

Final Report

Business and Operations Review



Yoncalla School District

Visitation
April 14-15, 2008

Final Report
June 2008

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INTRODUCTION

Today's public has high expectations: that our schools operate effectively and efficiently while meeting the diverse needs of students – our future citizens. Citizens want reassurance that their taxes are spent wisely before voting to spend more on buildings or programs. In recent years, public interest – therefore media interest – in public education accountability and transparency has grown. For example, legislative bills regarding mandatory performance audits have been introduced during recent sessions, and the public asks “Why can't governments (including school districts) simply operate like businesses?”

The answer, of course, lies in the differences in purpose. According to a white paper issued by the Governmental Accounting Standards Board (GASB), governments are fundamentally different from for-profit business enterprises in several important ways. They have different purposes, processes of generating revenues, stakeholders, budgetary obligations, and propensity for longevity. These differences require separate accounting and financial reporting standards to provide information to meet the needs of stakeholders to assess government accountability and to make political, social, and economic decisions. School districts exist to provide educational services to all children; these services are necessary to enhance or maintain the well-being of citizens. In contrast, business focuses primarily on generating a financial return on investment.

The purpose of government is not to generate a financial return on investment, but rather to provide public services and goods as determined through the political process in an effective and efficient manner.

That being said, school districts and education service districts (ESDs) want to be responsive to public demands, they want to demonstrate that they are responsible stewards of the public's tax dollars, and they want to improve wherever there is room for improvement. They are looking for affordable external business and operations reviews to help them in these endeavors.

That's why Oregon Association of School Business Officials (OASBO), Oregon School Boards Association (OSBA), and Chalkboard Project joined forces in 2007 to create a pilot program to conduct voluntary reviews in five school districts around the state. The goal is to objectively examine school district operations to identify best practices and make recommendations for improvements.

This pilot project is the first step in providing self-evaluation tools that will allow Oregon school districts and ESDs to evaluate their own effectiveness, as well as the resources to improve business and operations processes where they can. This review process and report are intended to provide an objective look at the operational effectiveness of a district in specific program areas. At the completion of the pilot project, we will have developed a “tool-kit” that consists of self-evaluation tools and identified best practices that will be available to all districts.

The approach is positive – not punitive – because it reveals great practices as well as identifying areas for improvement. School business officials, interested in doing the best job they can for students and taxpayers, have supported this project from the start.

Angie Peterman, executive director of OASBO and director of administrative and support services for OSBA assembled the review team, which consists of current and former school business officials, business partners and members of the Oregon Department of Education whose combined experience in the areas of school business and operations spans more than 200 years. Including business partners in this process allows the opportunity to compare school business practices against general business practices.

The review team conducted its review of Yoncalla School District, April 14-15, 2008. The team consisted of the following individuals:

Oregon Association of School Business Officials

Bill Dierdorff, Emeritus
Mike Schofield, Emeritus
Angie Peterman, Executive Director

Oregon School Boards Association

Lisa Freiley, Director, Human Resource Development, OSBA
Shannon Priem, Director, Communications, OSBA

Business Partners

John Tapogna, EcoNorthwest
John Fairchild, Laidlaw Transit
Tammy Fitch, Wilson-Heirgood

Oregon Department of Education

Deborah Lincoln, Director Student Transportation & Finger Printing
Barbara Cruickshank, Financial Reporting Analyst

Phases of the Review Process

1. **Planning** – Develop a set of goals and objectives for the review and select a team of professionals experienced in the specific review topics. District staff receives a summary that describes the involvement of staff. Staff members complete a self-evaluation and provide specific documents such as policies, budgets, and audits for the review team to examine prior to the on-site visit.
2. **Analysis** – Review documents provided by staff and the activities completed during the on-site visit. Review team members conduct interviews with administration, staff, parents, patrons, board members and students. Reviewers collect additional documents, forms and policies during the interviews. Team members visit work sites to observe activities.
3. **Evaluation** – Team members individually review their observation and interview notes and the collected district documents. The review team members discuss their findings with those team members involved in the review of a specific program and determine whether further review is necessary. Team members review and forward reports to the project leader for compilation. The project leader returns a draft of the report to members of the review team.
4. **Reporting** – The project leader meets with the district superintendent and designated staff to discuss the report's commendations and opportunities for improvement. The superintendent and district staff members review the preliminary report and provide feedback to the project leader. Based on the feedback, the project leader may schedule additional on-site work. The project leader and several review team members make a brief presentation to the district board of directors and general public outlining their findings.

EXECUTIVE SUMMARY

Yoncalla School District in brief

Yoncalla School District # 32 (YSD) is a small rural district located just off I-5 in Douglas County. This small community was initially settled in 1847 and District #32 was established in 1863. Current population is estimated to be 1,157 with district enrollment of approximately 340 students. YSD covers about 159 square miles and consists of one K-8 building and one high school. The district employs 23 teachers, 31 support staff, and 2.5 administrators (one elementary/middle school principal, one high school principal and ½ time superintendent).

The district mission statement “We Are Dedicated ... to academic and personal growth for social responsibility and lifetime success” is inspiring and establishes a standard of excellence to which staff members aspire. In addition to its mission statement, the district has adopted the following belief statements:

We believe:

In challenging each student by maintaining a solid academic core,
Integrity and responsibility are major components of personal growth,
In the importance of contributing to family and service to the community, and
That a safe, stable, caring environment is vital

Like many small districts in Oregon, Yoncalla is experiencing significant difficulty providing the level of educational service to students the community would like to see. The local economy has slowed with the downturn in the timber industry, which has brought about declines in student enrollment and losses of funding essential to providing educational services to students. The political climate at a local, state and national level is highly charged. At the time of our review, the district faced a recall initiative of one board member. While it was evident staff morale was affected, those interviewed referred to the situation as a challenge that they would rise to meet. Regardless of the issues, the staff and community are committed to providing the best-possible educational services, possible to their children.

Initial review team impressions

An effective school district – regardless of size – begins with elected leadership that engages the public to meet student needs and sets clear expectations for administration and staff. For its size and challenges, Yoncalla’s small but mighty administrative team is as inspiring as its mission statement. Team members work hard; they love their community (many were born and raised there), and they want their kids to have the same opportunities as kids in Roseburg and Cottage Grove. This close-knit group has maintained a positive attitude in all aspects of administration, even during financial shortfalls and recent political challenges.

Eight areas reviewed by team

Financial Planning, Accounting, Purchasing and Reporting provides support regarding budget, financial management, accounting, payroll, and purchasing. In addition, this area is responsible for district-wide financial management that includes the annual budget, sale of bonds, management of debt service, arbitrage compliance, cash and investment management and preparation of the annual audit. To meet the increasing demands of regulatory agencies, vendors, the community and all of the schools and departments supported by the business office, technology must be a priority within the business office.

Within the opportunities for improvement in financial planning, we recommend that Yoncalla develop a long-term forecast of core educational operations. Long-term forecasting will stabilize the delivery of education. While the district has a multi-year plan for maintenance and repairs, no counterpart exists for the broader educational budget. YSD, like many of Oregon’s small rural districts, is experiencing declining enrollment as the children of the baby boom generation (the baby boom echo) graduate from high school and move on to postsecondary education or the workforce. Yoncalla’s declining enrollment means that - even if overall state fiscal conditions remain strong - a shrinking student base will make it difficult to continue to deliver the same level of service.

Another opportunity identified is in the area of reporting. We recommend the district provide periodic financial reports to the board that compare actual expenditures-to-date with appropriations. The board’s fiduciary responsibility includes ensuring that the district doesn’t overspend its appropriations. Current financial reports are limited to a list of accounts-payable bills that have been paid to vendors. A sample report is provided in Exhibit A

Administration and Communications provides support in many areas, including issues management, publications, media relations, Web-site content, elections, legislative services, public information requests, community relations and involvement. These duties are part of the overall responsibility of the superintendent and district administrative personnel.

The administrative team’s productivity during tough times is the result of the commitment and spirit of its staff – and its solid face-to-face informal communications network. When the board mends its own relationships and restores teamwork (and it will, based on the individual commitment we observed during interviews) the board will regain trust and authentic involvement from staff and parents. With that circle closed, everyone can focus on meaningful engagement in school improvement.

Best practices include strong working relationships and keeping up with technology – even if districts can’t “afford everything,” the plan focuses on what’s needed to equip students (and the district) for tomorrow. When the board is back on track and a new superintendent on deck, the board should launch a Community Relations Advisory Committee, and include reports at board meetings. This sends a strong message: Yoncalla involves everybody in setting district priorities. This group will create a stronger sense of district/board unity and send positive messages to parents and media – which builds even more support.

Human Resources (HR) is responsible for all personnel functions of the district including recruiting, hiring, and retention of staff. HR oversees contract negotiations with all employee groups, creates and maintains job descriptions.

Administrative efforts to retain staff are multidimensional. The superintendent hosts a summer barbecue each year to welcome staff. This event generally gets full staff attendance, which allows staff and administration to socialize outside of their working relationship. Administrative staff members are in classrooms throughout the year and strive to create an enjoyable work environment.

Given its size, Yoncalla has done a remarkable job providing a mentor program for first-year teachers. The program provides a stipend to the mentor and time for the mentor and protege to meet. The mentor program focuses on observations, workshops, in-service and assistance in lesson planning. The mentor program is based upon a variety of models developed, implemented and applied by other districts. This allows the district to develop and implement a program at less cost that has had its “bugs worked out” in other districts.

We recommend the district require all reference checks to be performed by district administrative personnel. Occasionally, reference checks are performed by parents, community members and individuals other than administrators, which creates significant potential liability. The discussions and types of questions asked during this process require significant skill to focus solely on job-related criteria. Develop standardized questions to assist supervisors and administrators in conducting reference checks. Involve the superintendent’s office in determining who will be contacted for reference information. Return information received during reference checks (completed forms) to the administration office.

The board and administration need additional training in the area of public meetings law and its application to labor and employment issues. The board should seek training regarding basic provisions of the district’s labor agreements, which should reduce potential inadvertent contract violations and support the ongoing development of effective dispute-resolution skills.

Information and Technology (IT) is responsible for the technical operations of the district, instructional technology support and information services. The goal of the IT department is to design, build, maintain, and enhance technology for students and staff, enabling them to make efficient use of information technologies in their respective environments. The district has made this a priority as evidenced by their employment of a full-time technology coordinator. The technology coordinator not only maintains the Web site and technology upgrades, but administers and analyzes the state assessment program.

Maintenance and Facilities is responsible for the maintenance, cleaning, management and support of the district’s real property assets (buildings, grounds, etc.). Like most Oregon school districts, YSD has experienced sharp declines in revenues during recent years. One of the common victims of budget constraints and limited resources is facility maintenance. Effective school maintenance protects capital investment, ensures the health and safety of students, and supports educational performance. For these reasons, the review team recommends the system and scope for documented planned and preventive maintenance (PM) tasks and procedures for

major building equipment be reviewed. The goal of PM is to perform planned and preventive maintenance, not reactive maintenance. Several examples of tools available to the district can be found in Exhibit I.

The review team commends staff members for their continuing efforts to keep the educational facility operating without affecting the educational program. An example of this was the facility staff and superintendent cleaning up broken glass before school to ensure classes could open on time. Another example was splitting custodial shifts to ensure coverage during the building-use period even though that schedule exceeded an eight-hour span.

We recommend the district clarify facility goals. District facility operations appear to be reactive, or focused on keeping what the district has in working order. It may be worth the effort to schedule a session with the board and new superintendent to discuss the effect of the facilities on students. How student learn, how they approach coming to school and how they learn to respect others is affected by their physical environment. If no one seems to care if the school environment is pleasant, students won't care, either. If students have a pleasant environment and place to socialize during lunch or after class, school becomes the place to be, rather than to leave.

Transportation is responsible for the safe transport of students from home-to-school each day; transport of special-needs students; and field-trip and extracurricular transportation. YSD transported 194 students and traveled 108,200 miles home to school in the 2005-2006 school year; with five regular routes and one kindergarten route.

The review team commends YSD in several areas. The district has worked to reduce idling times of their buses, developed and adopted a replacement plan for school buses and worked to coordinate extra-curricular transportation with neighboring districts. Each of these practices assists the district in reducing costs and increasing efficiencies within the organization.

We recommend that the district review its policy related to video recordings on school buses to ensure consistent and appropriate use. Current policy information related to video recording on buses was identified by staff as being limited to information contained in the student handbook. For the protection of the district and those it serves, the policy should indicate who may view the recorded material, why it will be viewed, how long information will be retained and how it can be used. All policies should have dates of board authorization or revision.

We also recommend the district provide additional training opportunities for school bus drivers. Drivers currently receive the state-required training. The district should seek opportunities to give drivers other qualifying training. Include bullying and harassment, transporting students with special needs, and security issues.

Nutrition Services is responsible for providing quality meal and beverage service to students and staff at all school sites. We commend staff at YSD for the variety and quality of meals provided. High school students have five daily entrée choices, plus a salad bar. Of the choices, three are hot meals. The elementary/middle school offers four entrée choices with fruit and vegetables as options. All meals are prepared and presented in an appetizing fashion. Staff indicates that

participation at the high school is 50-60 percent, an excellent rate given that the campus is open at lunchtime.

We recommend YSD evaluate their serving and dining areas. Just as a safe and pleasant environment supports instruction, a pleasant dining environment supports the nutrition services program. The high school needs space to handle increased participation it has successfully achieved. If the serving and dining area were roomier and more inviting, students would dine in more often, and perceive the dining area as a social center. Such improvements could result in higher participation by students who qualify for free and reduced meals.

Risk Management is responsible for the security of and access to facilities; planning for safe facilities; and student, staff and citizen safety.

The district has a safety committee that meets monthly to review incidents and safety concerns. Concerns noted by the safety committee are reported to the superintendent. The superintendent reviews and prioritizes these concerns before assigning them to the support services supervisor.

The district risk-management and safety functions appear to be reactive or focused on responding to risk exposures as they are reported. The district may be unable to commit a full-time staff position to risk management and the duties may be added to an existing position description. This practice exists in most districts the size of Yoncalla.

Conclusion: Everyone that our review team interviewed expressed a desire for the district to be the best that it can be. This summary contains some of the major points found in the report. The review was designed to collect data; interview and observe staff, citizens and students; and provide feedback to the district to assist it in planning. All of the recommendations are offered as opportunities for improvement and are intended as a starting point for discussion within the district. It is up to the district to determine which, if any, of the recommendations it will implement.