25. The district has a good and timely program for orienting new employees.	6.0%	43.3%	16.4%	22.4%	9.0%	3.0%
26. Temporary workers are rarely used.	4.5%	20.9%	35.8%	27.6%	8.2%	3.0%
27. The district	4.5%	26.3%	28.6%	27.8%	9.0%	3.8%

	successfully projects future staffing needs.						
28.	The district has an effective employee recruitment program.	3.0%	11.2%	44.0%	29.1%	9.0%	3.7%
29.	The district operates an effective staff development program.	4.5%	36.1%	30.1%	19.5%	6.0%	3.8%
30.	District employees receive annual personnel evaluations.	11.3%	63.2%	13.5%	4.5%	3.8%	3.8%
31.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	2.3%	12.0%	31.6%	35.3%	15.8%	3.0%
32.	Employees who perform below the standard of expectation are counseled appropriately and timely.	2.2%	26.1%	43.3%	17.9%	6.7%	3.7%
33.	The district has a fair and timely grievance process.	3.7%	26.9%	49.3%	10.4%	6.0%	3.7%

34.	The district's health insurance package meets my needs.	2.2%	15.7%	9.7%	31.3%	38.1%	3.0%
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D. Community Involvement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
35.	The district regularly communicates with parents.	4.5%	47.8%	21.6%	20.1%	3.0%	3.0%
36.	The local television and radio stations regularly report school news and menus.	11.2%	57.5%	17.2%	9.7%	1.5%	3.0%
37.	Schools have plenty of volunteers to help student and school programs.	7.5%	35.1%	24.6%	24.6%	4.5%	3.7%
38.	District facilities are open for community use.	7.5%	54.5%	26.1%	7.5%	1.5%	3.0%

E. Facilities Use And Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
39.	Parents, citizens, students, faculty, staff and the board	5.2%	45.5%	18.7%	19.4%	6.0%	5.2%

	provide input into facility planning.						
40.	The architect and construction managers are selected objectively and impersonally.	4.5%	22.4%	46.3%	16.4%	6.0%	4.5%
41.	Schools are clean.	7.5%	61.2%	6.7%	14.2%	6.0%	4.5%
42.	Buildings are properly maintained in a timely manner.	4.5%	50.7%	6.7%	23.9%	9.7%	4.5%
43.	Repairs are made in a timely manner.	3.0%	46.3%	11.2%	24.6%	9.7%	5.2%
44.	Emergency maintenance is handled promptly.	5.2%	64.9%	11.9%	7.5%	5.2%	5.2%

F. Financial Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
45. Site-based budgeting is used effectively to extend the involvement of principals and teachers.	3.0%	32.1%	44.0%	13.4%	3.0%	4.5%
46. Campus administrators	3.7%	36.6%	41.8%	9.7%	3.7%	4.5%

	are well trained in fiscal management techniques.						
47.	The district's financial reports are easy to understand and read.	3.7%	14.9%	42.5%	23.9%	10.4%	4.5%
48.	Financial reports are made available to community members when asked.	4.5%	23.1%	54.5%	10.4%	3.0%	4.5%

G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
49.	Purchasing gets me what I need when I need it.	2.2%	43.3%	26.9%	18.7%	5.2%	3.7%
50.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	2.2%	32.1%	39.6%	19.4%	3.0%	3.7%
51.	Purchasing processes are not cumbersome for the requestor.	2.2%	31.3%	29.1%	26.1%	6.7%	4.5%
52.	The district provides teachers and	2.2%	23.1%	48.5%	18.7%	3.0%	4.5%

	administrators an easy-to-use standard list of supplies and equipment.						
53.	Students are issued textbooks in a timely manner.	5.2%	49.3%	35.8%	3.7%	2.2%	3.7%
54.	Textbooks are in good shape.	5.2%	45.5%	38.8%	5.2%	0.7%	4.5%
55.	The school library meets students' needs for books and other resources for students.	11.2%	47.0%	28.4%	6.0%	3.7%	3.7%

H. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
56.	Gangs are not a problem in this district.	5.2%	32.8%	23.1%	28.4%	6.0%	4.5%
57.	Drugs are not a problem in this district.	1.5%	6.0%	20.3%	45.9%	22.6%	3.8%
58.	Vandalism is not a problem in this district.	2.3%	23.3%	15.8%	39.8%	14.3%	4.5%
59.	Security personnel have a good working relationship with principals and teachers.	4.5%	39.6%	43.3%	6.7%	0.7%	5.2%
60.	Security	3.7%	34.3%	51.5%	4.5%	0.7%	5.2%

	personnel are respected and liked by the students they serve.						
61.	A good working arrangement exists between the local law enforcement and the district.	8.2%	61.2%	21.6%	4.5%	0.0%	4.5%
62.	Students receive fair and equitable discipline for misconduct.	5.2%	38.8%	18.7%	20.1%	12.7%	4.5%

I. Computers and Technology

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
63.	Students regularly use computers.	10.5%	63.9%	14.3%	6.8%	0.8%	3.8%
64.	Students have regular access to computer equipment and software in the classroom.	9.7%	54.5%	20.1%	11.2%	0.7%	3.7%
65.	Teachers know how to use computers in the classroom.	6.7%	58.2%	21.6%	9.7%	0.0%	3.7%
66.	Computers are new enough to be useful for student instruction.	10.4%	53.0%	24.6%	7.5%	0.7%	3.7%

67.	The district meets students' needs in computer fundamentals.	7.5%	50.7%	26.1%	11.2%	0.7%	3.7%
68.	The district meets students' needs in advanced computer skills.	7.5%	33.6%	38.1%	14.9%	2.2%	3.7%
69.	Teachers and students have easy access to the Internet.	9.7%	46.3%	27.6%	11.9%	0.7%	3.7%

Appendix C

DISTRICT ADMINISTRATIVE AND SUPPORT STAFF SURVEY RESULTS

NARRATIVE COMMENTS

The following comments below reflect the perceptions and opinions of administrative and support staff survey respondents and do not reflect the findings or opinion of the Texas Comptroller of Public Accounts or the review team.

- There is not much communication between aides and administrators. There is not much communication between staff and administration.
- Insurance is only affordable to teachers, administrators and staff without families. Our support staff is required to be very knowledgeable, yet we're treated by administrators as if we were anyone they can pull of the street. Why in the world are we using tax dollars on students from another country who want free everything? They are living better then the ones who are paying the taxes!
- I'm not just an employee, I also have a child in KISD. I, as a parent, feel that all of the kids are not treated the same. If you are in athletics you get what you need while the rest are swept under the rug. I also do not understand why they cut programs out of school, they hire more people in the central office. I feel KISD has been mismanaged.
- Educational performance is getting lower each year. In my studied opinion, the motivation for learning has been removed from the classroom. This is due to lack of fear at being kept back as many years as needed to learn that year's material. The students KNOW they will be passed regardless of learning content. They are lackadaisical, lazy-minded and non-motivated. Fear of punishment (discipline is a strong motivation. This folderol about "social esteem" for passing incompetent students is illogical! We are fostering and promoting a dull and dumb future society.
- No campus in KISD has security personnel. Campuses are open. People come and go as they please. Little effort is made to correct this problem. Little effort is made to train personnel. Training for teachers is sufficient. Training for support personnel is inadequate.
- I think the district could find a better insurance policy if they would shop around. Instead of giving the superintendent and central office considerable pay raises, it should go to the teachers and support staff. They are the true educators.

- Concerns about background checks on volunteers. How do we know who is spending time with our kids?
- I see far too much waste on non-essentials and not enough spent on essentials. We need to perform our jobs to the best of our abilities.
- The district provides an excellent education for the students of Kerrville. The teachers and principals are dedicated and competent and the facilities adequate. The primary problem in this district is disagreement between teachers and central office on budget issues and fiscal management. Most teachers feel the central office is over-staffed and over-paid whereas teachers are understaffed and under-paid. Despite fairly low teacher morale, the teachers have done a superb job of educating the students of KISD.
- Outstanding school district.
- KISD is a district that does NOT value its staff. This is especially true in the Spec. Ed department. It is a sad commentary when teachers have to scrape together their own funds to provide necessary supplies for students. We haven't been able to enhance our special needs students with field trips because of budget constraints. This is wrong. Good luck with quest to improve education in Kerrville.
- We are too heavy. We have committees (dress code etc.) but the administration does what they want to. Admin makes getting supplies too complicated and timely. Too many workshops that cost too much money and are useless. Aides are treated and paid like second-rate people. Morale among all teachers is very low with no relief in sight. This school district used to be "The Best". Believe me we are in an "educational mess" and nowhere to turn because teachers will not write because of fear. Much talk goes on until it is time to speak "out!"
- We have teachers at our high school that don't really teach but nothing gets done about them. Our district has two new schools under construction now but it's questionable how much the teacher input was considered when designing the facilities. The health insurance is way too costly for the lowest plan. There is too much of a jump between the lowest and next to lowest plan. Aides get on-the-job training. There should be an aide specific training before a new aide goes in the classroom. All students in middle school should be required to take a study skill class.
- Teacher to student ratio is misleading. During the 2000-01 school year, an English teacher had a class of 37 students. This year another English teacher had a class of 31 freshmen and another of 14. KISD is an equal opportunity employment participant but they do not provide adequate facilities for their safety or performance. In 1999-2000, a wheel chair bound teacher had to leave one building and go across campus for restroom facilities. Several restrooms still do not meet new standards. Discipline is lacking. It

takes two to three weeks before a student can serve time in OCS or Alternative School. In most cases administrators try to be fair, but there are time when their personal feelings and lives get in the way. For years, business people have complained about bills incurred by KISD not being paid in a timely manner. Students and sponsors have arrived at school for a field trip and found they did not have the money needed for traveling - the business office had failed to write a check. Class size for low performing students should be low! The schedule runs the class size not the needs for individual student. One teacher told me she would not mail her survey at school because she did not trust the administration. She also stated she had three more surveys from other teachers because they agreed with her.

- KISD salary system is the worst I've come across in many years of working. The employee performance has nothing to do with salary increase or decrease. There is no incentive to do a good job.
- From my standpoint, KISD does very well with the money and buildings it has. Employees are dedicated professionals who work well together. For the money and dollars spent Kerrville is getting a great bargain from KISD.
- How can we provide a good education when due to the lack of maintenance personnel our schools are in much need of repairs? From shabby carpet to bad plumbing to air filters not being cleaned. Applications are few in Food Service and maintenance with no master plumber on staff ore heating and air persons either. With two new schools to open in fall of 2002 and 2003 I am very concerned about who will staff, clean and maintain these schools for our children.
- Very hard to believe this district cares for our students or the taxpayer. I feel that many of our programs are not effective. Because of cuts, from needed money to staff. We do not hire qualified teachers. We hire the ones that will take less money. I am like a lot of people here. I can't stand another tax increase. I am being taxed out of my home. KISD never has money for anything except new central office personnel and consultants. Our children ride on school buses that are 20 years old and aging.
- Due to lack of maintenance, our school is in bad need. We have shabby carpets. Vents need to be cleaned.
- I am disappointed with the program that hires long term subs. I don't feel that they are given equal standing even though they may be fully qualified. Teacher aides are undervalued and underpaid! Schools should be willing to share unused supplies with each other to cut additional spending. Not enough people are informed about Emergency Certification.
- At the high school level, there has always been a problem with the math department. Students that have been "A" students before are

suddenly getting C's and not understanding their work. This even happens when children come to the high school from private school. The problem is only with the "Math" department.

- As a master level support staff employee and having worked in other districts, I believe educational performance is sub-par for this district especially because high risk students' needs are not addressed by central office, discretionary discipline of students and employees is perpetuated, inadequate teachers/staff are not fired. There is disparity among AP and Pre-AP "teaching"; inadequate programs for staff-development (for these times....); and because what looks good on paper is not really taking place. I find school environments are inundated with harassment and victimization that is not being addressed properly. Alternative and on-campus suspensions are not assigned according to policy. Because of overcrowding, counseling services are inadequate for high-risk kids. Counselors are used for too much clerical work and should be only counseling.
- In my opinion, instead of spending funds on new schools the money would have been better spent on repairs- all the schools need repair and basic maintenance - \$600,000 to correct a mold problem on a high school building still under construction seems quite high to me. I feel it is a misuse of bond money to purchase land for elementary school then sell part of it for homes. I have worked in several school districts both poor and wealth, this is the first one in which I have to pay for my insurance.
- As long as we have bad politics, our education system will continue to FAIL!
- I feel that the superintendent is not honest. If that is not the case - circumstances have pointed to many people that there is a breakdown in communication. There is a committee in place for communication purposes but the responses are not clear or believable. The school board is easily misled in the direction only the superintendent has in mind. The morale is extremely low on the campuses.
- I believe the elementary schools are strong but we lack in the middle and high schools what is needed for our students.
- In the past nine years of employment with KISD, I find that my take home pay is only \$153 a month more than when I started work in 1993. The increase in healthcare premiums is part of the problem. I am terribly unhappy with our healthcare, and will probably change carriers this September. Discipline is a major problem and lack of adequate coverage during recess and in the cafeteria.
- I know for a fact on at least two occasions the first semester of this school year, the sub for high school classes did not show up and the students were left unattended for the 90-minute class period.

- We need to do more to address at-risk learners. Truancy and apathy seem to be the most difficult problems to overcome. These students are traditionally assigned to alternative school and eventually drop out. Perhaps we need to do more to prepare students for a vocation when academics are repeatedly avoided. Many average students seem to fall through the cracks.
- The quality of transporting and equipment needs upgrading!
- Working in Kerrville ISD has been very rewarding and satisfying experience for me. I have always been proud to say I am an employee of KISD. For the most part, I have been well treated as a professional and as an administrator of a support service.
- KISD does an excellent job with special education, Head Start and the advanced placement/GT programs. Vocational education or basic courses for the middle of the road student is lacking. Counseling at the high school is scheduling only - no college or vocational counseling is offered. Very little contact or support to parents.
- KISD is a wonderful district to work for, send my children to two of their campuses and just being part of this system. The administrators, main office, teachers, support staff are all wonderful.
- I believe that KISD should look into better pay and better insurance for this district.
- NEED more MONEY.
- There is a concern in special ed. over the number of students who have always passed TAAS, but under the new standards, the teachers feel they won't. The teachers are requesting the child be given SDAA. Kids are being denied the right to even attempt the TAAS test. This is happening at all grade levels.
- I have heard many complaints about the Math department at THS and incompetent teachers. These complaints come from parents of former and current Tivy High School students. Since this is a continuing problem, why can't something be done to replace those teachers?
- Our district is in the process of building two new schools - one elementary, the other a high school. The elementary is being built where there are not very many students - this will not help the schools that are overcrowded and will not stop students from being transferred. The high school is on an old garbage dump area and not far from the sewage treatment plant. The odor is horrible - what kind of planning is this?
- The district does an excellent job of preparing high functioning college-bound students on one end and special education students on the other end. However, at-risk kids in the middle are in need of greatly improved services.

- I feel like the central office administration should listen more closely to employees when they come forward about a concern at their campus that hasn't been addressed by their own administration. The first thing that a school district needs to do is accept that there is a drug problem before they can do something about it. DENIAL won't work.
- Input from community, parents and teachers exists but is never used! Decisions are made by a select few board members for the affluent and their children only.
- KISD has made great strides academically with very limited resources. The large numbers of retirees with frozen taxes, the bankruptcy of Mooney Aircraft and unusually high insurance cost (because of experienced staff) have impacted the fund balance. However, these concerns have been discussed and will be remedied in the near future by payment of back taxes and the sale of property to Home Depot.
- Financial management is poor. Taxpayer monies could have been better spent building the new elementary, repairing the other schools and expanding the high school where it is now. The new high school should not have been built, especially several miles away from the football stadium, practice fields and weight rooms. The high school population has not changed that much over the past 20 years.
- Math instruction seems to be deficient from middle school through high school.
- Difficult to think we are preparing students to succeed in high school - bad data from 9th graders; 400+ enter each year; 200+ graduate four years later. Hispanic students very high numbers in negative data categories.
- I do not agree with how the alternative school is handled. It allows unruly kids to be out during working hours unsupervised. I think the alternative school should be for punishment not convenience. Convenience that allows them to sleep all morning and go to school 3 hours a day. Transportation of these students should also be left up to the parents, not the district.
- Two of my children graduated from Tivy, both were part of the AP programs. They have had immense difficulty with math at the college level. Tivy staff did not prepare them adequately. I am dissatisfied with the program. A third child is now at Tivy and the same situation is resulting. Perhaps higher pay would entice more qualified math/science teachers to the district.
- KISD is a wonderful district to work in and educate children. The professionals that I come in contact with on a daily basis have the success of children first and foremost in their minds. The ethics and high values are carried out in their actions. The idea or concept

that we, as a district, can accomplish excellence in education is approached through teamwork.

- Insurance benefits are poor and costly. Salaries are \$5-10,000 per year below our neighboring big city. Athletic programs are frequently funded before and better than academic programs. My greatest issue of concern is a state/national issue. Schools are not offering effective career/tech. Programs that truly cater to those students with no college plans. High school graduates should leave with a trade/skill or college preparedness.
- I am a parent as well as work for KISD. I feel that our school board only represents certain socio economic people in this district. I feel that our administration has forgotten what it is like to actually be in a classroom and teach. The pressures being put on teachers to teach and pass TAAS is horrible and should be re-thought as to what is best for our children. The pay for personnel in this district is a laugh. So is having to purchase insurance through this district. If I wanted to have the best possible for my family, I would owe the district money every month. There is something wrong with that picture!!
- In my opinion, the school board misrepresented the bond issue. A bond passed to build a new high school and elementary school. The taxpayers were deceived about the overcrowding. There is plenty of space on the property at the current high school to build additional classrooms. The bond passed the second time it was brought to election by a small margin. A poor site location was chosen for the high school. It is near the "city dump." Thousands of dollars were spent to replace the dirt for a suitable foundation. Then an extra expense to replace siding that had "mold." When the new high school is completed, the middle school students will be moved into the old high school buildings. It is on a major street and safety is a great concern. Several buildings on that campus will not be used by middle school students: Auto Mechanics, Horticulture, Welding shop and Child Development/Daycare center. The building that was built in 1982 for approximately 800 middle school students will be used for approximately 325 sixth graders. A huge waste of space. The district has spent millions of taxpayers' dollars and still does not have an auditorium for special events and band or choir concerts. Poor management of funds!
- Seems to be a lack of discipline from sixth grade and up. High school teachers are out of classrooms attending seminars etc. leaving subs and teacher aides in charge. Teacher aides are not paid enough for the level of responsibility. Not enough attention is given to the 652 students that are not college bound. Need more vocational training. Too much depends on computers and not enough basics taught. Education system too afraid of ACLU. Not enough local control.

- I feel Kerrville has exceptional teachers and schools. I think our district strives to have quality education and learning opportunities for every student. We have one of the best Career & Technology departments in the state. Which I feel is very important, because every student is not going to college, and it gives students the opportunity to learn a trade in order to make a living. We have Auto Mechanics, Building Trades, Culinary, Health Occupations, Child Development, Cosmetology and Industrial Technology just to name a few. Many of these programs also include work programs, on job training or shadowing programs. We also have one of the best Media Technology programs, with our own TV channel. The only area that needs improvement is employee health insurance. Our premiums are too high for the coverage we receive.
- Students are consistently placed into a special ed. program if they perform below their grade level. This is done in order to boost the overall rating of the school when testing is done. Also, students are placed in an "academic mastery" program when they fail a subject. This A.M. program allows the student to spend six weeks or more playing on a computer so he/she can "pass" the course. Middle school students arrive unable to read above a third grade level and are unable to do multiplication tables and then they go on to high school with these same lack of skills. Students in the alternative program go to school from 4:30 pm - 9:30 pm. These students are unsupervised during the day. Many of these students have felony records and/or drug and alcohol abuse problems and some should have been expelled and sent to juvenile detention. They should not be home alone during the day. Also, these kids need counseling and none is provided. Despite declining student population numbers and public opinion, KISD is building a new high school and an additional elementary school. The high school will be adjacent to the city landfill! These expensive and unnecessary projects come at the expense of teachers' salaries and taxpayers.

Appendix D

PRINCIPAL AND ASSISTANT PRINCIPAL SURVEY RESULTS

(n=13)

Demographic Data

Note: Totals may not add to 100 percent due to rounding.

1. Gender (Optional)	Male	Female	No Response			
	76.9%	23.1%	0.0%			
2. Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	
	100%	0.0%	0.0%	0.0%	0.0%	
3. How long have you been employed by Kerrville ISD?						
	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	No Response
	7.7%	30.8%	15.4%	15.4%	30.7%	0.0%
4. What grades are taught in your school?						
	Pre-K to 4th	5th and 6th	7th and 8th	9th to 12th		
	42.8%	14.3%	21.5%	21.4%		

A. District Organization and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school board allows sufficient time for public input at meetings.	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%
2.	School board members listen to the opinions and desires of others.	15.4%	84.6%	0.0%	0.0%	0.0%	0.0%
3.	School board members	30.8%	61.5%	0.0%	7.7%	0.0%	0.0%

	understand their role as policymakers and stay out of the day-to-day management of the district.						
4.	The superintendent is a respected and effective instructional leader.	61.5%	38.5%	0.0%	0.0%	0.0%	0.0%
5.	The superintendent is a respected and effective business manager.	30.8%	61.5%	0.0%	7.7%	0.0%	0.0%
6.	Central administration is efficient.	30.8%	53.8%	0.0%	15.4%	0.0%	0.0%
7.	Central administration supports the educational process.	53.8%	46.2%	0.0%	0.0%	0.0%	0.0%
8.	The morale of central administration staff is good.	30.8%	38.5%	30.8%	0.0%	0.0%	0.0%

B. Educational Service Delivery and Performance Measurement

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
9.	Education is the main priority in our school district.	69.2%	30.8%	0.0%	0.0%	0.0%	0.0%
10.	Teachers are	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%

	given an opportunity to suggest programs and materials that they believe are most effective.						
11.	The needs of the college-bound student are being met.	38.5%	53.8%	7.7%	0.0%	0.0%	0.0%
12.	The needs of the work-bound student are being met.	7.7%	30.8%	38.5%	15.4%	7.7%	0.0%
13.	The district provides curriculum guides for all grades and subjects.	53.8%	38.5%	7.7%	0.0%	0.0%	0.0%
14.	The curriculum guides are appropriately aligned and coordinated.	69.2%	23.1%	7.7%	0.0%	0.0%	0.0%
15.	The district's curriculum guides clearly outline what to teach and how to teach it.	30.8%	61.5%	7.7%	0.0%	0.0%	0.0%
16.	The district has effective educational programs for the following:						
	a) Reading	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
	b) Writing	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%

	c) Mathematics	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
	d) Science	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
	e) English or Language Arts	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
	f) Computer Instruction	0.0%	76.9%	7.7%	7.7%	0.0%	7.7%
	g) Social Studies (history or geography)	15.4%	76.9%	7.7%	0.0%	0.0%	0.0%
	h) Fine Arts	15.4%	84.6%	0.0%	0.0%	0.0%	0.0%
	i) Physical Education	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%
	j) Business Education	0.0%	53.8%	46.2%	0.0%	0.0%	0.0%
	k) Vocational (Career and Technology) Education	0.0%	53.8%	38.5%	7.7%	0.0%	0.0%
	l) Foreign Language	0.0%	76.9%	23.1%	0.0%	0.0%	0.0%
17.	The district has effective special programs for the following:						
	a) Library Service	7.7%	69.2%	23.1%	0.0%	0.0%	0.0%
	b) Honors/Gifted and Talented Education	7.7%	61.5%	0.0%	23.1%	0.0%	7.7%
	c) Special Education	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%
	d) Head Start and Even Start programs	61.5%	23.1%	15.4%	0.0%	0.0%	0.0%

	e) Dyslexia program	0.0%	84.6%	7.7%	7.7%	0.0%	0.0%
	f) Student mentoring program	15.4%	84.6%	0.0%	0.0%	0.0%	0.0%
	g) Advanced placement program	23.1%	61.5%	15.4%	0.0%	0.0%	0.0%
	h) Literacy program	7.7%	53.8%	30.8%	0.0%	0.0%	7.7%
	i) Programs for students at risk of dropping out of school	7.7%	53.8%	23.1%	15.4%	0.0%	0.0%
	j) Summer school programs	15.4%	53.8%	7.7%	23.1%	0.0%	0.0%
	k) Alternative education programs	15.4%	69.2%	7.7%	7.7%	0.0%	0.0%
	l) "English as a second language" program	15.4%	84.6%	0.0%	0.0%	0.0%	0.0%
	m) Career counseling program	7.7%	38.5%	53.8%	0.0%	0.0%	0.0%
	n) College counseling program	0.0%	53.8%	38.5%	7.7%	0.0%	0.0%
	o) Counseling the parents of students	0.0%	46.2%	38.5%	15.4%	0.0%	0.0%
	p) Drop out prevention program	0.0%	61.5%	30.8%	7.7%	0.0%	0.0%
18.	Parents are immediately	23.1%	23.1%	15.4%	30.8%	7.7%	0.0%

	notified if a child is absent from school.						
19.	Teacher turnover is low.	7.7%	53.8%	23.1%	15.4%	0.0%	0.0%
20.	Highly qualified teachers fill job openings.	7.7%	69.2%	7.7%	15.4%	0.0%	0.0%
21.	Teachers are rewarded for superior performance.	0.0%	38.5%	0.0%	61.5%	0.0%	0.0%
22.	Teachers are counseled about less than satisfactory performance.	7.7%	69.2%	0.0%	23.1%	0.0%	0.0%
23.	All schools have equal access to educational materials such as computers, television monitors, science labs, and art classes.	15.4%	76.9%	0.0%	7.7%	0.0%	0.0%
24.	Students have access, when needed, to a school nurse.	69.2%	30.8%	0.0%	0.0%	0.0%	0.0%
25.	Classrooms are seldom left unattended.	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%

C. Personnel Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
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26.	District salaries are competitive with similar positions in the job market.	0.0%	38.5%	0.0%	61.5%	0.0%	0.0%
27.	The district has a good and timely program for orienting new employees.	30.8%	61.5%	0.0%	7.7%	0.0%	0.0%
28.	Temporary workers are rarely used.	7.7%	69.2%	7.7%	15.4%	0.0%	0.0%
29.	The district successfully projects future staffing needs.	0.0%	84.6%	0.0%	15.4%	0.0%	0.0%
30.	The district has an effective employee recruitment program.	0.0%	23.1%	23.1%	46.2%	0.0%	7.7%
31.	The district operates an effective staff development program.	23.1%	69.2%	7.7%	0.0%	0.0%	0.0%
32.	District employees receive annual personnel evaluations.	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
33.	The district rewards competence and experience and spells out qualifications such as	0.0%	46.2%	7.7%	46.2%	0.0%	0.0%

	seniority and skill levels needed for promotion.						
34.	Employees who perform below the standard of expectation are counseled appropriately and timely.	7.7%	61.5%	7.7%	23.1%	0.0%	0.0%
35.	The district has a fair and timely grievance process.	7.7%	76.9%	15.4%	0.0%	0.0%	0.0%
36.	The district's health insurance package meets my needs.	0.0%	23.1%	0.0%	69.2%	7.7%	0.0%

D. Community Involvement

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
37. The district regularly communicates with parents.	30.8%	61.5%	7.7%	0.0%	0.0%	0.0%
38. Schools have plenty of volunteers to help student and school programs.	15.4%	69.2%	7.7%	7.7%	0.0%	0.0%
39. District facilities are open for community use.	38.5%	53.8%	7.7%	0.0%	0.0%	0.0%

E. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
40.	Parents, citizens, students, faculty, staff, and the board provide input into facility planning.	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%
41.	Schools are clean.	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%
42.	Buildings are properly maintained in a timely manner.	15.4%	76.9%	0.0%	7.7%	0.0%	0.0%
43.	Repairs are made in a timely manner.	7.7%	69.2%	0.0%	23.1%	0.0%	0.0%
44.	Emergency maintenance is handled promptly.	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%

F. Financial Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
45.	Site-based budgeting is used effectively to extend the involvement of principals and teachers.	15.4%	69.2%	7.7%	7.7%	0.0%	0.0%
46.	Camrus	15.4%	61.5%	15.4%	7.7%	0.0%	0.0%

	administrators are well trained in fiscal management techniques.						
47.	Financial resources are allocated fairly and equitably at my school.	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%

G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
48.	Purchasing gets me what I need when I need it.	23.1%	23.1%	23.1%	15.4%	7.7%	7.7%
49.	Purchasing acquires high quality materials and equipment at the lowest cost.	23.1%	30.8%	38.5%	7.7%	0.0%	0.0%
50.	Purchasing processes are not cumbersome for the requestor.	7.7%	23.1%	15.4%	46.2%	7.7%	0.0%
51.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	0.0%	38.5%	38.5%	15.4%	0.0%	7.7%
52.	Students are	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%

	issued textbooks in a timely manner.						
53.	Textbooks are in good shape.	15.4%	84.6%	0.0%	0.0%	0.0%	0.0%
54.	The school library meets students needs for books and other resources.	38.5%	53.8%	0.0%	7.7%	0.0%	0.0%

H. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
55.	The cafeteria's food looks and tastes good.	15.4%	61.5%	7.7%	15.4%	0.0%	0.0%
56.	Food is served warm.	23.1%	61.5%	7.7%	7.7%	0.0%	0.0%
57.	Students have enough time to eat.	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
58.	Students eat lunch at the appropriate time of day.	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%
59.	Students wait in food lines no longer than 10 minutes	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%
60.	Discipline and order are maintained in the school cafeteria.	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%

61.	Cafeteria staff is helpful and friendly.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
62.	Cafeteria facilities are sanitary and neat.	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%

I. Transportation

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
63.	The drop-off zone at the school is safe.	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%
64.	The district has a simple method to request buses for special events.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
65.	Buses arrive and leave on time.	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%
66.	Adding or modifying a route for a student is easy to accomplish.	23.1%	38.5%	38.5%	0.0%	0.0%	0.0%

J. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
67.	Students feel safe and secure at school.	46.2%	53.8%	0.0%	0.0%	0.0%	0.0%
68.	School	30.8%	69.2%	0.0%	0.0%	0.0%	0.0%

	disturbances are infrequent.						
69.	Gangs are not a problem in this district.	53.8%	46.2%	0.0%	0.0%	0.0%	0.0%
70.	Drugs are not a problem in this district.	7.7%	15.4%	23.1%	53.8%	0.0%	0.0%
71.	Vandalism is not a problem in this district.	7.7%	69.2%	0.0%	23.1%	0.0%	0.0%
72.	Security personnel have a good working relationship with principals and teachers.	0.0%	38.5%	61.5%	0.0%	0.0%	0.0%
73.	Security personnel are respected and liked by the students they serve.	0.0%	30.8%	61.5%	0.0%	0.0%	7.7%
74.	A good working arrangement exists between the local law enforcement and the district.	46.2%	46.2%	0.0%	7.7%	0.0%	0.0%
75.	Students receive fair and equitable discipline for misconduct.	38.5%	61.5%	0.0%	0.0%	0.0%	0.0%
76.	Safety hazards do not exist on school	15.4%	76.9%	7.7%	0.0%	0.0%	0.0%

grounds.						
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K. Computers and Technology

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
77.	Students regularly use computers.	23.1%	69.2%	0.0%	7.7%	0.0%	0.0%
78.	Students have regular access to computer equipment and software in the classroom.	7.7%	69.2%	0.0%	23.1%	0.0%	0.0%
79.	Computers are new enough to be useful for student instruction.	23.1%	76.9%	0.0%	0.0%	0.0%	0.0%
80.	The district meets student needs in computer fundamentals.	7.7%	76.9%	0.0%	15.4%	0.0%	0.0%
81.	The district meets student needs in advanced computer skills.	7.7%	30.8%	38.5%	15.4%	7.7%	0.0%
82.	Teachers know how to use computers in the classroom.	0.0%	61.5%	7.7%	30.8%	0.0%	0.0%
83.	Teachers and students have easy access to the Internet.	0.0%	76.9%	0.0%	23.1%	0.0%	0.0%

Appendix D

PRINCIPAL AND ASSISTANT PRINCIPAL SURVEY RESULTS

NARRATIVE COMMENTS

The following comments below reflect the perceptions and opinions of principal and assistant principal survey respondents and do not reflect the findings or opinion of the Texas Comptroller of Public Accounts or the review team.

- Despite recent financial cutbacks, I strongly feel we continue to provide an excellent education for the youth of Kerrville. We have a solid, aligned curriculum that is vertically implemented throughout the district. Our staff work cooperatively and diligently to implement this curriculum.

The 2000-01 school year was a bonus year for Tivy High School (THS). It was the first year THS was honored by TEA as a Recognized school. The October issue of Texas Monthly magazine also credited THS as one of the top ten schools in Texas. I was impressed with how well our Hispanic TAAS scores improved!

Appendix E

TEACHER SURVEY RESULTS

(n=153)

Demographic Data

Note: Totals may not add to 100 percent due to rounding.

1. Gender (Optional)	Male	Female	No Response			
	22.2%	72.5%	5.2%			
2. Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No response
	86.9%	1.3%	3.9%	0.0%	0.7%	7.2%
3. How long have you been employed by Kerrville ISD?	No Response					
	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	
	0.0%	39.2%	22.9%	17.0%	8.5%	12.4%
4. What grade(s) do you teach this year?	Pre-Kindergarten	Kindergarten	First	Second	Third	
	3.9%	9.2%	10.5%	8.5%	8.5%	
	Fourth	Fifth	Sixth	Seventh	Eighth	
	11.8%	7.8%	8.5%	15.7%	15.7%	
	Ninth	Tenth	Eleventh	Twelfth		
	26.8%	28.8%	29.4%	25.5%		

A. District Organization and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The school board allows sufficient time for public input at meetings.	3.3%	45.8%	35.9%	9.8%	2.6%	2.6%
2.	School board members listen to the opinions	3.3%	42.5%	21.6%	23.5%	7.8%	1.3%

	and desires of others.						
3.	School board members work well with the superintendent.	5.2%	49.7%	36.6%	5.9%	0.7%	2.0%
4.	The school board has a good image in the community.	3.3%	34.0%	21.6%	32.7%	5.9%	2.6%
5.	The superintendent is a respected and effective instructional leader.	5.2%	26.1%	16.3%	35.3%	14.4%	2.6%
6.	The superintendent is a respected and effective business manager.	3.3%	22.2%	16.3%	39.2%	15.7%	3.3%
7.	Central administration is efficient.	3.9%	24.2%	13.1%	39.2%	15.0%	4.6%
8.	Central administration supports the educational process.	4.6%	45.8%	13.1%	26.1%	6.5%	3.9%
9.	The morale of central administration staff is good.	3.9%	24.2%	56.2%	11.1%	2.0%	2.6%

B. Educational Service Delivery and Performance Measurement

	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
10.	Education is the main	18.3%	51.6%	2.6%	20.9%	3.9%	2.6%

	priority in our school district.						
11.	Teachers are given an opportunity to suggest programs and materials that they believe are most effective.	9.2%	57.5%	7.8%	20.9%	3.3%	1.3%
12.	The needs of the college-bound student are being met.	9.8%	54.9%	17.0%	14.4%	2.0%	2.0%
13.	The needs of the work-bound student are being met.	3.3%	36.2%	20.4%	25.7%	13.2%	1.3%
14.	The district provides curriculum guides for all grades and subjects.	14.4%	54.2%	11.1%	15.0%	2.6%	2.6%
15.	The curriculum guides are appropriately aligned and coordinated.	21.6%	48.4%	10.5%	15.0%	2.0%	2.6%
16.	The district's curriculum guides clearly outline what to teach and how to teach it.	11.8%	46.4%	18.3%	17.0%	3.9%	2.6%
17.	The district has effective educational programs for the following:						

	a) Reading	19.0%	58.8%	10.5%	9.8%	0.0%	2.0%
	b) Writing	17.6%	53.6%	11.8%	14.4%	0.7%	2.0%
	c) Mathematics	21.1%	53.9%	9.2%	11.2%	2.6%	2.0%
	d) Science	12.4%	52.9%	19.0%	10.5%	2.6%	2.6%
	e) English or Language Arts	15.0%	67.3%	9.8%	5.9%	0.0%	2.0%
	f) Computer Instruction	10.5%	47.7%	15.0%	20.9%	5.2%	0.7%
	g) Social Studies (history or geography)	10.5%	51.6%	21.6%	15.0%	1.3%	0.0%
	h) Fine Arts	13.7%	50.3%	13.7%	19.0%	1.3%	2.0%
	i) Physical Education	14.4%	57.5%	13.7%	11.8%	2.0%	0.7%
	j) Business Education	7.2%	40.5%	38.6%	9.8%	1.3%	2.6%
	k) Vocational (Career and Technology) Education	6.5%	30.1%	39.2%	18.3%	4.6%	1.3%
	l) Foreign Language	6.5%	41.8%	34.0%	13.1%	1.3%	3.3%
18.	The district has effective special programs for the following:						
	a) Library Service	7.2%	47.7%	23.5%	17.0%	3.9%	0.7%
	b) Honors/Gifted and Talented Education	7.2%	43.4%	11.8%	27.0%	10.5%	0.0%
	c) Special Education	17.0%	59.5%	9.2%	11.1%	2.0%	1.3%

d) Head Start and Even Start programs	15.7%	53.6%	26.8%	1.3%	2.0%	0.7%
e) Dyslexia program	3.3%	34.6%	28.1%	25.5%	7.2%	1.3%
f) Student mentoring program	10.5%	62.7%	14.4%	9.8%	1.3%	1.3%
g) Advanced placement program	7.2%	54.9%	30.1%	6.5%	1.3%	0.0%
h) Literacy program	5.9%	47.1%	35.3%	10.5%	0.7%	0.7%
i) Programs for students at risk of dropping out of school	3.9%	37.9%	22.9%	25.5%	8.5%	1.3%
j) Summer school programs	2.0%	30.7%	28.8%	26.1%	11.1%	1.3%
k) Alternative education programs	2.6%	36.6%	26.8%	19.6%	13.7%	0.7%
l) "English as a Second Language" program	3.3%	46.4%	31.4%	15.0%	2.6%	1.3%
m) Career counseling program	2.0%	26.8%	43.1%	22.9%	3.9%	1.3%
n) College counseling program	2.6%	30.7%	41.8%	20.9%	2.6%	1.3%
o) Counseling the parents of students	1.3%	25.5%	33.3%	32.7%	5.9%	1.3%
p) Drop out prevention program	2.0%	24.8%	43.1%	22.9%	5.9%	1.3%

19.	Parents are immediately notified if a child is absent from school.	5.2%	49.7%	16.3%	21.6%	6.5%	0.7%
20.	Teacher turnover is low.	1.3%	29.4%	17.0%	39.9%	11.1%	1.3%
21.	Highly qualified teachers fill job openings.	3.9%	37.9%	10.5%	39.9%	5.9%	2.0%
22.	Teacher openings are filled quickly.	2.6%	48.4%	16.3%	26.1%	3.9%	2.6%
23.	Teachers are rewarded for superior performance.	1.3%	8.5%	8.5%	47.7%	32.7%	1.3%
24.	Teachers are counseled about less-than-satisfactory performance.	2.0%	45.8%	30.7%	16.3%	2.6%	2.6%
25.	Teachers are knowledgeable in the subject areas they teach.	9.2%	68.0%	8.5%	10.5%	1.3%	2.6%
26.	All schools have equal access to educational materials such as computers, television monitors, science labs and art classes.	2.0%	42.5%	14.4%	26.1%	13.7%	1.3%
27.	The students-	4.6%	57.5%	5.9%	24.2%	6.5%	1.3%

	to-teacher ratio is reasonable.						
28.	Classrooms are seldom left unattended.	17.0%	68.0%	5.2%	5.9%	2.0%	2.0%

C. Personnel Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
29.	District salaries are competitive with similar positions in the job market.	0.7%	8.5%	1.3%	47.7%	40.5%	1.3%
30.	The district has a good and timely program for orienting new employees.	6.5%	60.1%	9.8%	17.6%	3.3%	2.6%
31.	Temporary workers are rarely used.	2.0%	35.9%	24.8%	28.1%	6.5%	2.6%
32.	The district successfully projects future staffing needs.	1.3%	24.8%	25.5%	37.9%	7.8%	2.6%
33.	The district has an effective employee recruitment program.	0.7%	13.7%	33.3%	34.0%	15.7%	2.6%
34.	The district operates an effective staff development program.	4.6%	49.7%	7.2%	28.8%	7.2%	2.6%
35.	District	26.1%	69.3%	2.0%	0.7%	0.0%	2.0%

	employees receive annual personnel evaluations.						
36.	The district rewards competence and experience and spells out qualifications such as seniority and skill levels needed for promotion.	0.7%	13.1%	16.3%	44.4%	24.2%	1.3%
37.	Employees who perform below the standard of expectation are counseled appropriately and timely.	2.0%	28.8%	42.5%	22.2%	3.3%	1.3%
38.	The district has a fair and timely grievance process.	1.3%	34.6%	50.3%	11.1%	1.3%	1.3%
39.	The district's health insurance package meets my needs.	0.7%	7.8%	3.3%	32.7%	54.9%	0.7%

D. Community Involvement

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
40. The district regularly communicates with parents.	6.5%	63.4%	9.8%	17.0%	2.6%	0.7%

41.	The local television and radio stations regularly report school news and menus.	16.3%	60.8%	15.0%	7.2%	0.0%	0.7%
42.	Schools have plenty of volunteers to help student and school programs.	3.3%	50.3%	13.7%	29.4%	2.0%	1.3%
43.	District facilities are open for community use.	7.8%	66.0%	18.3%	5.2%	1.3%	1.3%

E. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
44.	The district plans facilities far enough in the future to support enrollment growth.	4.6%	46.4%	14.4%	26.8%	5.9%	2.0%
45.	Parents, citizens, students, faculty, staff and the board provide input into facility planning.	7.8%	54.2%	12.4%	17.0%	5.2%	3.3%
46.	The architect and construction managers are	3.3%	27.6%	50.7%	12.5%	4.6%	1.3%

	selected objectively and impersonally.						
47.	The quality of new construction is excellent.	2.0%	22.2%	41.2%	26.8%	3.9%	3.9%
48.	Schools are clean.	4.6%	44.4%	3.3%	35.3%	10.5%	2.0%
49.	Buildings are properly maintained in a timely manner.	3.9%	29.4%	8.5%	41.2%	16.3%	0.7%
50.	Repairs are made in a timely manner.	2.0%	28.1%	8.5%	43.8%	16.3%	1.3%
51.	Emergency maintenance is handled promptly.	3.3%	48.4%	14.4%	22.2%	10.5%	1.3%

F. Financial Management

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
52. Site-based budgeting is used effectively to extend the involvement of principals and teachers.	2.0%	37.3%	25.5%	25.5%	8.5%	1.3%
53. Campus administrators are well-trained in fiscal	4.6%	42.5%	37.9%	8.5%	5.2%	1.3%

	management techniques.						
54.	Financial reports are allocated fairly and equitably at my school.	7.2%	43.1%	19.0%	19.6%	10.5%	0.7%

G. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
55.	Purchasing gets me what I need when I need it.	2.0%	34.6%	14.4%	35.3%	12.4%	1.3%
56.	Purchasing acquires the highest quality materials and equipment at the lowest cost.	2.6%	29.4%	35.9%	26.1%	4.6%	1.3%
57.	Purchasing processes are not cumbersome for the requestor.	2.0%	24.2%	19.0%	39.2%	14.4%	1.3%
58.	Vendors are selected competitively.	3.3%	39.2%	44.4%	7.8%	3.3%	2.0%
59.	The district provides teachers and administrators an easy-to-use standard list of supplies and equipment.	1.3%	34.6%	15.7%	34.0%	12.4%	2.0%
60.	Students are	9.2%	65.4%	12.4%	7.2%	4.6%	1.3%

	issued textbooks in a timely manner.						
61.	Textbooks are in good shape.	7.8%	61.4%	13.7%	15.0%	1.3%	0.7%
62.	The school library meets students' needs for books and other resources.	11.8%	55.6%	7.2%	14.4%	9.8%	1.3%

H. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
63.	The cafeteria's food looks and tastes good.	3.9%	40.5%	23.5%	21.6%	9.2%	1.3%
64.	Food is served warm.	6.5%	64.1%	19.0%	7.2%	2.0%	1.3%
65.	Students eat lunch at the appropriate time of day.	9.2%	75.2%	7.2%	5.9%	1.3%	1.3%
66.	Students wait in food lines no longer than 10 minutes	9.2%	65.8%	15.8%	6.6%	1.3%	1.3%
67.	Discipline and order are maintained in the school cafeteria.	9.8%	65.4%	12.4%	9.2%	2.0%	1.3%
68.	Cafeteria staff is helpful and friendly.	14.4%	61.4%	11.8%	9.8%	1.3%	1.3%

69.	Cafeteria facilities are sanitary and neat.	14.4%	71.2%	9.8%	2.6%	0.7%	1.3%
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I. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
70.	School disturbances are infrequent.	5.2%	59.5%	5.9%	22.9%	4.6%	2.0%
71.	Gangs are not a problem in this district.	4.6%	44.1%	20.4%	26.3%	3.9%	0.7%
72.	Drugs are not a problem in this district.	0.7%	12.4%	18.3%	47.7%	20.3%	0.7%
73.	Vandalism is not a problem in this district.	1.3%	33.3%	18.3%	37.3%	9.8%	0.0%
74.	Security personnel have a good working relationship with principals and teachers.	4.6%	43.8%	40.5%	7.8%	2.0%	1.3%
75.	Security personnel are respected and liked by the students they serve.	3.3%	41.2%	46.4%	7.2%	0.7%	1.3%
76.	A good working arrangement exists between the local law enforcement	9.2%	67.3%	15.7%	4.6%	3.3%	0.0%

	and the district.						
77.	Students receive fair and equitable discipline for misconduct.	5.9%	47.1%	6.5%	27.5%	12.4%	0.7%
78.	Safety hazards do not exist on school grounds.	3.3%	48.4%	15.7%	28.8%	2.6%	1.3%

J. Computers and Technology

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
79.	Students regularly use computers.	11.1%	55.6%	5.2%	24.2%	3.3%	0.7%
80.	Students have regular access to computer equipment and software in the classroom.	7.2%	38.6%	7.2%	36.6%	9.8%	0.7%
81.	Teachers know how to use computers in the classroom.	3.3%	69.3%	9.2%	15.0%	1.3%	2.0%
82.	Computers are new enough to be useful for student instruction.	5.2%	64.7%	5.2%	17.6%	6.5%	0.7%
83.	The district meets students' needs in classes in computer fundamentals.	6.5%	56.9%	9.2%	20.3%	5.9%	1.3%

84.	The district meets students' needs in classes in advanced computer skills.	2.6%	39.5%	26.3%	19.7%	11.2%	0.7%
85.	Teachers and students have easy access to the Internet.	8.5%	63.4%	2.0%	20.9%	4.6%	0.7%

Appendix E

TEACHER SURVEY RESULTS

NARRATIVE COMMENTS

The following comments below reflect the perceptions and opinions of teacher survey respondents and do not reflect the findings or opinion of the Texas Comptroller of Public Accounts or the review team.

- Great Place. Superintendent came in to a financially strapped district and has had to make some tough decisions. This has made him unpopular. He has also made some decisions not supported by facts or recommendations, but based on school board opinion.
- We need to change our Alternative school. It currently runs from 4:30-8:30 pm and only encourages work on core subjects. Electives are not addressed.
- Social Studies starting 2002-03 will be taught sparingly in the elementary schools. Library is staffed with aides, not a certified librarian. Gifted programs are weak in the elementary schools. Dyslexia programs are nonexistent. We have computers but few software programs. Teachers are not encouraged to pursue higher-level education degrees. Salary is topped out at 25 years. My school is the oldest in the district and they have known for a few years it will be closing. Consequently, maintenance is spotty at best.
- District asks opinions from teachers on new buildings but doesn't listen. To address dropout rate, Kerrville needs a stronger vocational program. Hands on not computers but building, electricity, woodworking etc.
- I don't feel that this district shows enough interest in keeping long-time/valuable teachers "happy." A "ruler" with a letter from the superintendent is not a show of appreciation. Too many instances remind teachers that they are not important. Our teachers are not just babysitters. There should be every effort to put teachers in the light as shaping the future student development.
- I have worked in several districts in Texas and, overall, Kerrville ISD is outstanding. Financial concerns are always an issue. Insurance issues are historically a problem, thus strides on the state plan are encouraging. Thanks for the opportunity to report on the positives and negatives of our school district.
- Our media tech program is outstanding and should have more fiscal support.
- Master degrees attained are not recognized with pay incentives.

- It is not my intent to be negative about this district. There is no financial help to teachers in strategic areas - math, bilingual, science, AP and Pre-AP etc.
- Kerrville meets the needs of all students. The gifted are challenged and all other students receive advanced instruction to meet their needs and reach their potential.
- Most teachers and administrators in Kerrville ISD are dedicated to meeting the educational needs of our community. All do the best we can to perform within the financial constraints that are put on the district. With increased time taken for testing and for preparing for the state mandated tests, teachers are struggling to balance the demands of the test, the variety of needs of the students and our own sanity. There is more to learning than taking/passing a test.
- Kerrville staff does a good job with the equipment they have. The staff works hard and does a good job preparing kids for the future.
- The salaries in the district are not competitive with other schools. They are a lot lower. If you want to get good, qualified teachers, keep younger teacher and keep the turnover rate down, you better increase the pay.
- As a high school teacher, I am extremely tired of trying to bring students up to the level of where they should already be when they start my classes. Their skills are extremely weak, therefore grade level materials is very difficult for them to master. I feel I am always doing the work that other teachers should have done previously. I wish our district could ensure that each teacher's grading and teaching methods matched the high expectations of the few teachers who do ensure that students are mastering grade level material.
- Increasing numbers of weaker students are entering our school systems. These students' weaknesses stem from lack of parental responsibility in rearing their children. Until parents are made accountable, teachers face an insurmountable obstacle in education. This, accompanied with intense pressure to teach "Exemplary TAAS performance" is causing the entire educational process to weaken instead of strengthen.
- KISD has bad choices for a healthy breakfast. Every breakfast I have seen is full of sugar. I have taught in other districts and found that they have better morale. Also, employees never get a straight answer. Last year, sick days as well as pay was cut for some employees and teachers received a raise of only \$100 from the previous year. If there was another district closer, I feel people would leave.
- KISD is behind the times in the following areas: technology, teacher benefits, and department funding.

- As a kindergarten teacher, Saxon math and phonics are important, but time during the day does not allow us to do hands on activities along with Saxon.
- I feel that the elementary schools do an excellent job educating students. There are problems at the high school with block scheduling. The material is not being covered because teachers do not use the entire class time for teaching. They give assignments and students do their homework during instructional time. Material is being skipped. My daughter was national merit finalist in 2001. I withdrew her from Tivy High School in 1999 and sent her to St. Mary's Hall in San Antonio where she boarded for her junior and senior years. There was a significant difference in instruction and student expectations. I had to take a second job to help pay for her schooling.
- Attendance accountability is a bigger problem this year. Students are not being held accountable like they had been last year. Our ability as teachers to maintain discipline is hampered by administrators being too easy on misbehavior. Lunch detentions were more effective than morning and afternoon detentions now being used.
- Teacher input is not listened to at the superintendent level but directives are mandated from his as authoritative. Low teacher morale and oppression exist.
- It is difficult to rate group of people with "agree or disagree." There are some who are effective and some aren't. Within different disciplines, some teach well; others don't. The primary concern I have is money. We are not able to be competitive with other districts and lose many effective teachers who can go to other districts. A large group of our most effective teachers are people who have spouses who work in the community and don't ever expect to move are reaching retirement. We are aggressively trying to develop curriculum guides and alignment, especially in Language Arts/Math. But, that takes time and extra work. Our demographics do not provide a tax structure that functions well because of our large number of retirement taxpayers, few businesses and by younger, not as well, compensated taxpayers.
- We need to shed ourselves of the belief that all students should go to college. Not all students will go to college. Let us catch those and train them to do something functional for society instead of putting them through courses that get in their way of doing something successful.
- The pay is horrible! We are professionals - so why aren't we paid like we are?
- Because of budget cuts, my department's budget has been cut 30 percent, but central office personnel have received raises regularly. Allocation of school funds bother me in that respect. I wish our

library was open an hour before and after school. Students who do not have a computer at home would benefit from that. Now our library is open on 15 minutes before and after school.

- I am concerned about money being spent in KISD - an outside financial audit is needed. Our insurance program is terrible.
- Do leaders realize that what improves students and schools more than anything else is good parenting at home? I love teaching and the challenge and privilege of working with young people, however, I have come to realize that kids without good parenting come to school with problems that we cannot quickly fix if ever. As government leaders and politicians, please have the courage to address parents about their responsibilities.
- Insurance rates are awful. Central office is not user friendly and mood is extremely negative. Need to compensate teachers and staff for unused sick days.
- I believe that most of the teachers in this district do a fantastic job with very limited resources. I believe that the TAAS test is emphasized too much. I want my children to be well educated - not just good "test takers."
- Focus on the students' needs of Reading/Math skills and behavior toward teachers and staff. Reward teachers and aides for their great help toward students.
- Lack of environmental management on our campus costs more than necessary - heaters and AC units are operated constantly with doors and windows open. Most classes are too large for educational effectiveness. We have worked within three different class schedules in eight years: the "old fashioned" 7-period day, the accelerated block and now the A-B block.
- I think there is a lot of wasted time at the high school level. Block scheduling allows teachers to work four hours a day as the rest of us work our full eight for the same price.
- I don't feel they are preparing our kids for college. Many alumni are struggling so hard in college and feel unprepared.
- Lack of consistent discipline and presence of drug problems are the concerns I have. Students in the lower levels do not respect the teachers as they should. Parents of those children do not care about their welfare.
- With the resources that are available, Tivy High School has an outstanding record, being rated one of the top ten in the state.
- One of the biggest drawbacks to employability prospects is insurance. Salaries are good, but insurance costs eat up my paycheck.
- Staffing issues are a major concern and money issues are prevalent.
- Salary funding and health benefits are inefficient and below standards. There is very little support of teachers by the

administration. Discipline is a major problem that is a big concern on a daily basis. Parents call all the shots when their kids want to get out of work, responsibility and accepting consequences. Administrators buckle to the parents and as a teacher you never know whether administrative support will back you up. There is very little appreciation or notice of teacher effort, success or creativity. Morale is a problem.

- We have a new elementary school nearly completed that we don't need. Teachers strongly objected to fifth graders going back to K-4 school, but the superintendent and two board members wanted it. We will now have a building vacant. The high school could have been refurbished at a lot cheaper price. We just get a program started and are having success and then a new one is introduced with maybe the same success. We are ready to settle down and teach and not be reinventing the wheel constantly.
- KISD is wonderful school district that maintains a high level of quality and expectations for all students. Teacher pay and insurance are not satisfactory. Our superintendent is fair, honest, forthright and honorable.
- We need to address the growing need of students who cannot or choose not to learn (and have not for years and are passed on) and do not have supportive parents. We need vocation back at junior high level. We need to prepare these students for life and 100 percent of it will not come out of the classroom.
- The district is extremely effective in achieving educational goals in the elementary schools. I question the need for some of the new facilities and worry if the district can afford to staff and care for them.
- Funds are inadequate, salaries are inadequate, and health insurance is horrible. Administration does not adequately support teachers. TAAS concerns override all other concern in the district.
- Too many assignments and duties "above and beyond the call" are required. Insufficient grade-level or department chair compensation in time or money. District has education as the major priority but not always what is in the best interest of the student.
- Too much pressure on the TAAS results. Not enough money or benefits for teachers!
- Too much emphasis is placed on grades, not learning. There is no G/T program. Athletics seem to be the only extra-curricular that counts.
- We are in a terrible financial crunch and I do not feel the community not KISD staff have faith in our present school board. We have built buildings unnecessarily. Information about student growth was given to the community and the facts were not true. We have a school that would hold 700-800 students that will house

300!! We built unnecessary building and never thought how we would staff them. \$45,000 to \$48,000 in reserve is SHAMEFUL!!!

- KISD is trying but is more concerned of "looking good" on paper rather than meeting the needs of staff and students. KISD board and administration does not manage their funds well and suspect that some is being used improperly! Teachers are not valued and the administration rules with a heavy fist. Needs of some groups of students are overlooked. KISD always seems to be "without funds" despite high tax rate and property evaluations.
- Grades K-4 do an excellent job of instruction because of strong administration and teachers. We then lose from grades 5-8 because of the "make them feel good about themselves" program. Grades 5-8 are weak in administration and content taught. Then in grades 9-12 we are playing catch up and covering our own content. There is too much no failure in grades 5-8.
- The only serious problem I've noticed is the money shortfall this district has had in the past four to five years. Special education can't get the aid and staff it needs to serve the children properly. The teacher-student ratio is on the average 10-12 to 1. The students don't and can't receive the individual help they require with this high ratio.
- I feel the study groups we are required to be involved in are a "cheap" way for the district in-service. We need new and refreshing ideas from outside the district so we can expand our knowledge base and keep up with new techniques. I also feel that the district should protect our two workdays in August and January to work in classroom. Now that the law has changed, we have some meeting to attend. Surely, we can have two days a year to work in the classroom. The district could adopt that as a local policy. The curriculum checkpoint and benchmarks are bogging me down. It has gotten so that a sub could teach because I don't have many choices as to when I teach the TEKS/TAKS.
- Discipline is a major problem in the secondary grades of KISD. There is no communication with parents of high school students. State laws - 504, etc- are not always followed. Teachers do what they want and are not monitored effectively by administrators. Health insurance, salaries and teacher morale are three of the most important issues that are not being addressed. There is no money for supplies and the teachers regularly spend money from their own pockets to buy materials for their classroom. Too many non-certified teachers are hired in our district, which not always results in strong instruction for students. Lack of support by administration in too many instances. Lack of appreciation for hard work and extra hours given.
- Our teachers do a remarkable job of educating students given what we have. What we have is what most other districts in Texas

endure: a) A system that encourages burning out teachers through ever increasing demands from the state as well as locally, and b) An emphasis on athletics with a side order of fine arts and academics. Additionally, in our district we deal with a district that: encourages/ pressures veteran teachers to retire early so it may save money; falls short in recognizing/appreciating quality teaching; passes a bond election with money earmarked to fix AC/heating at a campus where students/teachers have shivered/sweat for years and then still don't fix it; is not prudent enough to save sufficient money for current needs much less emergency situations; leaves teachers very disappointed in an insufficient health care plan; will cut teachers from personnel while adding central office staff; has teachers cleaning their own classrooms because of insufficient custodial staff; is reactive rather than pro-active in some areas (behavior management, etc.); does not offer teacher pay sufficient enough to attract quality teachers - we are content with mediocrity; will build two new campuses without sufficient financial planning for campuses that are not new but will be required to move locations. On the positive side we have a couple of outstanding administrators, pockets of excellent teachers and generally good students.

- Our superintendent sold a new school to the community on the platform that our present school is too small and our attendance is growing. Our population has actually decreased and the new school is smaller than our current school. At least it's new! Our school as always put great emphasis in sports (also lots of dollars)! I guess it's a Texas thing but I wish sports could be put in the proper perspective. The majority of the students who participate or benefit from sports are kids whose parents have encouraged them in sports from an early age. These are kids who already have the parental involvement and support and do not need the sports program to keep them in school or help them go to college.
- You have a district that does not support its teaching staff be it fiscally or student wise. Behavior is a terrible problem and very disturbing when it has to be dealt with all the time. Superintendent doesn't ever visit the campus and does not care about teachers or problems on any campus. Discipline issues are not met or followed as the handbook states. The board doesn't listen to teachers or parents. Money problems are due to bad budget practices. Buying when you don't have. Board members follow what the superintendent wants and then acts as if they can't believe this has happened. I think for a district to run smooth you have to do more than listen to suggestions. You have to be willing to listen and put suggestions into practice and keep your egos in check.
- There are inconsistencies as to who and how students are disciplined. Seems like some rules don't apply to the athletes or

"socially elite" students. Other concerns I have: administrators who seem incapable of making decisions which might spark controversy; teachers who are not performing are not monitored or put on growth plans. It seems to be the policy of my campus administrator not to retain students who don't meet promotion standards, but pass them up to high school, so it then becomes "their problem." Teachers lose credibility when we tell students they must meet certain criteria and then we don't follow through.

- I feel that at the elementary level we work hard to assure that all children are successful; educating the students using effective programs is top priority! However, we realize all children do not learn the same way. Consequently, we work hard to modify individually for those children. On the other hand, in my experience, the secondary level does not! They are frequently inflexible, insensitive and often impede learning rather than assist in helping a student reach success. Many secondary teachers seem to have an "I gotcha mentality" where they focus primarily on negatives (i.e. student weaknesses, mistakes, etc.) rather than on a student's strengths; thus destroying the student's self-esteem and inciting student's to failure rather than success.
- Our district is doing well overall but I find that TEA expectations without compensation causes the "salary" problem in smaller districts - we do the same job as others down the road and make up to \$10,000 less. When will the state accept us as "state" employees and equalize the salaries? We may not be state employees on paper but in reality, we are. We follow state (TEA) guidelines and requirements. It bothers me that teachers are working hard all over the state but some because of their "lucky" locations (rich districts or high tax base areas) are receiving much higher salaries for the same exact work. It is just not fair.
- I am unaware of any GT active program. I believe the GT funds supplement the salaries of the enriched teachers. Some GT student may not be in enriched classes and many enriched students are not GT. We have been told that if we purchase items for school we cannot be reimbursed after the purchase. Limited upper level courses at high school. Discussion if calculus should be dropped next year. I am concerned in the future with two new schools in progress that many expenses are not covered by the bond issue and that these other costs will cut into instructional/operating budgets. Where will all the money come for new expenses? Sixth grade social studies TEKS is current world events and the state adopted textbook is Ancient World History. Inequitable funding between certain sports such as football and tennis, football and soccer. Teacher supply funding was cut by 30 percent. I have spent more than \$500 this year of my own money. Bottom line seems to matter more than morale/students.

- Kerrville ISD is top-heavy in administration and secretaries at the Central Office while campuses don't have teachers/aides to educate the students. It was ridiculous last year when teachers who left were not replaced, yet there were secretaries and staff added to the Central Office. This has continued throughout the school year. Kerrville ISD is more concerned with saving money on teacher's salaries than with educating the students. Teachers who were eligible for retirement were pressured to leave and offered "incentive" which would be detrimental to their retirement earnings. The district abuses it's best and most faithful. KISD is very concerned with TAAS scores rather than TEKS-based instruction. The ratings of the schools (exemplary, etc) are prized far more than education to the state standard. Teachers do not turn in lesson plans are not held accountable for anything EXCEPT ALMIGHTY TAAS SCORES! Then teachers are plenty accountable - scores are scrutinized by teacher without any reflection on the fact that the students each teacher taught were not equal in ability at all! KISD is not willing to put the kids first. The administrators and their paychecks are first. Whatever serves the purpose will be done. For example, there is not administrative detention on our campus. Teachers and teams have no back-up when it comes to tardies, shirttails out, backpack in the hallway, public displays of affection, etc. Administrators make the rules and teachers enforce them, but administrators do not want to know or discipline infraction of the rules they made. Teachers are so busy enforcing the hallways and classrooms that there is no time left to TEACH! We are making out slips for detention and dress code violations and calling kids to meet with teams instead of focusing on curriculum and teaching. KISD puts athletics above academics. If this what the state wants, then please change the name of schools to "ATHLETICFACILITIES" and be honest about the goal of "public athletic endeavors for children." KISD cares more about coaches than teachers. KISD administrators are famous for tailoring programs to fit their own personal needs and their children'sneeds. Draft a law (and enforce it) that states that a new program cannot be added to a school's schedule until the administrator has been in office for seven years! KISD denigrates its teachers- the ones in the trenches doing the job of hand-on education with the students- by offering poor benefits and the lowest pay in the county. Applicants who are qualified can get much more money ANYWHEREELSE, which translates to the district hiring from a pool of leftovers. Priorities are out whack! KISD is building schools when the demographics don't support increased enrollment and is downsizing the teaching staff to pay for the new schools. Money that was supposed to provide renovation and new maintenance was diverted/never spent for its

advertised purpose. The state of Texas allows its school districts to deny professional teachers doing the most important job in the world (the job without which no other jobs are even possible!) the most basic rights: to have healthcare as good as other state employees, to know how much the salary is when we sign the contract, to know what specific JOB and DUTIES we will have when we sign the contract, and so indirectly, to have the dignity and respect with which we should be regarded. THEREFORE, it is no surprise that there is a shortage of teachers, that students will have uncertified math and science teachers, that probably no legislator, or doctor, or lawyer, or teacher, or any other educated person will advise his or her child to go into this profession.
WAKE UP!

Appendix F

STUDENT SURVEY RESULTS

(n=113)

Demographic Data

Note: Totals may not add to 100 percent due to rounding.

1. Gender (Optional)	Male	Female	No Response			
	48.7%	45.1%	6.2%			
2. Ethnicity (Optional)	Anglo	African American	Hispanic	Asian	Other	No response
	63.7%	3.5%	12.4%	1.8%	5.3%	13.3%
3. What is your classification?	Sophomore		Junior	Senior	No Response	
	0.9%		54.9%	38.9%	5.3%	

A. District Organization and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
1.	The needs of the college-bound student are being met.	4.7%	61.3%	19.8%	10.4%	2.8%	0.9%
2.	The needs of the work-bound student are being met.	2.8%	44.3%	36.8%	10.4%	4.7%	0.9%
3.	The district has effective educational programs for the following:						
	a) Reading	10.4%	62.3%	17.9%	6.6%	1.9%	0.9%
	b) Writing	15.1%	63.2%	15.1%	3.8%	0.9%	1.9%
	c) Mathematics	13.2%	50.0%	12.3%	13.2%	10.4%	0.9%
	d) Science	26.4%	56.6%	12.3%	2.8%	0.9%	0.9%
	e) English or	24.5%	62.3%	8.5%	3.8%	0.0%	0.9%

	Language Arts						
	f) Computer Instruction	13.2%	55.7%	19.8%	6.6%	2.8%	1.9%
	g) Social Studies (history or geography)	22.6%	59.4%	12.3%	3.8%	0.9%	0.9%
	h) Fine Arts	26.4%	50.0%	18.9%	2.8%	0.9%	0.9%
	i) Physical Education	21.7%	46.2%	24.5%	5.7%	0.9%	0.9%
	j) Business Education	6.6%	33.0%	46.2%	6.6%	2.8%	4.7%
	k) Vocational (Career and Technology) Education	11.3%	32.1%	43.4%	8.5%	1.9%	2.8%
	l) Foreign Language	10.4%	49.1%	14.2%	13.2%	9.4%	3.8%
4.	The district has effective special programs for the following:						
	a) Library Service	8.5%	41.5%	29.2%	10.4%	9.4%	0.9%
	b) Honors/Gifted and Talented Education	17.9%	45.3%	27.4%	4.7%	3.8%	0.9%
	c) Special Education I	11.3%	41.5%	39.6%	3.8%	2.8%	0.9%
	d) Student mentoring program	7.5%	34.9%	38.7%	12.3%	5.7%	0.9%
	e) Advanced placement program	26.4%	42.5%	25.5%	1.9%	1.9%	1.9%
	f) Career	4.7%	26.4%	40.6%	17.9%	9.4%	0.9%

	counseling program						
	g) College counseling program	8.5%	29.2%	32.1%	21.7%	7.5%	0.9%
5.	The Students have access, when needed, to a school nurse.	23.8%	60.0%	2.9%	8.6%	3.8%	1.0%
6.	The Classrooms are seldom left unattended.	9.4%	54.7%	10.4%	21.7%	2.8%	0.9%
7.	The The district provides a high quality education.	6.6%	43.4%	29.2%	15.1%	3.8%	1.9%
8.	The district has high quality teachers.	8.5%	27.4%	36.8%	19.8%	5.7%	1.9%

B. Facilities Use and Management

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
9.	Schools are clean.	4.7%	37.7%	11.3%	31.1%	14.2%	0.9%
10.	Buildings are properly maintained in a timely manner.	6.6%	34.9%	25.5%	23.6%	8.5%	0.9%
11.	Repairs are made in a timely manner.	5.7%	19.8%	30.2%	31.1%	12.3%	0.9%
12.	Emergency maintenance	10.4%	36.8%	32.1%	15.1%	4.7%	0.9%

	is handled timely.						
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C. Purchasing and Warehousing

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
13.	There are enough textbooks in all my classes.	10.4%	41.5%	11.3%	28.3%	7.5%	0.9%
14.	Students are issued textbooks in a timely manner.	16.0%	56.6%	13.2%	13.2%	0.0%	0.9%
15.	Textbooks are in good shape.	6.6%	34.0%	18.9%	32.1%	7.5%	0.9%
16.	The school library meets student needs for books and other resources.	5.7%	43.4%	26.4%	13.2%	9.4%	1.9%

D. Food Services

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
17.	The school breakfast program is available to all children.	12.3%	35.8%	43.4%	5.7%	1.9%	0.9%
18.	The cafeteria's food looks and tastes good.	3.8%	12.3%	40.6%	20.8%	21.7%	0.9%

19.	Food is served warm.	3.8%	25.5%	56.6%	5.7%	6.6%	1.9%
20.	Students have enough time to eat.	4.7%	22.6%	9.4%	30.2%	31.1%	1.9%
21.	Students eat lunch at the appropriate times of the day.	7.5%	57.5%	16.0%	14.2%	3.8%	0.9%
22.	Students wait in food lines no longer than 10 minutes.	5.7%	16.0%	54.7%	15.1%	7.5%	0.9%
23.	Discipline and order are maintained in the school cafeteria.	3.8%	30.2%	62.3%	1.9%	0.9%	0.9%
24.	Cafeteria staff is helpful and friendly.	8.5%	21.7%	50.9%	13.2%	4.7%	0.9%
25.	Cafeteria facilities are sanitary and neat.	3.8%	28.3%	50.9%	9.4%	5.7%	1.9%

E. Transportation

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
26. I regularly ride the bus.	1.9%	2.8%	34.0%	12.3%	47.2%	1.9%
27. The bus driver maintains discipline on the bus.	1.9%	0.9%	89.6%	1.9%	4.7%	0.9%

28.	The length of my bus ride is reasonable.	0.0%	2.8%	88.7%	2.8%	4.7%	0.9%
29.	The drop-off zone at the school is safe.	2.8%	13.2%	75.5%	4.7%	2.8%	0.9%
30.	The bus stop near my house is safe.	0.9%	7.5%	84.9%	2.8%	2.8%	0.9%
31.	The bus stop is within walking distance from our home.	1.9%	9.4%	84.0%	0.0%	3.8%	0.9%
32.	Buses arrive and leave on time.	1.9%	4.7%	86.8%	2.8%	2.8%	0.9%
33.	Buses arrive early enough for students to eat breakfast at school.	1.0%	5.7%	83.8%	5.7%	2.9%	1.0%
34.	Buses seldom break down.	0.9%	6.6%	84.0%	2.8%	4.7%	0.9%
35.	Buses are clean.	0.0%	6.6%	75.5%	7.5%	9.4%	0.9%
36.	Bus drivers allow students to sit down before taking off.	2.8%	3.8%	84.0%	3.8%	4.7%	0.9%

F. Safety and Security

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
37.	I feel safe and secure at school.	10.4%	59.4%	14.2%	7.5%	7.5%	0.9%

38.	School disturbances are infrequent.	7.5%	51.9%	20.8%	14.2%	4.7%	0.9%
39.	Gangs are not a problem in this district.	23.6%	49.1%	14.2%	7.5%	4.7%	0.9%
40.	Drugs are not a problem in this district.	4.7%	10.4%	14.2%	36.8%	33.0%	0.9%
41.	Vandalism is not a problem in this district.	3.8%	17.9%	17.0%	37.7%	21.7%	1.9%
42.	Security personnel have a good working relationship with principals and teachers.	14.2%	35.8%	40.6%	1.9%	4.7%	2.8%
43.	Security personnel are respected and liked by the students they serve.	10.4%	26.4%	43.4%	10.4%	8.5%	0.9%
44.	A good working arrangement exists between the local law enforcement and the district.	7.5%	42.5%	34.9%	10.4%	2.8%	1.9%
45.	Students receive fair and equitable discipline for misconduct.	4.7%	33.0%	23.6%	21.7%	16.0%	0.9%
46.	Safety hazards do not exist	6.6%	22.6%	34.9%	27.4%	7.5%	0.9%

	on school grounds.						
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G. Computers and Technology

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	No Response
47.	Students have regular access to computer equipment and software in the classroom.	5.7%	28.3%	11.3%	36.8%	17.0%	0.9%
48.	Teachers know how to use computers in the classroom.	6.6%	42.5%	19.8%	19.8%	10.4%	0.9%
49.	Computers are new enough to be useful for student instruction.	7.5%	50.9%	16.0%	17.9%	6.6%	0.9%
50.	The district offers enough classes in computer fundamentals.	8.5%	47.2%	21.7%	15.1%	6.6%	0.9%
51.	The district meets student needs in advanced computer skills.	7.5%	32.1%	33.0%	18.9%	7.5%	0.9%
52.	Teachers and students have easy access to the Internet.	10.4%	32.1%	14.2%	27.4%	15.1%	0.9%