

Executive Summary

Business and Operations Review



Greater Albany Public Schools

Visitation
May 20-21, 2008

Final Report
October 2008

INTRODUCTION

Today's public has high expectations: Schools will operate effectively and efficiently while meeting the diverse needs of our future citizens. Citizens and parents 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 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 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” consisting of self-evaluation tools and best practices that will be available to all districts.

The approach is positive – not punitive – and it reveals best practices as well as opportunities 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, members of the OSBA staff, and business partners whose combined experience in the areas of school business and operations spans more than 100 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 Greater Albany Public Schools May 20-21, 2008. The team consisted of the following individuals:

Oregon Association of School Business Officials

Bill Dierdorff, Emeritus
Al Shannon, Emeritus
Sue Foster, Emeritus
Angie Peterman, Executive Director

Oregon School Boards Association

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

Business Partners

John Tapogna, EcoNorthwest
Ted Helvoigt, EcoNorthwest
John Fairchild, Transportation Consultant
Tammy Fitch, Wilson-Heirgood

Oregon Department of Education

Deborah Lincoln, Director Student Transportation & Fingerprinting
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 specific review topics. District staff receives a summary that describes the involvement of staff. Staff members complete a self-evaluation and provide 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 observations 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

Greater Albany Public Schools in brief

Oregon's 13th largest school district began as Albany Union High School in 1951. In 1979, 18 elementary feeder school districts merged with the high school district to become Greater Albany Public Schools No. 8J. Located in the middle of Oregon's Willamette Valley, about 20 miles south of Salem, the district covers over 133 square miles and includes the cities of Albany, Millersburg and Tangent as well as outlying areas of Linn and Benton counties. The district population is estimated at 58,000; schools have more than 9,000 students in 14 elementary, three middle, two high schools and one alternative school. District buildings include a transportation facility, a maintenance facility and the district office building. Thanks to voter support, a \$55 million bond measure was approved in November 2006. The district is in the midst of major capital improvements that include construction of a new school, expansion of several schools, renovation of science labs and district-wide upgrades of electrical and water systems.

According to outgoing superintendent Pat Bedore, the bond campaign drew staff together as "bridges" to the community –staff involvement that was key to passing the bond.

Initial review team impressions

Greater Albany's mission statement: "**Our mission** is "Unprecedented Achievement! We are committed to this standard of excellence for our students and community."

In almost every interview conducted by the team assigned to administration, board and community relations, the knowledge and commitment to being "goodwill ambassadors" was apparent. Throughout the body of this report, you will note many references to the exceptional staff at Greater Albany and their commitment to the district, students and citizens. Staff members consistently conveyed pride about accomplishments within their areas of responsibility. Superintendent Pat Bedore and the entire district office staff are highly regarded and respected.

Eight areas reviewed by team

Financial Planning, Accounting, Purchasing and Reporting: The Business Services Department provides support to all district schools and departments regarding budget, financial management, accounting, payroll, and purchasing. In addition, this department is responsible for districtwide 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.

Summary of Findings

The district board and budget committee are well-versed in the district's financial condition. Members of the board and budget committee indicated they have a good working relationship with district staff. Both groups conveyed a sense of trust that financial questions are fully

answered. District personnel consistently respond to inquiries from individuals, reporting to the full board or budget committee, to ensure that they are kept in the loop.

The review team recommends that the district begin developing five- to ten-year financial forecasting models. Although there is uncertainty in such forecasts, the exercise forces districts to consider key budget drivers and alternative fiscal scenarios. Routinely developing and refining demographic projections will assist the district in anticipating the need for new or expanded facilities. Various regional partners are available to assist the district with this process and several are noted in this document.

The district has developed supportive relationships with the local business community. Local businesses provide service opportunities, internships and volunteers to assist students, and they operate on-campus banking programs. District personnel work to support and strengthen these relationships by participating in local service organizations and boards.

Administration and Communications provides support in many areas, including issues management, publications, media relations, Web-site content, elections, legislative issues, public-information requests, community relations and involvement. These services are provided by the executive assistant to the superintendent and various district administrative personnel as part of their responsibilities.

Summary of Findings

The district's comprehensive communications plan is a significant accomplishment. It is an ideal example of how to use a variety of effective communication tools, targeting specific audiences with messages that resonate with the public. Examples of how the district collaborates include the "Breakfast with the Board" program and Association Information Meetings (AIM).

The review team recommends that the district evaluate their communications plan annually. It is important the district confirm the effectiveness of its communication program. Are community members getting the information they need? Is it coming to them in a format that works best for them? Do they want more online communication and less paper? Evaluation will ensure that the district communications plan remains effective and relevant.

Information and Technology (IT) is responsible for the technical operations of the district, instructional technology support and information services. The goal of IT 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 its work with Linn Benton Lincoln (LBL) ESD to hire their IT manager.

Summary of Findings

The district has implemented an innovative, cost-effective means of replacing student computers on a regular basis. By purchasing off-lease computers from Dell, the district has been able to

standardize equipment, ensure an affordable replacement cycle and relocate computer equipment where it is most needed.

The review team noted limited professional development resources available to the IT department. This appears to be an issue throughout the district, and we recommend the board consider prioritizing professional development for non-instructional staff in future budgets.

Human Resources (HR) is responsible for all personnel functions of the district, including recruiting, hiring, and retention of staff. HR oversees contract negotiations with employee groups, creates and maintains job descriptions, conducts annual staffing conferences with principals and other administrators to determine future openings and site needs, and manages employee supervision and evaluation.

Summary of Findings

The district has developed a comprehensive mentor program that is available to licensed, classified and administrative personnel and provides first-year staff members time for meetings, observations and professional development.

The district has succeeded in its efforts to establish and maintain a strong collaborative relationship with its licensed and classified unions. The district makes it a priority to consider the union's perception of the district. In the resulting collaborative environment, both parties work together to solve problems without sacrificing performance or operational or instructional standards.

One opportunity for improvement is the district's performance evaluation system, which would benefit from some upgrades. The current system's evaluation criteria is ambiguous and lacks clear descriptions. This can lead to error, bias and inconsistency of application.

Exit surveys are conducted using a standardized form, which is given to the exiting employee and requested to be returned to the district. This is a somewhat ineffective means of gathering specific data about an individual's departure from district employment. Although face-to-face interviews are time-consuming, they are recommended by the review team because they provide more valuable information.

Maintenance and Facilities is responsible for maintenance, cleaning, management and support of the district's real property, such as buildings and grounds. The Greater Albany staff is committed to the school district and its students and maintains the property to provide the educational services needed. Staff members enjoy their work and realize that a clean facility positively affects student behavior.

Summary of Findings

The district recently completed a remodel of the Grand Prairie maintenance facility and utilizing the expertise of maintenance staff to complete the interior portion of the newly designed facility.. The facility changes better meet the needs of the departments housed at this location and made use of a portion of the old school as well as several modular structures owned by the district.

The district uses a Web-based work-order system that efficiently initiates orders for maintenance projects. It has been in place for several years and is viewed by staff as a positive addition to district systems; it reportedly works well, is responsive to staff needs and allows tracking of the status of the work.

The district has made an effort to hire maintenance workers who are building-trade-certified (e.g., HVAC, carpentry and electrical). This allows the district to rely on its staff for many maintenance functions that it might otherwise have to contract for. This is one way the district strives to maximize its resources.

A staffing model called Classified Staffing Units (CSU) is used for staffing custodians. The model assigns personnel based on a student formula. No consideration is given for the size of the building, complexity of building construction or teaching staff. The review team recommends that the district explore a staffing model that incorporates factors beyond just the number of students in the building.

Transportation is responsible for the safe transport of students from home to school, transporting special-needs students and transporting students during field trips and extracurricular activities. Greater Albany transported 4,028 students and traveled 733,352 home-to-school miles in the 2005-2006 school year, with 42 regular, 12 special-needs and 12 kindergarten routes.

Summary of Findings

The district's drivers are well-trained and participate in the state's safety competition. The district proudly displays trophies that drivers have won. For several years, Albany has had the overall winner and top-10-state winner, both of whom compete in the international competition. The patrons of the Greater Albany district can feel confident that their children are transported by safe drivers.

Scant information related to bus video-recordings exists in the student handbook. For the protection of the district and those it serves, district policy should indicate who may view the recorded material, why it will be viewed, how long information may be retained, and how it may be used.

District school buses are fueled at a card-lock location where an "Auto Service Worker" is stationed from 7:30a.m. - 9:30a.m. each school day. Drivers take their bus to the card-lock location, wait to get their buses fueled, and then drive the buses back to the transportation center. Drivers are being paid while they wait in line and during the fueling procedure. The district should evaluate this practice for efficiency and consider other procedures such as a "wet service."

Nutrition Services is responsible for providing quality meal and beverage service to students and staff at all school sites. Greater Albany has a first-rate foodservice operation. There are few complaints, staff is perceived to be cooperative and helpful, and customers seem satisfied. The district is appropriately proud of its foodservice personnel and program.

Summary of Findings

The district offers an exemplary program in integrating food service with the instructional program. The following Greater Albany programs are best practices that other districts could emulate:

- a. Culinary competition at elementary and high school levels.
- b. Student worker programs with a prescriptive design to develop positive work characteristics.
- c. Culinary arts programs coordinated with the Linn-Benton Community College program.
- d. Coordinating student worker programs with the Chamber of Commerce and local business.

We recommend the district conduct a student survey. Program surveys exist from the manager perspective, but student customers are not surveyed. Direct customer feedback may improve both satisfaction and participation in the program. The district can't know its customers' perspective without asking.

We also recommend that the district establish formal districtwide foodservice goals, which might include operation of the program as a business enterprise, and short- and long-term goals. Goals should recognize the value of the environment for student pride and image. Provide pleasant dining areas (e.g., round tables and comfortable chairs at the high-school level) or consider the concept of the "cafeteria as commons" rather than a production-feeding environment.

If the district established goals and standards for the overall food service program, including the dining environment, and a business plan, the entire operation has the ability to become a model for Oregon Schools.

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

Summary of Findings

Greater Albany is a well-managed district poised to take a large step toward loss-prevention and proactive practices. Such practices should reduce costs for insurance, claims, and staff time that is now dedicated to handling claims and losses. The risk-management staff is very supportive of the district and its programs and wants to make the district a safe environment for all.

The district needs to communicate more safety information to individual schools and employees. District newsletters, short safety topics at staff meetings, posting safety committee minutes, and suggestion boxes could improve safety-related communications.

Overall Conclusion:

One of the district's greatest strengths is the widespread collaboration among staff and community, which is both systematic and authentic, as demonstrated during our review – communications tools work even better because of a strong trust exists among community, board and staff. The board is committed to nurturing these relationships; board members serve on a variety of committees, sending a strong message to staff. At the same time, board members understand their policy/leadership role and do not micro-manage the district.

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 to be a starting point for discussion within the district. It is up to the district to determine which of the recommendations, if any, it will implement.

SPECIFIC OPERATIONAL AREA REPORTS

Overview of Process

This operational review includes the following business and operations areas:

1. Financial Planning, Accounting, Purchasing and Reporting
2. Administration and Communications
3. Technology
4. Human Resources
5. Maintenance and Facilities
6. Transportation
7. Nutrition Services
8. Risk Management and Safety

In preparation for the on-site visit, the district was asked to complete a self-evaluation document in each of the review areas. The self-evaluations were completed by district personnel and returned to the review team before the on-site visit. In addition to the self-evaluation, the district provided access to numerous documents in advance of our visit. Below is a summary of those documents:

1. Current board policies
2. Current budget
3. Prior three years audit reports and management letters
4. Current organizational chart
5. Current job descriptions
6. List of current employees by position
7. Current labor contracts and agreements
8. All procedures manuals and handbooks
9. Facility management plans, floor plans, list of maintenance, grounds, and custodial assignments, work hours, and special skills, certifications and/or training required.
10. District technology plan
11. Other documents deemed to be pertinent to or required for completion of the review that were not specifically mentioned above, such as contractor agreements that may impact one or more areas under review.
12. Enrollment data (including projections)

Review team members analyzed the self-evaluation and other documents before visiting the district to identify potential best practices and areas for further review during the on-site visit. Copies of the self-evaluation are included under Appendix A.

Other documents and reports were reviewed by members of the team during the on-site visit. A list of those documents is included in Appendix B.

The on-site visit included in-depth interviews of personnel in each of the identified review areas. A list of interviewees is included in the operational area reports in this document. The review team visited various sites throughout the district. During this portion of the process, review team members collected additional documents and were able to verify information gathered from the self-evaluation and interviews. The review team members also examined various practices and procedures in place at Greater Albany, identifying numerous “best practices” that will become part of our tool kit for assisting other districts.

Observations, Commendations and Opportunities

Review team members were divided into subcommittees for in-depth review of each of the eight topic areas. The reports reflect the combined comments of each of the subcommittees. Each of the sections in the full report includes these components:

1. Description of area reviewed
2. List of review team members
3. List of individuals interviewed as part of the review
4. List of sites visited (if any) during the review
5. General observations
6. Commendations
7. Opportunities for improvement

