



PUBLIC AFFAIRS RESEARCH COUNCIL OF ALABAMA

**ANALYSIS OF NON-INSTRUCTIONAL
EXPENDITURES, STAFFING, AND OPERATING PRACTICES
IN THE HUNTSVILLE CITY SCHOOL SYSTEM**

A report prepared at the request of the Huntsville City School System

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Introduction

At the request of the Huntsville City School System, the Public Affairs Research Council of Alabama (PARCA) produced the following analysis of the non-instructional areas of operation within the System. The analysis includes a detailed examination of expenditures, staffing, and the use of best practices in the functional areas discussed below. The request for such a study is one illustration of the obvious priority that the System and the Huntsville community place on providing a superior education to students. The ultimate goal of enhancing the learning environment is well served by periodic evaluations aimed at enabling the System to use available resources as wisely as possible.

It is well recognized that a first-class public school system is one of the hallmarks of a good community. The people of Huntsville are fortunate to have such a school system, and this assessment is a part of the strategy of its leadership to become even better. It is our hope that those who review the report will recognize the courage required to conduct an honest assessment and evaluate the Huntsville City School System not only according to its current strengths, but also according to its plans for improvement and their implementation.

Purpose of the Study

The purpose of this study is to assist the Huntsville City School System in bringing about improvements in the quality and efficiency of services in the non-instructional areas of its operations. In furtherance of that purpose, we have analyzed expenditure and staffing data for the functional areas covered and conducted interviews related to the implementation of best practices. From these reviews we have developed certain conclusions and suggestions that are presented in this report. The issues raised in the report are presented for the purpose of strengthening an activity rather than criticizing its current status. Every organization – and every operation within an organization – has both strengths and weaknesses. Improvement comes only when there is an honest assessment of both, and a willingness to recognize excellence where it is found as well as to consider change when the evidence suggests it is needed.

Functional Areas Covered

This study is focused on four non-instructional operating functions within the school system – operation and maintenance services, food services, student transportation services, and general administration services. These functional areas are defined as follows in the accounting manual prescribed by the State Department of Education:

1. Operation and Maintenance (O & M) Services: “Activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings and

major equipment in effective working condition and good state of repair....” Six types of activities are enumerated by the accounting codes within this functional area:

- Security Services, to maintain order and safety on school campuses.
- Building Services, to clean; maintain and repair; and provide gas, electric, and water utilities.
- Grounds Services, to maintain school grounds.
- Equipment Services, which are focused on maintaining non-instructional equipment.
- Vehicle Services, to maintain automotive equipment other than for student transportation.
- Other Operation & Maintenance Services.

The accounting manual identifies two auxiliary functions, defined as “activities or services functioning in a subsidiary capacity and lending assistance to the educational process....” The two auxiliary functions are Food Services and Student Transportation Services.

2. Food Services: “Activities concerned with ... preparing, delivering and serving regular and incidental meals, lunches, or snacks in connection with school activities. Also, the cost associated with the acquisition of equipment and other related items pertaining to the child nutrition program....”

3. Student Transportation Services: “Activities concerned with conveying students to and from and between schools.”

The final area of focus for the study encompasses school system management.

4. General Administrative Services: “Activities concerned with establishing and administering policy for operating the school system.” Included within this functional category are the following five kinds of activities:

- Board of Education Services, which include activities of the school board.
- Executive Administrative Services, which involve the overall general administration of executive responsibilities for the entire school system.
 - Business Support Services, which are concerned with budgeting, accounting, payroll, purchasing, internal auditing, warehousing and distribution, and other types of business operations.
 - System-Wide Support Services, which include public information; data processing; staffing; printing, publishing, and duplicating; and other types of support for the school system as a whole.
 - Central Office Services, which provide support to the central office itself.

Analyses of Spending and Staffing

To provide the Board and Superintendent with comparative information on expenditures and staffing in the non-instructional areas that were the focus of our study, the PARCA staff obtained the following information for fiscal year 2003 from the State Department of Education:

- Annual financial reports for all Alabama school systems
- Average daily membership (ADM) for all Alabama school systems
- “LEAPS” staffing reports for all Alabama school systems

Using the data obtained from the State Department of Education, we calculated expenditures per student and staffing per 1,000 students for the Huntsville City School System in the four functional areas chosen for study. We also calculated the same measures for two comparison groups: (1) the 128 Alabama school systems that operated schools during 2003, and (2) the eleven Alabama school systems that had 10,000 or more students in Average Daily Membership (ADM) during 2003 (which we have termed “the large systems”).

The large systems used for comparison with Huntsville are:

- Baldwin County
- Birmingham City
- Elmore County
- Hoover City
- Jefferson County
- Madison County
- Mobile County
- Montgomery County
- Shelby County
- Tuscaloosa County

To calculate the average expenditure and staffing levels for the large systems, we divided total expenditures and full-time-equivalent (“FTE”) employment for all large systems by the total number of students in those eleven systems. The numbers would vary slightly if calculated another way, by obtaining an average for each system and dividing this by the total number of systems, but this would not materially change the results we show. Summary tables for both expenditures and staffing are included at the end of the report, showing the results of our analyses for all eleven of the large systems.

Interviews Focused on Best Practices

To assist the Board and Superintendent in improving the efficiency and effectiveness of the non-instructional activities within the Huntsville City Schools, PARCA staff obtained checklists of best practices used in school-system reviews within the State of Florida. The checklists were developed by the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and Auditor General. In developing the best practices, these agencies conducted an extensive literature review and interviewed education finance experts, representatives from professional organizations, and educators in other states. We selected checklists in each of the four functional areas included in the study and tailored them as required to fit the Alabama situation. The resulting sets of checklists included just under 400 best practices. In our interviews with management staff from the System, we focused on the extent to which the administration of non-instructional activities within the Huntsville City Schools follows these best practices.

During the course of the study, we conducted 11 interviews with managers in the four functional areas. The interviews were structured by the checklists, with School System staff discussing the extent to which implementation has occurred, showing evidence of implementation, and discussing issues that remain to be resolved. Without exception, we were impressed with the professionalism of the System’s management staff. We found that managers in each of the four areas are actively seeking to improve their operations, and candid in discussing current weaknesses as well as strengths.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary customers include the schools. We also interviewed 10 principals in a cross-section (20%) of Huntsville schools to get their feedback as “customers” of the non-instructional services studied.

Conclusions and Suggestions

Our findings are presented in the four sections that follow. Each section begins with a bullet-point summary of the findings, followed by a discussion of the spending and staffing comparisons and the results of best-practice reviews. The section ends with conclusions and suggestions that are based on the findings.

OPERATIONS & MAINTENANCE SERVICES

Summary of Findings for Operations & Maintenance Services

- **2003 Expenditures:** \$905 per student, 151% of the large-system average
- **2003 Staffing:** 14.6 FTEs per 1,000 students, 142% of the large-system average
- **Best-Practice Assessment:** System follows 62 of 76 best practices

The Operation and Maintenance (O & M) function includes activities concerned with keeping the physical plant open and comfortable, providing security, and keeping the grounds, buildings and major equipment in effective working condition and good state of repair.

Expenditure and Employment Comparisons

Spending Comparisons

In most school systems, spending for Operations & Maintenance activities is higher than spending for any of the other three non-instructional areas studied. The exceptions tend to be systems that are under-investing in the upkeep of their physical facilities.

Huntsville spent \$905 per student in the Operations & Maintenance functional area during FY 2003. The average expenditure for the eleven large systems was \$601 per student, which was \$304 per student lower than Huntsville. Huntsville's spending was 151% of the large-system average; it ranked first among the eleven large systems, and first among all Alabama school systems.

As Table 1 shows, this is the non-instructional area in which Huntsville's spending is farthest out of line with other school systems.

**TABLE 1. Comparisons of Non-Instructional Spending in FY 2003
Highlighting Operations & Maintenance**

| Functional Area | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-------------------------------------|---------------------------------------|----------------------------|--|--|--|
| Operations & Maintenance | \$ 905 | \$ 601 | 151% | 1 | 1 |
| Food Service | 335 | \$ 395 | 85% | 8 | 122 |
| Transportation | 159 | \$ 255 | 62% | 10 | 99 |
| General Admin. | 163 | \$ 133 | 122% | 1 | 100 |
| Total | \$ 1,561 | \$ 1,383 | 113% | 2 | 36 |

To further analyze the difference between Huntsville and the large-system average, we looked within the Operations & Maintenance area at four major objects of expenditure – personal

services (salaries), employee benefits, purchased services (including electric, gas, and water utilities), and materials and supplies. Table 2 shows the results. The largest difference in dollar terms between Huntsville and the average was in personal services, where Huntsville spent \$372 per student as compared to an average of \$231, for a difference of \$141 per student. The employee benefit difference of \$43 per student was directly related. Thus, we can say that of the \$304 difference between Huntsville and the large-system average, \$184 or 60% was due to personnel costs. Huntsville's spending for materials and supplies was more than twice as high as the average, with a resulting difference of \$63 per student. The remaining \$57 of difference between Huntsville and the large-system average was due to purchased services, which is largely utility expenditures.

**TABLE 2. Comparisons of O & M Spending in FY 2003
By Object of Expenditure**

| Object of Expenditure | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-----------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Personal Services | \$ 372 | \$ 231 | 161% | 1 | 1 |
| Employee Benefits | 125 | 82 | 153% | 1 | 1 |
| Purchased Services | 288 | 231 | 125% | 2 | 16 |
| Materials & Supplies | 119 | 56 | 212% | 1 | 6 |
| Total | \$ 905 | \$ 601 | 151% | 1 | 1 |

Huntsville spent \$238 per student on utility payments, which was second-highest among the large systems and \$56 per student above the large-system average of \$182. These figures represent all utility expenditures system-wide, not just within the O & M function, to avoid misrepresentation due to differences in the allocation of utility payments within accounting codes among the various systems.

**TABLE 3. Utility Expenditures*, FY 2003
(System-wide)**

| School System | Spending per Student | Rank: 11 Large Systems | Rank: All 128 Systems |
|-------------------|----------------------|------------------------|-----------------------|
| Huntsville | \$ 238 | 2 | 11 |
| Baldwin County | 197 | 3 | 31 |
| Birmingham | 195 | 4 | 32 |
| Elmore County | 123 | 11 | 119 |
| Hoover | 303 | 1 | 2 |
| Jefferson County | 173 | 6 | 52 |
| Madison County | 161 | 8 | 68 |
| Mobile County | 181 | 5 | 41 |
| Montgomery County | 155 | 9 | 82 |
| Shelby County | 163 | 7 | 64 |
| Tuscaloosa County | 140 | 10 | 98 |

*Electricity, natural gas, water, propane, fuel oil, other fuels.

We also looked at O & M spending by function of expenditure, grouping the accounting system's functional codes into the three categories shown in Table 4. The largest functional category of O & M spending is for buildings and grounds, which includes custodial, maintenance, and utility expenditures. In this category, Huntsville spent \$243 per student or 49% more than the large-system average, which ranked 2nd among the large systems and 7th statewide. Spending for equipment and other purposes was much closer to the average. Huntsville also ranked 1st among large systems in security costs, spending \$41 per student more than the large-system average.

**TABLE 4. Comparisons of O & M Spending in FY 2003
By Function of Expenditure**

| Function of Expenditure | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-------------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Buildings & Grounds | \$ 735 | \$ 492 | 149% | 2 | 7 |
| Equipment & Other | 107 | 86 | 125% | 4 | 24 |
| Security | 63 | 22 | 280% | 1 | 2 |
| Total | \$ 905 | \$ 601 | 151% | 1 | 1 |

Finally, we were able to look at overtime spending in non-instructional areas for eight of the eleven school systems with 10,000 or more students, including Huntsville. Most of the non-instructional overtime was expended on O & M activities, and Huntsville ranked first in O & M overtime expenditures per student, at \$19.36, which was three times the average of the other systems measured. In the other non-instructional areas, Huntsville spent less than the average amount for these systems.

Staffing Comparisons

Using the LEAPS reports submitted by school systems, with adjustments to improve their comparability, we compared the number of FTE staff per 1,000 students in the four non-instructional areas for 2003. Table 6 highlights the comparison for the Operations & Maintenance area, but also shows how Huntsville compared in each of the four functions studied. Huntsville had 14.6 O & M employees per 1,000 students, which was 4.3 employees per 1,000 students or 42% higher than the large-system average. This ranked 1st among the large systems and second statewide.

**TABLE 5. Non-Instructional Overtime in Selected Systems, FY 2003
(O & M, Transportation, Food Service, and Administration only)**

| Object of Expenditure | Huntsville Spending per Student | Average of 8 Large Systems | Huntsville as a Percent of Average | Huntsville's Rank: 8 Large Systems |
|--------------------------|---------------------------------|----------------------------|------------------------------------|------------------------------------|
| Operations & Maintenance | \$ 19.36 | \$ 6.31 | 307% | 1 |
| Other Non-Instructional | \$ 2.60 | \$ 4.44 | 58% | 6 |

**TABLE 6. Comparisons of Non-Instructional Staffing in FY 2003
Highlighting Operations & Maintenance**

| Functional Area | Huntsville Staff per 1,000 Students | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|--------------------------------|-------------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Operations & Maint. | 14.6 | 10.3 | 142% | 1 | 2 |
| Food Service | 11.2 | 9.8 | 114% | 3 | 65 |
| Transportation | 0.5 | 9.3 | 5% | 11 | 120 |
| General Admin. | 2.7 | 1.8 | 152% | 1 | 79 |
| Total | 29.0 | 31.3 | 93% | 9 | 86 |

Using the details on employees by type of job and work location that are contained within the LEAPS report, we developed a set of staffing classifications to identify the functional areas within O & M where Huntsville's staffing is highest in comparison with other large Alabama school systems. Table 7 shows the four staffing classifications and the level of FTE employment per 1,000 students in all large systems.

**TABLE 7. Staffing Patterns for O & M in FY 2003
(FTE Employees Per 1,000 Students)**

| School System | General Mgt. & Admin. | Trades & Operatives | Custodial & Supervisory | Security | Total |
|-------------------|-----------------------|---------------------|-------------------------|-------------|--------------|
| Huntsville | 0.99 | 3.32 | 8.91 | 1.37 | 14.59 |
| Baldwin County | 0.66 | 1.37 | 8.79 | - | 10.82 |
| Birmingham | 0.49 | 2.28 | 10.70 | 0.66 | 14.13 |
| Elmore County | 0.09 | - | 6.14 | - | 6.23 |
| Hoover | 0.51 | 1.68 | 10.46 | - | 12.65 |
| Jefferson County | 0.15 | 1.10 | 6.08 | - | 7.33 |
| Madison County | 0.12 | 0.66 | 6.57 | - | 7.35 |
| Mobile County | 0.34 | 1.84 | 8.81 | 0.15 | 11.14 |
| Montgomery County | 0.76 | 0.57 | 9.62 | 0.76 | 11.71 |
| Shelby County | 0.32 | 0.60 | 5.71 | - | 6.63 |
| Tuscaloosa County | 0.06 | 1.32 | 3.95 | - | 5.33 |

The first column, labeled "General Management & Administrative," shows the number of employees per 1,000 students who were classified by such titles as managers, administrators, coordinators, secretaries, and clerks, and who were located in the central office of the school system. Huntsville ranked first, with 0.99 employees per 1,000 students. Seven systems reported less than half as many employees of this type per 1,000 students.

The second column, labeled "Trades & Operatives," shows the number of employees per 1,000 students who were classified by such titles as plumber, electrician, carpenter, painter, and truck driver, and who were located in the central office of the school system. Again, Huntsville

ranked first, with 3.32 employees per 1,000 students, and seven systems reported less than half as many employees of this type per 1,000 students.

The third column, labeled “Custodial & Supervisory,” shows the number of employees per 1,000 students who were located in the schools and classified either as custodians or helpers, or by one of the administrative or trades titles. We grouped these employees together because the various school systems use different titles to identify the supervisory O & M personnel located in the schools, some using administrative titles, others trades titles, and still others custodial titles. Within this group, Huntsville ranked fourth, behind Birmingham, Hoover, and Montgomery County. Baldwin County and Mobile County were very close to Huntsville. Thus, it seems fair to say that Huntsville is a middle-ranking system in this part of the O & M function.

The fourth column, labeled “Security,” shows the number of security employees who were not classified under managerial or administrative titles. The general practice of school systems is to list security employees, normally police officers, under a cost center rather than in the schools, even though that is where they normally work. We have counted them as school employees to avoid distorting the number of O & M employees in the central office. Huntsville ranked first in this group also, with 1.37 security officers per 1,000 students. Only four of the systems analyzed had security employees in 2003.

Huntsville’s O & M management may find it useful to consult with colleagues in some of these peer systems to see if they have staffing or other practices that might contribute to improving the productivity and cost-effectiveness of O & M activities in Huntsville. Data such as these, from the LEAPS database, can help to focus such discussions on areas where significant differences could exist.

The tables at the end of the report provide details on spending and staffing for the eleven large school systems in Alabama.

Implementation of Best Practices

In conducting the interview on Operations & Maintenance activities with the Director of Maintenance, Construction, and Transportation, we used a list of 76 best practices. These best practices covered the following aspects of the Operations & Maintenance (O & M) program:

- Program direction and accountability (19 best practices)
- Organizational structure and staffing (12 best practices)
- Resource allocation and utilization (30 best practices)
- Information management (7 best practices)
- Health and safety (8 best practices)

The responses indicate that O & M management has implemented and is using, to varying degrees, 62 of the 76 best practices.

Program Direction and Accountability

Best practice guidelines call for approved mission statements for all areas of operations and maintenance activity, together with goals and objectives that include performance standards. The goals and objectives should cover manpower, equipment, physical condition, and repair/maintenance needs of facilities, to include buildings, grounds, mechanical systems, roofs, and paint. O & M staff should have and follow widely-available written procedures that express the standards included in the System's strategic plan and other policies. These should address such topics as facility standards, personnel staffing standards and qualifications, preventative maintenance of facilities and equipment, and performance standards for employees. The School System's performance standards should ensure that all schools are maintained equitably, and should ensure that the common tasks of O & M personnel meet commonly accepted benchmarks of industry practice and are used in assigning work and conducting performance appraisals. Performance expectations should be conveyed to employees through training and other means.

In the Huntsville System, there is an approved mission statement for maintenance activities, but management is in the process of developing a mission statement for custodial services. Goals and objectives have been developed in broad terms, but there is a need for specific goals, measurable objectives, and clear expected outcomes that reflect approved mission statements for O & M services within the System. These should be tied into the System's strategic plan. Currently the O & M function has little presence in the System's strategic plan. Written procedures exist for preventative maintenance and are in the process of being developed for other elements. O & M staff does not have performance standards for determining priorities or equitable distribution of work performed. The work order system is a first-in, first-out system and personnel respond to emergencies when called for. O & M management has not had the resources to develop performance standards.

Best practice guidelines call for tying the specific goals, measurable objectives, and expected outcomes of O & M work to the budget. The annual budget for O & M activities should consider the need for manpower, equipment, supplies, and purchased services to clean and maintain facilities according to quality standards specified in the strategic plan. These considerations can be based on the useful lives of many types of facility components, which are known; productivity standards for many types of O & M work, which are available or can be developed; and maintenance experience, which can be tracked through automated systems already in use. It is important for the budget to make an explicit connection between approved standards and investment needs, to overcome the well-known tendency to under-fund facility upkeep. Once standards are tied to the budget in explicit terms, the System should have accountability mechanisms to ensure the performance and efficiency of O & M activities. The system should have a process for recognizing failures to meet performance standards and tracking responses to those failures. Management should take initiatives to improve maintenance operations management, increase efficiency and effectiveness, and reduce costs.

In the Huntsville System, strategic planning considerations and resulting performance standards are not made explicit in developing the O & M budget. There is no formal process for tracking performance standards and responses to any failures. O & M personnel annually evaluate the performance of all maintenance and operations work in general terms and make adjustments to improve performance and efficiency in the coming year. Two key tools for improving accountability are the existing automated work order system and the new

computerized time and attendance system. O & M personnel are working on the utilization of these systems, and currently are focused on overcoming a number of problems. The geographic distribution of the O & M staff creates problems with proximity to data entry points for the time and attendance system. The computerized work order system records labor and material needs for projects, but no decisions have yet been made on what other kinds of data should be captured. Recent improvement initiatives include an apprenticeship program for plumbing, HVAC, carpentry, and electrical staff that has received recognition from the U.S. Department of Labor. Also, the department has implemented technology using infrared cameras to inspect some facilities and structures, thereby reducing the costs involved.

Best practice guidelines call for the O & M program to obtain and use systematic customer feedback to identify and implement program improvements. Customer feedback, particularly from the schools, is a powerful tool for improving the performance and productivity of O & M staff. Customers should be surveyed at least annually, using a written instrument, to determine strengths and weaknesses of maintenance as well as custodial services, to solicit ideas for improvements, and to identify major maintenance needs. In addition, satisfaction surveys could be sent as a follow-up to all or a sample of maintenance work projects to obtain feedback from those served. The System's educational facilities should be effectively maintained and provide an appropriate teaching and working environment that is conducive to student learning.

There is no formal customer feedback mechanism for O & M activities in the Huntsville System. The program director makes annual site visits to all schools, walks through the facility with the principal, takes notes, and shares the results with principals. O & M managers have a general sense that facilities are well maintained, due to the lack of major complaints, but they do not have hard data to support this assessment.

Organizational Structure and Staffing

According to best practice guidelines, the organization for carrying out O & M activities should be described in a published organizational chart. The organization should provide appropriate supervision of maintenance and operations staff, and each position should have specific levels of authority and responsibility. Supervisory ratios should be based on appropriate standards or benchmarks. O & M management should regularly review the organizational structure and staffing levels and make adjustments as required. Staffing levels also should be evaluated on the basis of applicable comparisons and/or benchmarks such as expenditures and staffing in other large school systems. The findings of such organizational reviews should be provided to school board members and the public. This could be done as part of the process of establishing facilities standards, as recommended earlier. Job descriptions should exist, be reviewed and updated periodically, and be readily available. Procedures should be established for attracting qualified applicants. Maintenance and custodial standards should incorporate new technology and procedures, and O & M personnel should be trained periodically on them. The system should participate in state and national organizations and subscribe to publications, to remain current with maintenance trends.

In the Huntsville City Schools, O & M activities are described in an organizational chart that provides for appropriate levels of supervision and responsibility. It is reported that staffing levels are compared with other systems. However, our findings showing the high ranking of Huntsville in O & M spending and staffing compared to other Alabama school systems,

particularly other large systems, should prompt O & M management to undertake a careful review. The results may show that other systems simply have lower standards for O & M, or cannot meet their standards; but if there are more productive ways to staff and spend in this area, then they should be explored so that resources can be applied in the areas of greatest need. A facilities committee of the board already exists and meets monthly to discuss staffing and resources relative to facility needs. The previously mentioned apprenticeship program should facilitate the attraction of employees. The System also uses the Work Keys program at Calhoun Community College and Drake Technical College to assist in attracting and maintaining qualified employees. There is very little turnover in maintenance as compared to custodial services. Professional development and training programs are provided annually for appropriate trades personnel, support and supervisory personnel, and administrators. The state requires that some kinds of personnel earn continuing education units (CEUs), and in other cases there are local requirements for CEUs. Professional development and training are among the most important aspects of the apprenticeship program. There is participation in state and national organizations, and publications are made available, but with limited funding.

Resource Allocation and Utilization

According to best practice guidelines, the O & M budget should address long-term goals and current maintenance issues in order to avoid high repair or replacement costs in future years. Funds should be allocated to address deferred maintenance needs, remedy deficiencies identified by the fire marshal and other safety reports, and take care of unforeseen needs. There should be analysis of planned versus actual expenditures. The budget should be based on appropriate professional standards and experience with similar projects in the past, and it should not use reserve funds. Purchasing practices should be cost-effective; analysis should include the operating cost of equipment purchases, and consideration of the cost of repair versus new purchases. O & M personnel should have the tools necessary to accomplish assigned tasks. There should be a procedure for staff to buy parts and other items not stocked on maintenance vehicles. There should be a preventive maintenance program to reduce cost and increase useful life of facilities and equipment. There should be a process for disposal of surplus furniture and equipment. O & M management should periodically evaluate existing services to consider alternatives. Outside contractors should be considered in time sensitive situations, but should be evaluated to verify effectiveness and cost savings.

In the Huntsville system, funds have been allocated to address deferred maintenance needs when available, and these funds are used for their intended purpose. The director manages the O & M budget internally to compare actual versus budgeted expenditures. Reserve funds are not used for recurring expenses. O & M management must negotiate with the finance staff to obtain funding of unforeseen maintenance needs that could adversely affect the System's mission. As discussed earlier, the O & M budget submission is developed internally on the basis of standards, but funding limitations are dominant in its approval, rather than approved facility standards tied to the System's strategic plan. O & M personnel are provided with the tools necessary to accomplish assigned duties. Seldom-needed tools and equipment are readily available through other sources, including rental or lease. O & M staff are able to use purchasing cards with a \$2,500 limit to acquire parts, materials, and equipment that are not stocked on maintenance vehicles. A preventative maintenance program has been implemented. The preventative maintenance on HVAC units has been altered recently, and regular maintenance is performed on switch gears and mowing and power equipment. O & M management evaluates

existing services to consider alternatives, and may use outside contractors in certain situations. An outside contract is currently in place for lawn maintenance.

Best practice guidelines call for O & M management to identify energy efficiency benchmarks and implement actions to increase cost-efficiency. The system should have a written energy management plan, regularly monitor energy management controls, and develop improvements in facilities where energy management problems exist.

The Huntsville System has implemented “efficient lighting” in recent years. Due to time and funding constraints, however, the System does not have a written energy management plan. O & M staff does not regularly monitor energy management controls to verify that the energy management system is working and take corrective actions as required.

Information Management

Best practice guidelines require a work-order tracking system that controls inventory, records costs to work orders, automatically re-orders supplies when depleted, and charges work-order expenses to the appropriate entity. Information produced by the work-order system on job and employee performance is analyzed to improve results. O & M personnel should place highest priority on responding to health and safety issues. Maintenance needs should be prioritized according to guidelines, insuring equity among schools, and completed accordingly. There should be a procedure for determining when emergency maintenance is necessary.

The Huntsville System has a work-order tracking system capable of increasing management capability along the lines recommended by best practice guidelines. Currently, costs are not charged to customers on routine work. However, the department has begun to do so when special orders occur; for example, recently one school wanted a particular counter top that was more expensive than the standard counter tops. Work order reports from the tracking system are routinely produced and analyzed to improve performance. However, information such as actual work hours versus hours scheduled, travel time, and total hours required to complete jobs, are now analyzed only informally. Integrating the work order system and the new time and attendance system may allow this type of analysis. O & M management places high priority on responding to life, health, and safety issues. Allocations are included in the budget for the correction of deficiencies identified in facilities that could involve the safety of students or staff. The maintenance division has a full-time safety officer on staff performing regular inspections. However, there are no procedures for determining when emergency maintenance is necessary and providing for expedited release of funds for emergency repairs.

Health and Safety

Best practice guidelines call for the system to have written health and safety standards. The system should have a written plan for indoor air quality that requires monitoring as appropriate and includes corrective action plans for indoor air quality problems. The system should participate in state and federal voluntary efforts regarding facility health and safety conditions and document resulting cost savings and/or avoidance. Maintenance staff should receive training regarding building codes and other applicable state and local requirements.

In the Huntsville System, health and safety standards currently exist for cafeterias only. Safety and health evaluations are made and documented for the condition of buildings and of each school. The safety officer inspects all buildings and playground equipment annually. Due to a lack of resources, the current practice is to respond to complaints and remedy any problem discovered in that way. The department's response procedures comply with all relevant federal health and safety requirements, even though the System is exempt from them. O & M management has procedures in place to ensure that required permits are obtained prior to the start of a project. Inspections by the City of Huntsville are requested and undergone, even though an Alabama Attorney General's Opinion states they are not required for school systems. Maintenance staff receives training regarding building codes and other applicable state and local requirements.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary customers include the schools. We interviewed a cross-section of the System's school principals to solicit comments concerning O & M activities. The following paragraphs summarize the comments of principals on O & M activities.

Positive responses relating to O & M services included the sense that the staff does good work considering limited resources. The general consensus was that maintenance services have shown great improvement. Most of those interviewed felt that O & M management has been very customer-oriented and responded well, particularly in emergency circumstances, and that maintenance personnel in specific crafts are very skilled in their trades.

Interviewees mentioned that there is some variation in response times for maintenance and repairs, and that the work sometimes takes longer than expected. However, they tended to attribute this to limited resources. Some principals expressed a concern related to the equitable distribution of maintenance and repair work, which could be related to the perception of varying response and repair times. Others felt that a full-time general maintenance staff member should be on site at each building to increase preventative maintenance, or that maintenance staff should be assigned to a cluster of schools to increase familiarity with the structures, as opposed to responding to problems in more than 45 different structures. Some concern was expressed that replacement funds are not always available once a structure or equipment is determined to be beyond repair. There was some sentiment that better management and monitoring of out-sourced services is needed, with follow-up to resolve problems once discovered.

Positive responses from school principals relating to custodial services included the sense that the staff does good work considering limited resources and has shown great improvement over recent years. Principals commented that custodial staff seem well trained and are kept well stocked with needed supplies.

Principals see a need to more clearly define the responsibilities of the custodians, and to give school principals some supervisory control over custodians. Further, the allocation of less than a full-time custodian for some schools was criticized as resulting in high turnover and lack of familiarity with the school. Other problems mentioned with allocation of custodial staff included providing more consideration for the square footage to be maintained and the age of a structure.

Conclusions and Suggestions

O & M operations in the Huntsville City School System are clearly well-managed and provide services that meet customer needs. Management understands the concepts involved in the best practices reviewed and either has implemented or is attempting to implement a large percentage of them. The highest-priority areas for improvement appear to be (1) developing plans and standards for O & M, and then relating them to resource allocation; (2) the apparently high costs of the program in relation to O & M expenditures of other school systems; and (3) the perceived need to build stronger relationships between maintenance and custodial staff and the school principals.

Specifically, we suggest the following priorities:

- Address O & M standards more clearly in the system-wide strategic plan.
- Complete the development of mission statements, specific goals and measurable objectives for operation and maintenance of facilities. Translate these into operating procedures and performance standards for O & M services and use them in budget development and in accountability measurements.
- Once developed, make the procedures and standards for operation and maintenance of facilities widely available within the System and to the public.
- Develop written performance standards for staff that are consistent with the facility standards, and communicate them to employees and customers.
- Adapt the computerized work order system to capture more than labor and materials, and link it with the new time and attendance system to provide management information that can inform the O & M budget and track performance.
- Obtain and use systematic customer feedback to identify and implement program improvements.
- Collect and analyze data on the equitable distribution of work performed and address any problems.
- Develop a process for communicating failures to meet departmental and staff performance standards and track responses to those failures.
- Review the program's cost, staffing, and results in comparison with other school systems, and make adjustments as indicated. Focus in this review on methods other school systems use to strengthen relationships between custodial and maintenance staff and school principals.
- Develop and implement a written energy management plan that identifies energy efficiency benchmarks and involves actions to increase cost-efficiency.

- Create and implement written health and safety standards for the System, including a plan for indoor air quality.

FOOD SERVICES

Summary of Findings for Food Services

- **2003 Expenditures:** \$335 per student, 85% of the large-system average
- **2003 Staffing:** 11.2 FTEs per 1,000 students, 114% of the large-system average
- **Best-Practice Assessment:** System follows 38 of 44 best practices

The Food Service function includes activities concerned with providing food to students and staff in the school system, through what is known as the Child Nutrition Program (CNP). These include operating costs associated with preparing, delivering and serving meals, as well as the acquisition of food-service equipment and other related items.

Expenditure and Employment Comparisons

Spending Comparisons

In the Food Service area, Huntsville compares very favorably both among the large systems and statewide. The System spent \$335 per student on Food Service in 2003, which was \$60 below, and only 85% as much as, the large-system average. Huntsville ranked eighth among the eleven large systems and 122nd among the 128 Alabama systems in this function. Table 8 highlights the Food Service area while presenting the results for the other areas as well.

**TABLE 8. Comparisons of Non-Instructional Spending in FY 2003
Highlighting Food Service**

| Functional Area | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|---------------------|---------------------------------------|----------------------------|--|--|--|
| Operations & Maint. | \$ 905 | \$ 601 | 151% | 1 | 1 |
| Food Service | 335 | 395 | 85% | 8 | 122 |
| Transportation | 159 | \$ 255 | 62% | 10 | 99 |
| General Admin. | 163 | 133 | 122% | 1 | 100 |
| Total | \$ 1,561 | \$ 1,383 | 113% | 2 | 36 |

We also looked within the Food Service area at expenditures per student for four major objects of expenditure – personal services (salaries), employee benefits, purchased services, and materials and supplies (food and other). Table 9 summarizes the results of the spending comparison by object of expenditure.

In the Food Service area, Huntsville spent \$129 per student on Personal Services. The average for the eleven large systems was \$143 per student, which was \$14 higher than

Huntsville. Huntsville’s spending was 90% of the large-system average; it ranked 8th among the eleven large systems, and 115th among all Alabama school systems.

**TABLE 9. Comparisons of Food Service Spending in FY 2003
By Object of Expenditure**

| Object of Expenditure | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-----------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Personal Services | \$ 129 | \$ 143 | 90% | 8 | 115 |
| Employee Benefits | 74 | 69 | 108% | 5 | 81 |
| Purchased Services | 7 | 8 | 96% | 4 | 84 |
| Materials & Supplies | 125 | 176 | 71% | 11 | 126 |
| Total | \$ 335 | \$ 395 | 85% | 8 | 122 |

Huntsville spent \$74 per student for Food Service Employee Benefits, which was \$5 or 8% more than the average for the eleven large systems. Huntsville ranked 5th among the large systems and 81st among all 128 Alabama school systems.

Huntsville spent \$7 per student on Food Service Purchased Services, which was \$1 less than the large-system average. Huntsville ranked 4th among the eleven large systems and 84th among the 128 Alabama systems on this object of expenditure.

On Food Service Materials and Supplies, Huntsville spent \$125 per student, which was \$51 below the large-system average and measured only 71% of that average. Huntsville ranked lowest among the eleven large systems and 126th among all 128 systems on this object of expenditure. Food costs are the principal type of purchase included in this figure, and Huntsville’s low costs are a major achievement, reflecting cost-conscious buying practices as well as attention to the availability of USDA surplus commodities.

Staffing Comparisons

Huntsville had 11.2 Food Service employees per 1,000 students in 2003, which was 1.4 employees per 1,000 students or 14% over the large-system average. Huntsville ranked 3rd among the large systems and 65th among the 128 systems statewide in this Food Service employment ratio. The Food Service comparisons are highlighted in Table 10, which also shows how Huntsville compared in the other functional areas.

**TABLE 10. Comparisons of Non-Instructional Staffing in FY 2003
Highlighting Food Service**

| Functional Area | Huntsville Staff per 1,000 Students | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|---------------------|-------------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Operations & Maint. | 14.6 | 10.3 | 142% | 1 | 2 |
| Food Service | 11.2 | 9.8 | 114% | 3 | 65 |
| Transportation | 0.5 | 9.3 | 5% | 11 | 120 |
| General Admin. | 2.7 | 1.8 | 152% | 1 | 79 |
| Total | 29.0 | 31.3 | 93% | 9 | 86 |

The tables at the end of the report provide details on spending and staffing for the eleven Alabama systems with 10,000 or more students.

- Planning, organization and staffing (15 best practices)
- Management (11 best practices)
- Performance and accountability (18 best practices)

The responses indicate that the CNP is implementing or has fully implemented 38 of the 44 best practices reviewed.

Planning, Organization, and Staffing

Best practice guidelines call for a food service plan with mission, vision, goals, and objectives that are broadly approved and consistent with the system's overall strategic plan. The system should have a budget based on its plan that considers space, equipment, and automation needs. Food service personnel should have a say in kitchen plans for new schools. The CNP organizational chart should accurately reflect the operation of the food service program, provide appropriate span of control, and minimize administrative layers. The food service program should have sufficient authority to fulfill its responsibilities, and CNP management should have developed organizational relationships to allow and promote success in the food service program. CNP staffing levels should be appropriate in terms of the number of meals served, serving periods, and student participation rates. The CNP should provide periodic training on the essential functions of the program (food safety, portion control, production control, special diets, inventory, meal count procedures, receiving and storage of food and supplies, emergency procedures, and customer service). Training should include needs of new employees and develop managers through such methods as internships.

The Huntsville CNP has a broadly-approved plan that is consistent with federal guidelines for child nutrition programs and contains an appropriate mission statement, goals, and quantifiable objectives that allow measurement of progress toward goals. However, the child nutrition program is not addressed in the system's strategic plan. Food service management has developed program procedures that are consistent with overall system policy, but the CNP plan needs to be integrated into the system's strategic plan. This would allow the System to address strategic CNP issues. For example, CNP management would like to offer more nutritional and

dietary education for students, parents, and teachers. This would require more staff, at least one full-time position.

Examples of the integration of automation into CNP operations are the current implementation of an automated time and attendance system that ties into the System's payroll system and an automated payment system for students with PIN numbers and swipe cards. CNP personnel are able to review, modify as needed, and approve kitchen layouts and designs in plans for new schools. The CNP organizational chart provides a sound foundation for food service operations. The Huntsville CNP staff produces 15 meals per labor hour as compared to the State Department of Education standard of 12 meals per labor hour. Each CNP general staff member has two in-service days per year and managers have three days, as spelled out in their employment contracts. The System has internship programs for dietetic students from local universities and colleges.

Management

Best practice guidelines call for a procedures manual for cafeteria managers that covers essential responsibilities (cash control, receipt of goods, inventory procedures, production record keeping, sanitation and food safety, employee safety, emergencies in case of injury, and ordering of food and supplies), and in large operations for other key areas of responsibility. The food service program should not be dependent on general fund transfers for its operations, should have an adequate unreserved fund balance, and should have a five-year cash flow budget. Federal reimbursement requests should be submitted within 30 days. The program should pay all expenses directly or through the federal indirect cost rate, to avoid diversion of general funds. The system should analyze and aggressively seek to enhance its food service operations as opportunities are developed or arise. It should take full advantage of USDA Donated Foods, by (1) ordering its full annual allocation, (2) considering purchased food prices when developing commodities allocation orders, (3) accepting additional allocations when offered and needed, and (4) using commodity processors when financially advantageous. It should conduct periodic reviews to ensure that pricing of meals and a la carte items are appropriate and meet budget needs. Efficiency and effectiveness of CNP core process functions (i.e., warehousing, delivery, procurement, and management) should be assessed at least every 5 years.

According to federal guidelines and consistent with its federal plan, CNP management has developed a procedures manual for cafeteria managers and other key positions such as area managers and dietitians, covering essential responsibilities. The food service program operates solely on federal funds and fees, without general fund transfers. There is an unreserved fund balance that currently totals 4.5 months of operating funds, while state and federal standards call for three months. The program has a cash flow budget to ensure that planned needs are met without use of general fund monies. Program managers submit and receive federal reimbursements in a timely manner and monitor reimbursements closely. The program directly, or through the indirect cost rate, pays for appropriate program-related expenses (e.g., trash removal, utilities, equipment, repairs, cafeteria renovation) so that general fund monies intended for the classroom are not diverted to support food services. An example of food service enhancement is the recent implementation of an a la carte menu for the high schools to encourage older students to eat on campus as opposed to going off-campus for fast food, thereby keeping student participation rates up. USDA food donations are used extensively; USDA knows to call the System's CNP when surpluses are available and tends to call the Huntsville

CNP first because of its capabilities in managing the use of excess foods. Pricing is reviewed periodically, as evidenced by funding results, and efficiency reviews are done annually.

Performance and Accountability

According to best practice guidelines, the CNP should have performance measures at the program level (such as net income margin, food cost margins, salary plus benefits margin, and participation rates for free and reduced lunch eligibles and all students) and the school level (such as meals per labor hour and margins for salaries plus benefits and food costs at lunch and breakfast). Program management should use historical performance and comparison with peers to develop benchmarks, and should periodically review its measures to ensure reliability and relevance. Program management should have a system to ensure that policies and procedures are followed in at least the following areas: protection and accounting for assets (cash, equipment, food, and supplies), warehousing (what is stored, and where), protection of personnel through safety procedures and preparation for treatment or care in case of injury, and ensuring that food is prepared safely using ingredients per instructions with proper portion control over servings.

The Huntsville System's CNP provides each school with a monthly comparative report of performance measures including meals per labor hour, net income margins, participation rates, food costs per plate, labor costs per plate, and other measures. Each school is compared to the system average, and elementary schools are compared to other elementary schools and high schools to other high schools. Measures are reviewed to ensure that reliable feedback is provided to cafeteria managers using data essential to program success. The CNP is currently in the implementation stage of bar coding all kitchen equipment and utensils and integrating these into the central inventory system. Only USDA commodities are warehoused; all other items are stored on-site at the schools. The required staff in-service days address safety procedures, including accident reports with verification from a doctor for all injuries, first aid treatment, food preparation, use of proper ingredients, and serving issues such as proper portion control. If a problem arises during the school year, the central office staff holds on-site training as needed.

Best practice guidelines call for a viable preventive maintenance and long-range equipment replacement program. The CNP should seek to improve procurement methods, be actively involved in the procurement process, and assist in the development of product specifications that best match menus and supplier prices. Reporting is timely and adjustments are made when necessary in such areas as staffing, menu costs, production costs, and waste. Top management of the system should be kept informed. The system should pass USDA Donated Foods inspections and follow federal and state competitive bidding rules in both policy and practice. Program management should identify barriers to student participation and develop appropriate methods to overcome them. An effective suggestion system should be in place, and stakeholders such as students, parents, principals, and teachers should be contacted periodically for comments and ideas.

In Huntsville, the CNP tracks which equipment will need replacing. However, more preventative maintenance is needed, such as cleaning the fans on the motors of refrigeration equipment to increase useful life and prevent repairs. CNP purchases are made in cooperation with other school districts when financially advantageous. CNP management compares the prices from state bids, Department of Defense contracts, and cooperative buying, and then chooses the best price considering product specifications. For example, bread, milk and ice

cream are bought with Madison City schools. However, the System does not participate in expanded cooperative purchasing arrangements that are available in the area. The CNP has a reporting system that provides accurate and timely information, as required by state and federal guidelines. Periodic reports are provided to the director of business services, who then reports to the Board. Special reports also are provided to the Board; for example, recently the Board requested a report on the amount of fresh produce that is purchased from vendors and growers within the state of Alabama. Adjusting staff allocations is difficult due to employment constraints that allow moving of staff only during specified time periods. CNP has begun to use a temporary labor service for substitutes in school cafeterias when shortages occur. The CNP passed its latest USDA Donated Foods inspection and follows competitive purchasing rules. The initiation of an ala carte menu in high schools and use of a system where the identity of free and reduced price lunch participants remains confidential are examples of overcoming barriers to participation. Strong efforts are made to accommodate students with special dietary needs, such as diabetics or children with food allergies, by working with parents and teachers.

The CNP has not yet developed an effective suggestions system that readily accepts and ensures complaints are considered. There is no formal system to solicit suggestions or complaints related to the CNP, although customers do give input without being asked. Program management does not periodically contact stakeholders (students, parents, principals, and teachers) to solicit comments and ideas. CNP Management does respond to questions from parents about nutritional meals or snacks for children at home or for students who bring their lunch to school.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary “customers” include the schools. We interviewed a cross-section of the System’s school principals to solicit their comments concerning the CNP. The following paragraphs summarize the comments of principals on the CNP program.

Positive responses included the view that central office CNP staff and cafeteria managers are very professional in their operations and very responsive when concerns are raised. Principals also credit the CNP with doing a good job of managing in spite of a high turnover rate among cafeteria staff. The offering of a variety of menu options for students to maintain a high participation rate for students was mentioned as an indicator of the program’s overall success.

On the other hand, principals mentioned that the high turnover rate of cafeteria staff has an impact on the remaining cafeteria staff morale. Improvement in working conditions and better compensation for cafeteria workers were mentioned as changes that could reduce the turnover rate. Respondents also discussed the need for increased training of cafeteria managers on handling personnel matters with their staff. Some principals mentioned a desire for more variety in menu selections and more flexibility in portion size for adults.

Conclusions and Suggestions

The Food Service program of the Huntsville City School System operates at a cost per student that is only 85% of the average for its large-system peers. Its expenditures are below average both for personal services and for materials and supplies, indicating sound management

control of the program. It also employs a large number of best practices for CNPs, which undoubtedly contribute to the ability to manage costs while providing good service. Customer feedback from principals was positive about the quality of the program. All of the indicators lead to the conclusion that this is a very high-performing program within the System.

Our review did lead to the following suggestions that could serve to increase performance further:

- Address the CNP in the strategic plan for the entire system.
- Increase preventive maintenance on cafeteria equipment.
- Develop a formal suggestion and complaint system to ensure that complaints are addressed in a systematic way.
- Periodically solicit input from students, parents, and staff.
- Provide more nutritional and dietary education and information for students, teachers, and parents using CNP staff.
- Consider participation in expanded cooperative purchasing arrangements that are available.

STUDENT TRANSPORTATION SERVICES

Summary of Findings for Student Transportation Services

- **2003 Expenditures:** \$159 per student, 62% of the large-system average
- **2003 Staffing:** 0.5 FTEs per 1,000 students, 5% of the large-system average
- **Best-Practice Assessment:** Not applicable

The Student Transportation function includes activities concerned with conveying students to and from and between school facilities.

Expenditure and Employment Comparisons

Spending Comparisons

In the Student Transportation area, Huntsville spent \$159 per student, which was \$96 below the large-system average and measured only 62% of that average, as shown in Table 11. Huntsville ranked tenth among the eleven large systems and 99th among all 128 systems in this function. In part this reflects the fact that Huntsville, like Birmingham and certain other city school systems, contracts for transportation and provides more limited services than is the case in most school systems.

**TABLE 11. Comparisons of Non-Instructional Spending in FY 2003
Highlighting Transportation**

| Functional Area | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-----------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Operations & Maint. | \$ 905 | \$ 601 | 151% | 1 | 1 |
| Food Service | 335 | 395 | 85% | 8 | 122 |
| Transportation | 159 | \$ 255 | 62% | 10 | 99 |
| General Admin. | 163 | 133 | 122% | 1 | 100 |
| Total | \$ 1,561 | \$ 1,383 | 113% | 2 | 36 |

We also looked within the Student Transportation area at expenditures per student for four major objects of expenditure – personal services (salaries), employee benefits, purchased services (such as contracts for transportation services), and materials and supplies. Because Huntsville and Birmingham are the two large systems with similar types of transportation programs, we compared Huntsville with Birmingham as well as the large-system average for this function. Table 12 summarizes the results of the spending comparison by object of expenditure.

Huntsville spent \$10 per student more than Birmingham for transportation services in 2003, a 6% difference. Huntsville's expenditures were almost all contractual, with the exception of compensation for 11.5 bus aides. In Birmingham, on the other hand, a majority of

transportation expenditures were for personal services and supplies, and the contract amount was smaller. Both of the contracting systems had far different spending patterns, and spent less on transportation, than the other large systems. Huntsville spent only \$10 per student for personal services, 7% of the large-system average of \$137 per student.

**TABLE 12. Comparisons of Transportation Spending in FY 2003
By Object of Expenditure**

| Object of Expenditure | Huntsville Spending per Student | Birmingham Spending per Student | Huntsville as a Percent of Birmingham | Large System Average | Huntsville as a Percent of Average |
|-----------------------|---------------------------------|---------------------------------|---------------------------------------|----------------------|------------------------------------|
| Personal Services | \$ 10 | \$ 55 | 19% | \$ 137 | 7% |
| Employee Benefits | 4 | 22 | 17% | 63 | 6% |
| Purchased Services | 145 | 64 | 227% | 30 | 491% |
| Materials & Supplies | 0 | 9 | -- | 25 | -- |
| Total | \$ 159 | \$ 149 | 106% | \$ 255 | 62% |

Staffing Comparisons

Huntsville employed only 0.5 transportation-related employees per 1,000 students in 2003, which was 15% of the staffing ratio in Birmingham (the closest system in terms of operating methodology) and 5% of the staffing ratio for large systems in general. The comparison is shown in Table 13.

**TABLE 13. Comparisons of Non-Instructional Staffing in FY 2003
Highlighting Transportation**

| Functional Area | Huntsville Staff per 1,000 Students | Birmingham Staff per 1,000 Students | Huntsville as a Percent of Birmingham | Large System Average | Huntsville as a Percent of Average |
|-----------------------|-------------------------------------|-------------------------------------|---------------------------------------|----------------------|------------------------------------|
| Operations & Maint. | 14.6 | 14.1 | 103% | 10.3 | 142% |
| Food Service | 11.2 | 8.6 | 130% | 9.8 | 114% |
| Transportation | 0.5 | 3.4 | 15% | 9.3 | 5% |
| General Admin. | 2.7 | 1.6 | 172% | 1.8 | 152% |
| Total | 29.0 | 27.7 | 105% | 31.3 | 93% |

The tables at the end of the report provide details on spending and staffing for the eleven Alabama systems with 10,000 or more students.

Implementation of Best Practices

The Huntsville City School System does not operate its own student transportation system as do many other school systems. Instead, like the Birmingham City School System, it contracts with a private provider of transportation services. The System does not currently own any vehicles for the transporting of students, and its personnel consist only of a manager and a number of bus aides. Among the reasons for adopting this method of operation is the fact that

Huntsville schools tend to be community-based in an urban environment, with a substantial number of students living inside a 2-mile radius of the school they attend. The state's method of funding school transportation costs provides reimbursement only for students living outside a 2-mile radius, except for special education students. Thus, Huntsville's transportation needs are somewhat unique and must be met for the most part with local resources.

The Huntsville City School System contracts with a private provider to transport the following groups of students:

- Special education students, under federal guidelines
- Children who choose to leave a "failing school," as defined under No Child Left Behind (NCLB)
- Students choosing to attend a different school under a 1960s court order for Majority to Minority schools (M&M)

The private contractor covers an estimated 65 main routes in transporting these students. The contract for transportation is managed by the maintenance supervisor, who also has responsibility for maintenance and construction activities.

Any transportation of students for extra-curricular activities (e.g., field trips, athletics, and band) is performed by the private contractor and is coordinated by personnel under supervision of the maintenance supervisor. Individual schools place a bus request and make payment out of school-raised funds, there being no allocation from the System for such activities.

One benefit of the contracted system mentioned by the director is that if a bus driver is out of line, the system can simply call the vendor, and that driver will be pulled off immediately.

Arguments for a more complete transportation system can be made. For example, the lack of bus transportation exposes many students to urban traffic hazards and creates traffic problems within the city that would be lessened if more students were transported by bus. An in-depth study would need to be done to determine the cost of a more complete transportation system, how much would be paid by the state, and how such a system should be operated.

We used no checklist of best practices for student transportation due to the contract arrangement for, and the limited scope of, the services provided. The major issues on which we focused were the cost of the service (discussed above) and the customer feedback from school principals.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary "customers" include the schools. We interviewed a cross-section of the System's school principals to solicit their comments concerning student transportation services. The following paragraphs summarize the comments they made.

Most respondents felt using an out-sourced private contractor was very efficient considering the unknown amount of state funding that would be provided to start and maintain a

more comprehensive transportation system. Overall, the services provided by the private contractor were considered adequate by the principals interviewed.

Principals raised some issues related to students. For example, some felt that the lack of transportation increases absenteeism on bad-weather days. Some principals pointed out that students transported under the NCLB requirements are taken back to the school closest to their home, but there is not a clear policy on who is responsible for them until their parents arrive, creating a safety issue.

Issues related to parents also were raised. For example, some principals feel that new families coming to the area may consider the Huntsville System's lack of transportation for their children to be a negative factor when choosing where to purchase a home, and may locate in the unincorporated area of the county because of this. Some principals suggested polling parents on their desire for transportation and to determine if they would be willing to pay a fee to cover the cost.

Some principals suggested a need for more attention to the management of the contract with the private supplier. The possibility of coordinating the private contractor's services with the city's public transportation also was suggested.

Conclusions and Suggestions

The System's transportation expenditures are only 62% of the large-system average, and are comparable to those reported by Birmingham, which is the only other large system that operates similarly. School principals express general satisfaction with the services provided, although they did mention issues related to students, parents, and the administration of the contract. We suggest that the contract manager should develop methods of receiving systematic feedback on transportation services from the schools and parents, and that he should respond to legitimate issues raised.

GENERAL ADMINISTRATIVE SERVICES

Summary of Findings for General Administrative Services

- **2003 Expenditures:** \$163 per student, 122% of the large-system average
- **2003 Staffing:** 2.7 FTEs per 1,000 students, 152% of the large-system average
- **Best-Practice Assessment:** System follows 233 of 278 best practices

The General Administrative Services function includes activities concerned with overall direction and central management of the School System. These activities include the Board of Education and Superintendent's Office; financial, human resource, and data processing staffs; and central services such as purchasing and warehousing.

Of the four areas studied, the General Administrative Services proved the most difficult to analyze on an "apples-to-apples" basis. While all systems utilize the same accounting system, there are in practice many variations in the treatment of administrative activities. Many school systems in Alabama include certain kinds of instruction-related supervisory activities under the heading of General Administrative Services, and we have removed those from the comparisons to the extent possible within the framework of the statewide accounting system used by all systems. School systems also differ in accounting for board members and their expenses, and we have adjusted the comparisons where necessary to standardize the treatment of school boards. Finally, a number of school systems allocate certain kinds of purchased services (primarily insurance, telecommunications, utilities, and legal expenses) to various functional areas. We have therefore removed these from the General Administrative totals and analyzed them separately by totaling all such expenditures for the entire school system.

Expenditure and Employment Comparisons

Spending Comparisons

In the General Administrative Services area, Huntsville compared very favorably on a statewide basis, ranking 100th among the 128 systems. The System spent \$163 per student on General Administration in 2003. This was \$30 above the large-system average and ranked first among the eleven systems with 10,000 or more students; however, as Huntsville's low statewide ranking indicates, all of the large systems had relatively low expenditures in this area, reflecting the economies of scale that come with size. Table 14 highlights the General Administrative Services area while presenting the expenditure comparisons for the other areas as well.

We also looked within the General Administrative Services area at expenditures per student for four major objects of expenditure – personal services (salaries), employee benefits, purchased services, and materials and supplies. As mentioned above, these figures have been adjusted to remove insurance, telecommunications, utility, and legal expenses because of inconsistencies in accounting for them. Table 15 summarizes the results of the adjusted

spending comparison by object of expenditure. Major purchases are covered later in the analysis.

**TABLE 14. Comparisons of Non-Instructional Spending in FY 2003
Highlighting General Administration**

| Functional Area | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-----------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Operations & Maint. | \$ 905 | \$ 601 | 151% | 1 | 1 |
| Food Service | 335 | 395 | 85% | 8 | 122 |
| Transportation | 159 | \$ 255 | 62% | 10 | 99 |
| General Admin. | 163 | 133 | 122% | 1 | 100 |
| Total | \$ 1,561 | \$ 1,383 | 113% | 2 | 36 |

In the General Administrative Services area, Huntsville spent \$114 per student on Personal Services. The average for the eleven large systems was \$84 per student, which was \$30 lower than Huntsville. Huntsville's spending was 135% of the large-system average; it ranked 1st among the eleven large systems but only 96th among all Alabama school systems. Again, this shows that the large systems all spend relatively little per student on General Administrative staff compared to other school systems in the state. The table also shows personal-service spending by type of employee; Huntsville's biggest disparity was in spending for administrative support employees, which was the only area where it ranked 1st, and which was \$26 per student above the large-system average. This disparity explains virtually all of the difference between Huntsville and the large-system average on General Administrative Services spending.

**TABLE 15. Comparisons of General Administration Spending in FY 2003
By Object of Expenditure ***

| Object of Expenditure | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|------------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Personal Services | 114 | \$ 84 | 135% | 1 | 96 |
| Certificated | 11 | 17 | 65% | 11 | |
| Administrative Support | 43 | 17 | 259% | 1 | |
| Prof. & Tech. Support | 28 | 21 | 132% | 3 | |
| Secretarial & Clerical | 21 | 21 | 100% | 6 | |
| Service & Other | 11 | 9 | 128% | 3 | |
| Employee Benefits | 29 | 23 | 126% | 2 | 89 |
| Purchased Services | 16 | 17 | 93% | 5 | 85 |
| Materials & Supplies | 4 | 9 | 46% | 10 | 118 |
| Total | \$ 163 | \$ 133 | 122% | 1 | 100 |

* NOTE: The data in this table exclude the following kinds of purchased services that have been analyzed separately: legal services, communications services other than advertising, utility services, and insurance services. They also exclude all administrative expenditures in cost centers other than the 8600 series, plus instruction-related expenditures even if allocated to cost centers in the 8600 series.

Staffing Comparisons

Huntsville had 2.7 general administrative employees per 1,000 students in 2003, which was 0.9 employees per 1,000 students or 52% over the large-system average. The large percentage variations must be viewed with caution because of the small numbers involved, particularly because Table 15 showed that Huntsville and all other large systems ranked low in terms of personal-service expenditures within the general administration area. Table 16 shows that Huntsville ranked 1st among the large systems in the overall administrative employment ratio – but a much-lower 79th among all school systems in the state.

**TABLE 16. Comparisons of Non-Instructional Staffing in FY 2003
Highlighting General Administration**

| Functional Area | Huntsville Staff per 1,000 Students | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-----------------------|-------------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Operations & Maint. | 14.6 | 10.3 | 142% | 1 | 2 |
| Food Service | 11.2 | 9.8 | 114% | 3 | 65 |
| Transportation | 0.5 | 9.3 | 5% | 11 | 120 |
| General Admin. | 2.7 | 1.8 | 152% | 1 | 79 |
| Total | 29.0 | 31.3 | 93% | 9 | 86 |

Table 17 shows 2003 expenditures for selected kinds of purchased services. These represent major expenditures that are accounted-for in different ways by various school systems. We have totaled all expenditures in the indicated categories for each school system to derive the figures in the table. Huntsville compared relatively well in all three areas shown. Its legal expenses of \$12 per student were below the per-student average for all large systems, which in general were relatively high for the state as a whole. Huntsville's communications and insurance expenditures were below the averages for both the large systems and all systems statewide.

**TABLE 17. Comparisons of Selected Purchased Services in FY 2003
(Figures include all purchases within the System.)**

| Object of Expenditure | Huntsville Spending per Student | Large System Average | Huntsville as a Percent of Average | Huntsville's Rank: 11 Large Systems | Huntsville's Rank: All 128 Systems |
|-------------------------|---------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Legal Services | \$ 12 | \$ 14 | 86% | 4 | 34 |
| Communication Services* | 25 | 31 | 79% | 7 | 86 |
| Insurance | 14 | 23 | 60% | 11 | 119 |
| Total | \$ 51 | \$ 69 | 74% | 7 | 105 |

*NOTE: These data include expenditures coded as telephone, telecommunications, postage, and other.

Best practice interviews were conducted and feedback from principals was sought in four areas of General Administrative Services:

- Financial Management (79 best practices)
- Human Resource Management (61 best practices)
- Administrative and Instructional Technology (57 best practices)
- Board and Superintendent (81 best practices)

FINANCIAL MANAGEMENT

Implementation of Best Practices

In conducting interviews with financial managers, we used a checklist of 79 best practices. These best practices covered the following aspects of financial controls:

- General Financial Controls (19 best practices)
- Internal Controls (15 best practices)
- External and Internal Auditing (10 best practices)
- Cash Management (2 best practices)
- Capital Asset Management (12 best practices)
- Debt Management (6 best practices)
- Risk Management (7 best practices)
- Purchasing and Inventory Management (8 best practices)

The Finance Department is implementing or has fully implemented 65 of the 79 best practices reviewed.

General Financial Controls

Best practice guidelines call for the finance department to have an approved organizational structure with position descriptions that contain appropriate education and experience requirements. There should be a strategic plan for financial activities with measurable goals and objectives. There should be written procedures for critical accounting processes and for confidential reporting of suspected improprieties, as well as written ethics policies for finance staff. The financial accounting system should have integrated software components to minimize manual processes. The financial staff should provide monthly and annual financial reports that effectively summarize financial operations and condition for the board. Managers within the system should have regular access to budget-expenditure comparisons for their areas of responsibility.

In the Huntsville System, the Finance Department has recently implemented an approved organizational structure, and there are position descriptions with appropriate education and experience requirements. Financial management is not addressed in the System's strategic plan. The custodian of funds has written procedures and follows policies of the State Department of Education; the board recently adopted a cash management policy. The System uses the McAleer software, and has integrated its components to minimize manual processes. Direct deposit is still

in the formative stages, but on-line banking is used extensively. A paperless system for financial records is being implemented, within the constraints of state and federal requirements. Detailed, easily understood reports are provided monthly to the Board's finance committee, and managers can view financial data on-line with a 48-hour lag time.

According to best practice guidelines, financial services units should be staffed appropriately to ensure effective delivery of services. Finance staff should be cross-trained for critical accounting processes, and should receive appropriate training and professional development. School-level accounting personnel should be trained appropriately. The financial staff should analyze the cost savings from improvements in providing financial services, the impact of major financial proposals, and trends in major expenditure categories. Compliance with fund-source restrictions should be enforced.

In the Huntsville System, the Coordinator of Financial Accounting is the only professional accountant in the Finance Department, and expressed the need for one full-time staff accountant. The Finance staff currently includes four full-time employees in accounts payable, four full-time employees in payroll, and one full-time and two temporary employees for all other finance functions, which the Coordinator believes is inadequate for a \$238 million budget with 52 cost centers. Recently an accounting supervisor position was vacated, and the duties have been picked up by the Coordinator. The department cross-trains employees where possible, although employee issues based on pay differences among job classifications create problems. The department recently created para-professional positions for payroll and other functions, but these are not fully implemented. Staff members participate in Governmental Finance Officers Association training and certification programs. There is an annual training handbook and classes for principals, secretaries, and school bookkeepers. On-line systems have reduced the time lag for schools to see up-to-date financial reports from 45 days to 48 hours, and have eliminated duplicate efforts at the school and system levels. A full-time temporary employee checks for compliance with fund-source restrictions, but the Coordinator believes that this function should be handled by a permanent employee.

Internal Controls

Best practice guidelines call for effective controls over receipting processes to ensure timely depositing and recording of collections to the correct accounting codes in compliance with applicable laws, rules, and policies. The system should have effective controls over payroll processes to ensure appropriate and timely reporting and remitting of federal payroll taxes, other payroll deductions such as health insurance premiums, payroll and attendance information to employees, legal compliance, and proper charging of salary costs to the correct accounting codes. The system should have effective controls over the disbursing processes to ensure that payments are made for authorized purposes, have sufficient budget authority, funds are available, goods and services were received, vendor invoices/bills are present, and disbursements are charged to the proper accounting codes. Internal control weaknesses should be identified through external and internal audit reports, risk assessments, grantor monitoring reports, and such other sources as communications from employees and the public. Management should assign responsibility for resolving internal control problems, and check on progress periodically.

In the Huntsville System, receipting processes are addressed in the Local School Accounting Manual that is available to school bookkeepers on the website. The finance staff is in continual direct contact with school bookkeepers on these issues. Payroll processes are handled by the payroll staff and school bookkeepers according to the Local School Accounting Manual, with all transactions reviewed by the finance staff. The system is currently implementing an automated time and attendance system for all employees. Expenditures are compared against budget electronically; any over-budget expenditure requires an over-budget expenditure form. Accounts Payable checks all invoices and the receipt of goods or services. All disbursements are reviewed quarterly for coding errors. The internal audit staff concentrates on control weaknesses involving the principal's monies, overtime issues, and smaller grant programs. External auditors are used to identify and report on the resolution of control weaknesses system-wide and for major grant programs. Generally, resolution is assigned to the internal auditor and the superintendent. Reporting on resolution of such issues is not formalized. Issues related to auditing, internal controls, and risk management are not addressed in the strategic plan.

Best practice guidelines call for budgets to be formed and adopted pursuant to applicable requirements for form, substance, and timeliness. System staff should use appropriate revenue-estimating practices when developing estimated budget sources for appropriations, including prior year comparisons and enrollment projections. The budget planning process and timeline should be clearly communicated. School principals should include community input when developing school budgets. The system should have an established budget planning process to link strategic plan objectives to the development of the budget. The strategic plan should include a provision for maintaining adequate levels of unreserved fund balance. The system should have appropriate procedures for reviewing, evaluating the financial impact of, and approving budget amendments.

In the Huntsville System, budgets are formed according to State Department of Education (SDE) regulations and meet required deadlines. The financial staff does its own forecasts, rather than relying on SDE recommendations. Recent history has shown that SDE forecasts were too bleak and would have caused unnecessary layoffs with embarrassment to the Board. The budget timeline and planning process are contained in the financial handbook and covered in training classes provided by the financial staff. Principals are not required to seek community input on budgets, but are required to include fund raisers, community contributions, and legislative pork funds in their accounting of budget funds. The financial staff is not involved in linking the strategic plan to budgets; strategic plan objectives apply only to instructional areas, and thus do not include the level of fund balances. However, the system has not gone over budget in six years. There is some concern that the system has an unreserved fund balance of only \$8 million for a \$238 million budget, or about 3%. A budget amendment must go through the same process as the original budget for the department or school seeking the amendment.

External and Internal Auditing

According to best practice guidelines, audit reports should be completed in accordance with standards of the Governmental Accounting Standards Board (GASB). The system should respond to audit comments in a timely and appropriate manner. The internal audit function should be organizationally independent, reporting to the board or to a board-designated internal

audit committee. The internal audit function should perform an annual risk assessment, which should guide an annual internal audit work plan that is approved by the board. The internal audit function should have sufficient resources to provide reasonable audit coverage on a periodic basis. Internal audits should include system responses, corrective action plans, and periodic follow-up of findings noted in previous reports. Internal audit reports should go to the external auditor for consideration in the completion of the system's financial audit. Annual school internal accounts financial audits should be timely completed and presented to the board.

The Huntsville System would not use an external auditor that did not follow auditing standards according to GASB. The internal auditor works closely with the external auditors during an audit and post audit follow-ups. In the past the internal auditor reported to directly to the Board, but now he reports to the Director of Business. The internal auditor serves on the finance committee of the board. There is no Board-approved internal audit work plan, and no formal reporting to the Board related to internal audits. No annual risk assessment is done within the system. Appropriate audit programs are followed when an internal audit is requested by the Board, to include system responses, corrective action plans, and periodic follow-up of findings in previous internal audit reports; however, there have been no formal internal audits recently. Providing reports to external auditors and completing internal audits is a challenge when the internal audit and risk management staff consists of one full-time employee, down from four full-time employees in the past.

Cash Management

Best practices call for written policies and procedures for cash management. The system should maintain its cash deposits in qualified public depositories, deposit and invest cash collections in a timely manner, and perform timely bank reconciliations with staff that cannot change accounting records. The system should have cash forecasting processes that ensure adequate liquidity throughout the year, and evaluate banking relationships to ensure that terms and fee schedules are appropriate. The board should receive periodic reports on investment activities. The system should have written policies and procedures for investments that provide guidance for maximizing returns while ensuring the safety and liquidity of investments. Investments should be monitored.

The Huntsville System has procedures for cash management, but they are not written. Banks are chosen by request for proposal (RFP). Phone surveys are used to check rate differentials weekly. Duties of the financial staff are segregated to provide checks and balances. Bank statements are checked against bank contracts monthly to ensure they are being charged the fees agreed upon. The System does not have written policies relating to investments but does attempt to get the most return with the least risk, using RFPs. RFPs require periodic reporting of investment results. The department monitors investment earnings to ensure accuracy of amounts collected, using the same process used for bank contracts.

Capital Asset Management

Best practices call for finance staff to be knowledgeable about capital asset financial reporting requirements, and for procedures that ensure adequate and timely reporting within the

system. The system should have effective procedures to ensure that capital outlay purchases are appropriately capitalized. The system should reconcile capital asset expenditures with additions to capital assets. The system should have procedures to ensure that appropriate asset values for completed construction projects are timely transferred to detailed subsidiary records for capital assets. Also, the system should maintain detailed subsidiary records of capital assets and use physical safeguards and tag capital assets. The system should inventory capital assets annually and follow up on missing property items. The system should appropriately account for capital assets acquired with restricted source funds. The system should have established procedures for disposing of surplus property. The department should prepare separate capital projects budgets. The system should have effective procedures for management of assets and periodically update them.

In the Huntsville System, capital asset management is carried out by the Coordinator of Financial Accounting, who is a certified public accountant and follows generally accepted accounting principles. The department follows SDE requirements in capitalizing any asset with a value of \$5,000 or more. Reconciling capital asset expenditures with additions to capital assets is part of the annual reconciliation process of the department. Implementation of a bar code system for all assets is currently underway. Currently a three-year inventory cycle is used, but it is expected that the new bar code system will allow annual inventories. Procedures for follow-up on missing property items are in place, but they are not formal. There are problems in the timely disposal of surplus property due to a lack of communication across departmental lines. Assets acquired with restricted funds, such as Title 1 and other federal funds, are labeled separately. The department has implemented procedures to provide for effective management of assets and is updating them.

Debt Management

Best practice guidelines call for the department to track debt service requirements and ensure timely payment. The system should have personnel who are knowledgeable about debt service financial reporting requirements, such as those of the Securities and Exchange Commission; it should have procedures to ensure adequate and timely reporting. The system should comply with bond covenants. The system should evaluate debt capacity prior to issuing debt. The system should evaluate financing alternatives when acquiring major capital assets.

The Huntsville System follows best practices in this area, but it has very little debt that is not issued by the City of Huntsville. The Coordinator of Financial Accounting is knowledgeable and responsible for all reporting related to debt service. The system complies with bond covenants. Generally, the system does not borrow; it uses the City for debt issuance. The System bids out any lease arrangements.

Risk Management

According to best practice guidelines, the system should have policies that require clear and complete financial contract terms for all insurance contracts. Insurance deductibles, co-payments, and types of coverage should be analyzed. The system should periodically compare costs and risk analysis with peer systems. The system should have written risk management

policies and procedures and periodically update them, to identify various risks and provide for a comprehensive approach to reducing the impact of losses. The system should have adequate insurance coverage including liability, property, casualty, umbrella, employee and public official bonds. System staff should analyze alternatives for insurance coverage such as self-insurance and other current industry trends. Staff should report to the board comparisons with local industry, other governmental entities, and comparable school systems.

The Huntsville System has policies for insurance, but they are not written; it relies on the SDE in most areas of coverage. Risk management personnel meet with other system's risk management personnel through Alabama Association of School Business Officers (AASBO). Periodic comparisons with other systems are not done; it is thought that comparisons may not yield valuable information, since all local systems have property and casualty coverage through the state insurance department. System management does not maintain written procedures that carry out board policy related to risk management. The System has adequate insurance coverage. Staff reports to the board when insurance premiums change and provides reasons for the change. However, they do not perform comparative analysis of insurance and risk management costs.

Purchasing

Best practice guidelines call for the system to evaluate purchasing practices periodically to maximize the use of human resources assigned to that area. Purchase cards should be used for small dollar purchases, and effective quotation procedures should be used for purchases above this level but below the competitive bid limit. Competitive bidding processes should be used for all purchases above competitive bidding thresholds according to the state bid law. State contract bids, bids of other school systems, and other innovative purchasing processes should be considered where appropriate. The purchasing function should be organizationally separate from system departments that requisition goods and services.

The Huntsville System periodically evaluates the use of employees in purchasing, as evidenced by the recent combination of positions in purchasing and inventory. All teachers and some administrators have purchasing cards with differing spending limits. Purchase cards are used for teacher instructional supply monies, textbooks, and some maintenance purchases. Maintenance and other departments use phone surveys to get quotes for purchases that are below the bid limit. All purchases above the state bid limit are bid. The System uses the state bid list for technology and furniture. It is involved with the Madison City School system in purchasing milk, bread and ice cream. The system is not a member of the North Alabama Cooperative Purchasing Association. Requisitions are issued by the various departments, and purchasing staff turn those into purchase orders. The Purchasing Department is in the process of going to a paperless requisition and purchase order system.

Inventory Management

According to best practice guidelines, the system should monitor inventory turnover to ensure that it does not have significant balances of outdated inventory items. Controls over inventory processes should include effective receipt and issue procedures. Warehouse or

inventory storage areas should be reasonably safeguarded to prevent unauthorized access and protect inventory items from physical deterioration. The system should conduct annual physical counts of inventories using cost-effective methods. The cost of maintaining inventories should be evaluated periodically, allocating inventory costs to the per-unit cost of inventory items for comparison with other warehousing alternatives such as next-day or rapid response inventory services provided by vendors. The system should evaluate warehousing services to ensure effectiveness and user satisfaction, including timeliness and accuracy of delivery, based on requests; inventory turnover rates; and use of effective reorder points for stock replenishment.

In the Huntsville System, the largest portion of inventory items is janitorial supplies. The Purchasing Department uses just-in-time and on-line ordering for as many items as possible, similar to the office supplies contract. Most inventory items are kept secure in a caged area with surveillance cameras. The department tries to avoid inventory for any items that can experience physical deterioration. It is the goal of the Purchasing Department to put all items on a next-day contract. The purchasing and inventory staffs are trained to be customer-oriented. They monitor data on purchase order turnaround times, which have been improving over the recent past. The computerized purchase order system includes reorder quantities.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary customers include the schools. We interviewed a cross-section of the System's school principals to solicit comments related to cost control services and activities. The following paragraphs summarize the comments of principals financial management.

Respondents expressed appreciation for the great improvements shown in the financial area in the recent past. Much praise was given in regard to the paperless accounting system, improved access to financial data during the school year, and allocations prior to the school year. The Finance Department and the Internal Auditor were commended for providing reliable and timely information on appropriate spending guidelines. The streamlining of the use and control of federal funds was mentioned as a positive step. Positive comments also were made about the use of purchasing cards for instructional supplies and the accommodating attitude of staff when emergency purchases are required.

Respondents suggested the need for more coordination among the various financial staffs. It was suggested that more cross-training of personnel would improve the responses to requests for guidance in financial areas that come from the schools. It was suggested that financial staffs focus on ways to improve their assistance to schools in meeting spending and purchasing needs that require a tight time deadline. When spending requirements permit, recognition should be given to the varying needs of different schools, as opposed to forcing uniformity. Some principals described complaints from vendors related to the amount of time to receive payment after goods or services had been delivered. Others asked for allotments in the school budget for maintenance and repairs to allow school based fund-raising to be used for extra equipment or activities. Funding for full-time bookkeepers at all schools was mentioned as a need.

Conclusions and Suggestions

Interview responses indicate that the Huntsville System is well-managed financially, in that financial managers understand the concepts involved in the best practices reviewed and comply with a substantial portion of the recommendations included in the best-practice checklists. Financial management should be addressed directly in the System's strategic plan, with attention paid to developing goals and objectives in the areas covered by best practice guidelines. As a part of this process, the System should focus on achieving best-practice standards not currently adopted in the internal audit and risk management areas. The staffing of financial management activities is of concern to the Coordinator of Financial Accounting, and should be studied with attention to meeting best-practice standards as well as by comparison with peer systems. Specifically, the responses to best-practice guidelines suggest that attention should be given to the following areas:

- Financial management goals and objectives should be addressed directly in the system's strategic plan.
- The financial management staff should be involved in linking strategic plan goals and objectives to the budget.
- Staffing of financial management activities should be reviewed, including comparisons with other well-managed systems, to ensure that the organizational capacity exists to manage the system's funds according to best-practice standards.
- The strategic plan should contain a benchmark for an adequate level of unreserved fund balance.
- Procedures should be developed for school principals to solicit community input in formulating their budgets.
- The Board should ensure that the internal audit function is adequately resourced and established with sufficient independence, and develop a process for authorizing and reporting internal audits.
- The System should have written risk management policies and conduct an annual risk assessment.
- Management of the disposal of surplus property should be reviewed.
- Participation in larger cooperative buying arrangements available in the Huntsville area should be explored.

HUMAN RESOURCE MANAGEMENT

Implementation of Best Practices

In conducting interviews for the human resource management function, we used a checklist of 61 best practices. Based on the responses given, the Huntsville System is implementing or has fully implemented 51 of the 61 best practices reviewed.

Position Descriptions and Qualifications

According to best practice guidelines, the system should be able to demonstrate that it verifies the qualifications of all of its instructional employees, and that all instructional employees are qualified for the positions that they hold. The system should complete at least preliminary background checks of all new employees prior to placing the employee in a position that involves contact with students. It should conduct employment procedures in a manner that assures equal opportunity regardless of age, race, color, religion, sex, and national origin. The system should maintain up-to-date, clear, concise, and readily accessible position descriptions that accurately identify the duties of each position and the education, experience, knowledge, skills, and competency levels required for each class of positions, and for each system-level administrative position.

The Huntsville System, in conjunction with the State Department of Education, verifies the qualifications of instructional personnel, ensures that they are qualified for the positions they hold, and conducts background checks on all new employees. The State is six months behind schedule on the background checks. By board policy, the System operates its employment procedures in a manner that ensures equal opportunity. Position descriptions are maintained in accordance with guidelines and procedures of the State Department of Education.

Recruiting Practices

Best practice guidelines call for recruiting practices that generate a sufficient number of qualified applicants to fill vacant positions in a timely manner. Job vacancy announcements should be clear and readily accessible to potential employees. Out-of-state recruiting trips should be justified by measurable results over time. The system should use a variety of methods, including the Internet, to increase the accessibility of information on job vacancies, the ease with which potential applicants can submit applications, and the efficiency with which applications can be processed and shared within the system. In those areas in which the system experiences a shortage of qualified applicants, the system should develop and implement short- and/or long-term strategies to remedy the situation. If the system is not generating enough qualified recruits to fill its vacancies, then the system has compared its entry-level salaries and other recruitment factors with neighboring or competing systems to determine what steps are necessary to better compete for qualified applicants.

The Huntsville System advertises positions in local newspapers, E-TV, and on its web site. It limits recruiting trips to the Southeastern U.S. to fill math and special education positions, due to a limited number of applicants locally. The system has developed and used other recruiting practices, such as job fairs, college partnerships, or local training programs. The

system works closely in recruitment with UAH, Oakwood College, and other higher education institutions in the area. The system currently does not accept applications in electronic format, and applicant information is not electronically available to principals and department managers. In areas of shortage, the system uses emergency and alternative certifications and will hire teachers with the stipulation of additional higher education being required. In the past, the System has performed salary comparisons with other systems; the teacher salary schedule is currently being revised to improve competitiveness.

Employee Diversity, Working Environment, and Workforce Stability

Best practice guidelines call for the System to demonstrate that its employees generally reflect the population of the system, or, if certain minorities are underrepresented, to implement a long-term plan to remedy that situation. The system should work to maintain a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale; climate surveys, exit interviews, and other appropriate methods should be used in this effort. At a minimum, the system should conduct climate surveys that measure employee satisfaction on such factors as work environment, quality of supervision, safety, system-wide support, and opportunities for professional development; and the system should conduct exit interviews with employees who terminate employment, and compile the results of these interviews. The system should maintain historical data on turnover rates for major classes of employees, or use turnover data from peer systems, and monitor this data to identify unusual variations in the turnover rate. Data related to potential retirements should be monitored as an indicator of recruitment needs. The administration and board should stay informed of these evaluations of the working environment and remedy factors that adversely affect the working environment.

Currently, the Huntsville System's employee population closely reflects the population of the area. There have been efforts to increase diversity in the past. Input on the work environment and employee morale is collected on a termination form, but the System does not have a formal exit interview or survey instrument. Employees are not surveyed on the work environment, although they provide substantial feedback. The System does not keep formal statistics on turnover by position, but administrators are aware of particularly high turnover in certain positions such as custodial and food service positions. The human resources department reports monthly to the board on HR issues.

Communications with Employees

Best practice guidelines call for the system to maintain clear and effective channels of communication with its employees, including a useful employee handbook, information on system personnel policies, a newsletter, and alerts on changes in policy. The system should conduct orientation programs for all new employees, with information on system procedures, performance expectations and evaluations, training and career opportunities, and personnel policies regarding such issues as absences, leave approval and tardiness. There should be opportunities for employee feedback on system policies and practices that affect their areas of work or expertise, including employee membership on policy committees, and/or the solicitation of employee input on system policies and programs.

The Huntsville System has an employee handbook, a quarterly newsletter, and uses memoranda to communicate with employees on new or changed policies. Employees participate on committees; an example is the insurance committee that reviews changes in coverage. Each school has a benefits representative. All employees go through a pre-employment orientation of 2 to 2.5 hours and receive a copy of the employee handbook.

Professional Development, Mentoring, and Induction Programs

According to best practice guidelines, the system should provide a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among instructional, non-instructional, and administrative employees. The program should meet legal requirements and maintain training records on employees. There should be a needs assessment for professional development at least every other year, a formal staff development plan for the system, individual professional development plans, and systematic employee feedback. Individual departments should be aware of their training responsibilities and have access to budgeted funds in order to meet those responsibilities. The system should have mentoring programs for new non-instructional, instructional, and administrative employees. Mentors should receive training at least bi-annually. Mentoring programs should be relationship-based with minimal paperwork requirements. For new teachers, the system should have a comprehensive induction program that provides opportunities to learn the additional skills necessary to be successful in specific school environments.

The System has a professional development program for instructional personnel that meets the requirements of law, including annual plan approval by the state Department of Education; training records are maintained on each staff member, and employee feedback is sought. The system has policies and/or procedures to guide the use of system funds for high-cost instructional training activities such as conference attendance, consultant trainers, or the purchase of video training or other training packages. Mentoring and induction programs for teachers exist. All of these instructional professional development activities are managed through the instructional program rather than the Human resources Department. Non-instructional professional development is handled by each of the administrative departments on its own, and there is no needs assessment except by observation, no formal system-wide plan incorporating these activities, and no professional development funding outside the normal departmental budgets. (Training and mentoring activities were reported in the food service and operations and maintenance areas described earlier.)

Performance Evaluations and Employee Discipline

According to best practice guidelines, the System should have methods of formally evaluating employee performance that reward productivity and excellence and address situations not meeting expectations. Written information on assessment criteria and procedures should be provided to employees at the beginning of the rating period, and employees should be clearly informed of their performance evaluations. There should be a written employee disciplinary procedure that includes provisions for due process. Employees who repeatedly fail to meet expectations should be disciplined, and removed from contact with students when indicated. The System should have a procedure for investigating allegations of behavior harmful to students. The System should conduct training for managers on how to work with poorly performing

employees, and assign an administrator to work with principals and other managers to document poor performance and consult on decisions to terminate employees. The System should have policies on alcohol and drug abuse, including an employee assistance program.

The Huntsville System uses the State Department of Education's Professional Education Personnel Evaluation (PEPE) Program for performance evaluations of instruction-related personnel in the schools and for central office administrators. Its procedures are those required by PEPE. Evaluations of other kinds of employees are the responsibility of each administrative department, and the System has no common standards or plan. Employee disciplinary procedures are addressed in the employee handbook that is provided to all employees. In non-instructional areas, managers are not trained to handle poor performance, and no administrator is available to work with managers on issues of poor performance. Allegations of misbehavior are investigated promptly, particularly when student issues are involved. The System tests for drug and alcohol abuse only when there is a reason to suspect a problem. When such problems occur, the System has a leave policy and an employee assistance program.

Absenteeism and Use of Substitutes

Best practice guidelines call for an efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel. This should include monitoring absenteeism rates and the use of substitutes, as well as procedures to ensure notification for anticipated absences and to obtain substitutes. There should be a training/orientation program for substitutes, especially in long-term situations. The System should have methods to discover excessive absenteeism and to reduce absences, possibly including an incentive program for rewarding good attendance.

The Huntsville System has a program for monitoring and managing absenteeism, and this problem has been the subject of reports and plans in the past. There is orientation for substitute teachers, and certified substitutes are used in long-term situations whenever possible. An incentive program to reward good attendance is currently under discussion.

Personnel Records

Best practice guidelines call for the system to maintain personnel records in an efficient and readily accessible manner. This should include following state law and regulations, maximizing the use of automated records and minimizing the use of paper records, efficiently maintaining record files, and identifying and archiving of old records. The system should have established procedures to allow officials at school sites to access automated personnel records. School administrators should be able to amend personnel records without compromising the security of those records, thus diminishing the need for the transfer of paper from the school to the system office. The system should update personnel records in a timely manner, with prioritization to deal with a filing backlog so that needed records can be found in the file.

In the Huntsville System, most personnel records are still on paper due to state requirements. Currently the system is implementing electronic records with a computerized time and attendance system. Any paper record more than 2 years old is put on microfilm. There is no capability for school administrators to amend personnel records from their locations without

transferring paper. Prioritization in filing records is necessitated at times due to the school calendar.

Human Resource Goals and Objectives

The system should have clearly stated goals and measurable objectives for the human resource program. The organizational structure and staffing levels should be reviewed periodically to minimize administrative layers and processes, with results provided to the school board. The system's human resource program staffing and supervisory levels should be reasonable, based on applicable comparisons and/or benchmarks. The system should evaluate the costs and benefits of increased use of technology and outsourcing in this area.

In the Huntsville System, human-resource program reviews have been done in the past. Staffing comparisons have been done through professional associations but not with other systems. In the past the department has contracted for salary comparisons and the development of job descriptions.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, school principals are among the primary "customers." We interviewed a cross-section of the System's school principals to solicit their comments concerning the maintenance department and custodial services. The following paragraphs summarize the comments of principals relating to the services provided by the Human Resources Department.

Principals pointed out that the Department is very effective in responding to personnel issues such as sick leave inquiries. There was a general consensus that the Department does very well considering the state and local hiring guidelines that are required. Principals also noted that the Department responds well in filling vacancies during the school year, and has shortened the lists of potential candidates for principals to consider.

A majority of the respondents felt that the hiring process is very cumbersome, and that hiring is not able to be done in a timely manner. The lengthy hiring process results in losing good candidates to other systems in the area that can offer a position in a more timely manner. Once a candidate is recommended, principals feel that the System should be able to shorten the time required to hire the candidate, from the two to four weeks currently needed. Recommendations to improve the hiring process included having the Human Resources Department (1) check credentials more closely to save the principal time in having to re-check them, (2) contact the applicant for an initial interview in the human resources office to ensure interest and suitability before placement on a list sent to the principal, (3) make sure applicants meet the specific needs of a particular school, (4) provide more information than name and phone number on the candidate list sent to principals, and (5) allow hiring on a temporary status if credentials are being sent from another state. Principals also expressed the need for better screening of applicants for non-instructional positions. Respondents recommended improving the manner of providing information to new hires such as their expected start date and compensation. Principals felt that releasing a non-tenured teacher requires too much documentation.

Conclusions and Suggestions

From the foregoing summaries, it appears that the areas of human resource management requiring the most attention are the hiring process for teachers, staff development and performance evaluation for non-instructional employees, and assistance to managers in dealing with poor performance. Human resource management goals and objectives for both instructional and non-instructional employees should be considered in the System's strategic plan.

Based on the responses to the best-practice guidelines and principal interviews, the following suggestions are provided for improving human resource management:

- Periodically solicit input from employees on the work environment to gauge the level of employee satisfaction and morale within the system.
- Develop clearly stated goals and measurable objectives for the human resource program to be included within the System's strategic plan.
- Coordinate staff development and performance evaluation programs for non-instructional employees to set minimum standards and maintain high levels of productivity and performance.
- Provide training and guidance to managers on the procedures and issues involved in working with poorly performing employees.
- Consider ways to streamline the hiring process, taking into account the suggestions of principals.

ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY

Implementation of Best Practices

In conducting interviews with administrative and instructional technology staff, we used a list of 57 best practices. These best practices covered the following aspects of the technology program:

- Technology Planning (10 best practices)
- Cost-Effective Acquisition (8 best practices)
- Professional Development (10 best practices)
- Technical Support (9 best practices)
- Infrastructure and Network Communication (9 best practices)
- Information Management and Delivery (11 best practices)

Based on interview responses, the department has implemented and is using, to varying degrees, 45 of the 57 best practices.

Technology Planning

Best practice guidelines call for a board-approved technology plan to address individual school technology needs; equitable allocation of resources with anticipation of growth and technology advances; funding and cost-effective acquisition of technology; professional development for technology users; technical support needs of users; infrastructure and network communication, including community access issues; and information management and delivery. The system should conduct a needs assessment and obtain stakeholder input in developing the plan, and the plan should be compatible with state and federal requirements. Best practice guidelines call for the objectives in the technology plan to be measurable and reflect the desired outcomes for educational and operational programs. The system's annual budget should provide funds for major technology initiatives as reflected in the plan. The system should identify the responsibility for implementing and updating the technology plan. The system should take advantage of opportunities to improve technology operations, increase efficiency and effectiveness, reduce costs, and stay current with state, federal, and other funding opportunities.

The System has a comprehensive technology plan that is mandated by federal guidelines on E-rate funding. The plan is board-approved and addresses both administrative and instructional technology. Needs are assessed and stakeholder input is sought in the development of the plan, but the System does not have formal processes for these components. In the past a system-wide computer advisory committee was in place, but it has not been in operation recently. Allocation of resources is driven by Title 1 funding. Each school has a technology committee made up of staff, parents, and in some cases business representatives. Most schools have business partners that support technology usage; and if they do, business representatives sit on their committee. The system technology plan is compatible with state reporting requirements and aligned with federal initiatives. Responsibility for IT planning is split between the Information Technology (IT) Department and two Technology Co-Coordinator. The IT Department is responsible for all hardware and software, but the technology co-coordinators are

responsible for all training. This split responsibility leads to issues of coordination and hinders the unified implementation of the technology plan.

Some goals in the system's plan are difficult to attain with limited funding. In particular, funding for non-instructional needs falls short. The objectives in the system's strategic plan are being implemented unless additional staff or increased funding is required. The IT department, technology co-coordinators, and other staff are continually looking for grant opportunities.

Cost-Effective Acquisition

Best practices call for a school system to acquire technology in a cost-effective manner that will best meet its instructional and administrative needs. Acquisitions should be based on identified needs, the technology plan, research, and evaluations of previous decisions. The system should establish standards for acquiring digital instructional materials, software, and hardware for administrative and instructional use. The system should coordinate with the schools and use different purchasing strategies to lower costs of acquiring technology and instructional learning systems. The system should consider future support, operating, maintenance, and disposal costs when it acquires technology. The system should ensure the equitable distribution of technology resources to schools.

The Manager of Data Processing and Technology Co-Coordinators are aware that system-wide standards, increased coordination among all funding sources, and purchasing in larger quantities would result in cost savings. Consideration is being given to initiating a lease arrangement for computers. Research is done within the limits of staff resources, but there is substantial reliance on vendor input. The only standard related to acquisition is that the Manager of Data Processing and Technology Co-Coordinators must give their approval. The System does not have formal methods for previewing, evaluating, and recommending acquisition of technology and software. Coordination with the schools on purchases occurs only when requested, and the IT Department is not always involved in purchasing decisions. Title 1 funding drives most of the distribution of resources due to lack of state and local funds.

Technology Professional Development (Co-Coordinators of Technology)

Best practices call for system-level and school-based staff to receive professional development training for all technologies used in the system. The training should be aligned with the system's technology plans, should be funded by the system, and should be available in a variety of modes to ensure accessibility. The availability of appropriate training should be a consideration in acquisition of hardware and software. The system should have performance criteria for technology skills required of both teachers and administrators. There should be professional development in the following areas: integrating technology into the curriculum, subjects relevant to administrators and non-instructional staff, specialized training for technology support personnel, and keeping technology skills up-to-date. The system should have procedures for evaluating the effectiveness of professional development in technology.

In the Huntsville System, all instructional staff receive professional development for technology, to include training on the integration of technology into the curriculum. This is the sole purpose of the co-coordinators of technology, who are paid with local money. The system pays for substitute teachers so that teachers can attend technology training. Selected teachers also

are paid stipends to serve as technology leaders in the schools. The technology co-coordinators survey instructional staff annually on technology issues using the IMPACT survey provided by the state and a profiler survey, although a provision to tie the surveys back to the plan is not evident. The co-coordinators use teleconference, video conference, and in-house training in the technology center. On-site training is performed by the technology leaders in each school. Trainers are trained using distance learning locally and at times with the state. The co-coordinators of technology meet six times annually with the teachers who serve as school technology leaders to keep their technology skills up-to-date. Instructional staff members are surveyed annually for feedback and submit post-surveys after training events.

There is no comprehensive professional development effort for non-instructional employees. The co-coordinators of technology meet 3-4 times annually with the lab techs in each school to provide specialized training for these technology support personnel. The system does not have performance criteria for technology skills for administrators and teachers.

Technical Support (Information Technology Department)

Best practice guidelines call for timely and cost-effective technical support that enables educators and system staff to successfully implement technology in the workplace. The components of this standard include a comprehensive assessment of technical support needs in the schools and central office, a budget that adequately covers costs associated with technology installation and support, assignment of technical support responsibilities to specific personnel at the system and school levels, procedures for prioritization of technical support services based on need, evaluation of the quality and timeliness of technical support provided, and a cost-effective equipment replacement policy.

In the Huntsville System, the IT Department conducts its assessment of technology needs on an on-going basis by observation but does not do a formal assessment. The IT Department includes technology installation and support costs in its budget submission, but must manage within the limits of the final budget; there also are part-time lab techs in the school budgets. Instructional and non-instructional needs are not addressed in the same manner. To coordinate the delivery of technology support services, the IT Department shares information with the lab techs, who work for the school principals. Lab techs handle day-to-day support in the schools, and an electronic work order system provides prioritization for service support from the IT Department, with first-in, first-out support for normal services and prioritization of emergency situations that are identified. The quality and timeliness of technical support are monitored through the work order system. If there is more than a five-day delay on a work order, the user can place a priority call to the IT director. The System's equipment replacement policy is to replace equipment if the cost of repair is more than 50% of the value of the equipment.

Infrastructure and Network Communication

According to best practice guidelines, the system should maintain a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance. The network should be consistently available and fully operational, with written speed and access standards. The system should have virus protection software and procedures in place. The system should use web technologies, such as the Internet and intranet sites, and email to improve and enhance communication between groups such as

schools, systems, the state, parents, and the community. The system should have written policies for the safe, ethical, and appropriate use of technology and to provide guidelines for the legal uses of digital materials. There should be procedures to prevent access to inappropriate web sites.

Maintaining a dependable, consistently available network is the IT Department's top priority. However, the Department has no written speed and access standards for this goal. Virus protection is difficult with more than 3,000 non-student users and more than 9,000 computers; the Department feels the need for a full-time staff person just to address virus protection. The Huntsville System uses email extensively. The IT Department believes that more intranet and internet applications would be useful. Email is used extensively for administrative communications and to supplement communication of policies and information to schools. Parents and teachers can communicate through email, and parents can view grades on-line, although there are some security concerns related to on-line communications. Staff, teachers, students, and parents are provided written guidelines on technology usage in student and employee handbooks. Limited guidelines are issued to employees, students, and parents on the legal use of copyrighted material and plagiarism. The IT Department continually works to prevent access to inappropriate web sites.

Information Management and Delivery

Best practice guidelines require the system to have a written procedures and a standards manual. Duties of IT personnel should be segregated to an extent that is appropriate for the size of the system. Controls such as passwords and firewalls should exist, as well as limits to control access to and prevent unauthorized use of confidential and sensitive data. Project management techniques should be used in delivering IT products and services. The System should have methods of demonstrating the timeliness of services, and it should assess user satisfaction and ensure that users are satisfied with the information and services they receive.

The IT Department has a procedures and standards manual that mostly addresses computer usage. IT Department personnel are cross-trained. General controls such as passwords and firewalls are in place; confidentiality controls are focused on maintaining limited access to social security numbers. There is no system-wide use of project management techniques. The Department does not systematically measure timeliness of services, although the information is available in the work order system. Recent user satisfaction data suggest that about 85% of users are happy with the services received.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary customers include the schools. We interviewed a cross-section of the System's school principals to solicit comments related to the administrative and instructional technology function.

Positive responses related to the IT function included a sense that the IT Department and Technology Co-Coordinator provide good service with good response time, considering limited resources. The availability and flexibility of Title 1 technology funding is seen as a positive. The

system's website is considered very helpful to staff, students, and parents. Professional development related to instructional technology was considered very effective, with a wide variety of training opportunities. Also, the acceptance of input from school principals on instructional training was much appreciated.

Elements of concern expressed by principals included the need for more staff in the IT department and providing full-time employees as school-based technology personnel, with adequate compensation, to avoid using a teacher for this purpose. Principals expressed a need for placing more priority on virus protection system-wide. A need was expressed for a clear system-wide policy on the use of technology in such areas as posting grades on-line. Concerns were expressed related to planning for replacement of computers to avoid a mix of computers and equipment that may not be compatible. The allocation of technology equipment without regard to the number of students in each school was seen as a problem. Respondents mentioned a need for better communication between the Technology Co-Coordinator and the IT Department. A desire for more professional development funding on technology and more control of these funds by the schools was mentioned.

Conclusions and Suggestions

The key issue in the management of the System's technology resources appears to be that responsibilities for IT planning and operational support are split among the Information Technology (IT) Department, the Technology Co-Coordinator, and the school-based lab techs. The IT Department is responsible for all hardware and software, the technology co-coordinators are responsible for all training, and the lab techs provide day-to-day technology support. This split in responsibilities leads to issues of coordination and hinders the unified implementation of the technology plan.

The self-audit of best practices and principal comments indicate that the following areas of administrative and instructional technology need attention:

- Periodically conduct an assessment to identify system and school-level technology needs.
- Develop a formal process to solicit input from administrative and instructional personnel and community interests in developing the technology plan.
- Find a source of funds for recurring technology needs and investigate alternative financing arrangements such as local purchasing cooperatives for technology equipment acquisition.
- Improve system-wide virus protection.
- Improve coordination and communication among the IT Department, Technology Co-Coordinator, and lab techs.
- Coordinate all funding opportunities for technology to purchase in larger quantities and improve cost savings.

- Provide opportunities for system and school personnel to preview, evaluate, and recommend acquisition of technology equipment, instructional and administrative software.
- Develop and provide a comprehensive professional development effort related to technology for non-instructional employees.
- Establish performance criteria that include technology skills for both administrators, staff, and teachers.
- Address non-instructional technical support needs.
- Develop written policies on the appropriate use practices that comply with legal and professional standards related to copyrighted materials.
- Develop a formal method to gauge user satisfaction with the delivery of IT products and services.

BOARD AND SUPERINTENDENT

Implementation of Best Practices

In conducting the interview with the Superintendent about system-level management, we used a checklist of 81 best practices. These best practices covered the following aspects of the program:

- Roles and Responsibilities (25 best practices)
- Organization, Staffing and Resource Allocation (24 best practices)
- Planning and Budgeting (18 best practices)
- Community Involvement (14 best practices)

The responses indicate that the Board and Superintendent are implementing or have fully implemented 74 of the 81 best practices reviewed.

Roles and Responsibilities

According to best practice guidelines, the system should have written policies that clearly delineate the responsibilities of the board and the superintendent. New board members should receive orientation training when they first come on the board. Part of this training should cover the roles and responsibilities of the board and superintendent and state open-meeting law requirements. The board and superintendent should have policies for how board members are to access system staff or direct staff to respond to constituent inquiries, and board members should adhere to these procedures. Best practices call for the board and superintendent to advise each other when they become aware that an agenda item is likely to be controversial, or that a controversial topic may arise at a board meeting, and develop a plan to manage the issue. The board should evaluate its performance and, if the superintendent is appointed, evaluate the superintendent's performance. The system should prepare a master calendar showing the dates of major events and board actions needed to meet legal requirements, and use it to ensure that these matters are placed on the board agenda in a timely matter. School board meetings should be scheduled at a time and place convenient to the public. The school board should pull items from its consent agenda for discussion and public comment when requested to do so by members of the public. The board should receive agenda materials in sufficient time to review them thoroughly prior to board meetings. For each major agenda item, system staff should provide board members with a clearly written summary and information such as why it is on the agenda; its relationship to system goals and objectives; the process to be followed; desired results; alternatives considered; resources needed; impact on applicable policies, procedures, or laws; effect on students, parents, and others, and whether they have been advised of and given opportunity for input; new policies needed; time frame for implementation; and method of evaluating results. The board's agendas should allocate sufficient time for the board to discuss, develop, or evaluate system policies, goals, programs, and strategies for improving student achievement.

The Huntsville System has a policy and procedures manual covering Board and staff responsibilities, as well as board by-laws. Board members go through training provided by the Alabama Association of School Boards at least quarterly, and new members meet with department directors and the Board's attorney at the beginning of their terms. The protocol for

access to staff by Board members is that the Superintendent handles all requests from Board members to system staff. Controversial agenda items are discussed in working sessions of the Board and through pre-meeting correspondence from the Superintendent. The Board does not formally evaluate itself. The Superintendent is formally evaluated annually by the Board in accordance with state guidelines. A master calendar has been prepared in the past, and the Board has a full-time clerk in charge of this responsibility. A strong effort is made to stay with the announced meeting times and dates; when a change is required, the media are notified so that the public will know. The Board is very responsive to members of the public and allows a public comment section at each Board meeting. Agenda materials are usually provided 48 hours prior to meetings, and always at least 24 hours ahead to comply with the Board's by-laws. Administrative staff are available to answer any questions the Board may have when an item is being considered. The Board is very astute at asking these questions if they are not addressed in the agenda packet. Information is provided to improve Board understanding of issues to be discussed and make the best use of Board meeting time. The Board by-laws allow for the Board to stay in session from 6:00 until 10:30 to address the agenda.

Best practice guidelines call for the board to have written policies for the system that are updated on a regular basis to reflect changes in law and that ensure relevancy. The system's policies should not cover procedural matters. The superintendent should have developed procedures to deal with system-wide administrative matters, and should keep these procedures up-to-date to reflect changes in the law and board actions. The system's policies and procedures should be accessible to all staff and used to guide their activities. The board's attorney should review all proposed revisions to policies and procedures to ensure that they comply with state requirements and are relevant and complete.

The Huntsville System's policy and procedures manual is revised on a two-year cycle. Separating policy from procedure has been part of the revision process. The Superintendent has up-to-date procedures to deal with system-wide administrative matters. Written copies of the policies and procedures manual are available to all system staff and used to guide their activities. The Board has a policy advisory committee that reviews proposed policy and procedure changes, followed by the Superintendent, and then the Board attorney.

Best practice guidelines call for the school board to have an attorney (either in-house or on contract) with the primary responsibility of advising the school board, reviewing policy, and reducing the risk of lawsuits. The system should provide its agenda and meeting materials to its legal counsel in a timely manner. The system should have procedures for the board, individual board members, superintendent (or designee), and other staff to confer with the board attorney; these procedures should consider the cost of providing attorney services and potential conflict-of-interest situations. The system should retain other outside counsel when particular areas of expertise are needed, and when cost and potential conflicts of interest indicate. The system should regularly review its legal costs to determine whether it would be more cost-effective to obtain in-house or contracted legal services for routine legal work. The contract fees or salary the system pays its board attorney should be comparable to those of similar systems.

The Huntsville System hires an outside attorney who performs the legal advisory duties for the System required by best practice guidelines. The Superintendent is the primary contact with the board attorney for all matters, and all contact with legal counsel for board members or staff originates with the Superintendent. The law firm utilized has broad expertise in school

matters, but other outside counsel has been used by the System on specific matters such as a tax referendum. Legal costs are reviewed monthly and analyzed at year end.

Organization, Staffing and Resource Allocation

According to best practice guidelines, the system should have organizational charts that clearly and accurately depict its organizational structure. The system should clearly define the responsibilities of each organizational unit and communicate them to staff and the public. The organizational structure should eliminate overlapping functions and avoid excessive administrative layers. The system's top administrators should have reasonable spans of control. The system should review its business practices and organizational structure at least once every four years and present the results in writing to the board. The system should make any changes needed to streamline operations and improve operating efficiency.

The Huntsville System has a detailed organizational chart with clearly defined responsibilities that is reviewed periodically to make necessary changes. An effort is currently underway to review and revise all job descriptions. Span of control for top administrators is addressed in the orientation for new board members, where it is explained that the Superintendent must recommend an action before the Board can take an action.

Best practice guidelines call for the system to comprehensively review its administrative staffing levels to improve operating efficiency and present the results in writing to the board. In conducting its review, the system should obtain broad stakeholder input. The review should compare administrative staffing levels to those of comparable systems, using appropriate measures such as classroom teachers per administrator, instructional personnel per administrator, total staff per administrator, and total administrators per 1,000 students. The system should implement changes to its administrative staffing levels when necessary to improve its operating efficiency.

The Huntsville Superintendent reports quarterly on staffing to the Board, also including such factors as staff diversity, levels of certification, and salary. Stakeholder input is sought on staffing reviews, as shown by the involvement of 36 community members in developing the System's strategic plan. The System considers administrative staffing reasonable given the number of students served and services provided.

Under best practice guidelines, school board members should receive training and understand school system budgeting and finance. The proposed budget should be presented to the board in an easy-to-read, understandable, and concise format that board members and the community can understand. Information about revenue and expenditures by major function over the past two to three fiscal years should be available for use in evaluating budget proposals. The system should inform the board about the short- and long-term fiscal implications of proposed budgets or budget amendments. Changes or concerns in financial condition are reported to the board in a timely manner, and the board takes necessary corrective actions. The school board should have established limits for how much various system staff can spend without approval, and should review and approve all purchases that exceed these amounts. The system should take advantage of significant opportunities to improve management structures, increase efficiency and effectiveness, and reduce costs.

The Huntsville Board has a Finance Committee with rotating membership to give each member exposure to finance issues. At its monthly meeting, the Finance Committee receives a detailed report on System finances that is presented in an easy-to-read, understandable, and concise format. Every week the Superintendent sends an “FYI notice” to all Board members related to financial conditions, changes in state funding, and lobbying efforts on behalf of the System. Staff is restricted by budget limits and the system has tiered approval limits for spending authority. The Board continually brings suggestions to staff and is not hesitant to make suggestions about improvements needed; much of this work is done in the board’s finance committee. The request for a study by PARCA is just one example.

Best practice guidelines call for the system to assign necessary authority to school administrators for managing the schools, and for these administrators either to know what is expected of them or where to find out. The system should give school administrators staffing and budget flexibility and sufficient authority over school operations to enable them to achieve school, system, and state education goals. There should be sufficient controls to ensure that school administrators adhere to system-wide policies and procedures. The system should hold school administrators accountable for their performance in achieving school, system, and state educational goals.

The Huntsville System gives principals the authority they need to achieve educational goals. The Superintendent is the principal’s primary contact and primarily provides guidance and support to principals. The System does not have site-based management, which would be difficult under Alabama law and regulations, but does try to give flexibility where guidelines allow, in such areas as funding for principals and instructional supply allocations. The Superintendent sees the role of the central office as providing guidance and support for school principals. The system regularly assesses the authority it has assigned to school-based administrators and looks for ways to enhance school-based decision making. The Superintendent and Board review the authority assigned to principals annually. The System utilizes the state’s PEPE System to measure the performance of school administrators.

Planning and Budgeting

Best practice guidelines call for the school system to have a multi-year strategic plan. The plan should provide vision and direction for the system’s activities; identify goals and objectives, with strategies for achieving them; define the performance measures and standards that will be used to evaluate progress; and specify who is responsible for implementing strategies. The board should annually assess progress toward meeting the system’s goals and objectives, making amendments when required to reflect any changes in community standards, student needs, or board policies.

The Huntsville System has a clearly written, multi-year strategic plan to provide vision and direction for the System’s effort. The plan focuses on educational goals including student performance, which are important to the community and were the highest priority of the stakeholder group that developed the plan. The strategic plan does not address all of the non-instructional activities that are necessary to the operation of the System, and thus does not provide strategic objectives to guide funding and operational decisions in those areas. The Board assesses progress toward the plan’s objectives on a quarterly basis. Every two years the strategic plan is reviewed and revised, deleting accomplished goals and adding new ones.

According to best practice guidelines, the system should have a system to project enrollment accurately, and to avoid regular over- or underestimation of enrollment. Enrollment projections should be based on statistical techniques such as cohort survival methods that can detect turning points due to changing demographics, as well as factors such as planned enrollment changes in private schools, changes in employment opportunities, municipal comprehensive plans, and planned new developments. Enrollment projections should be done for individual schools, using the same techniques, with review of their reasonableness by school administrators. The system should document the methodologies used in enrollment forecasts. It should have a process for minimizing the adverse effect of projection errors. It should ensure the accuracy of student counts.

The Huntsville System has stabilized enrollment from prior years of decline. It uses mainly straight-line forecasting methods, but considers factors such as birth rates for kindergarten and input from the City's planning commission on residential development; it has used zip code surveys of private school students in the past. School-level projections are made. The System works hard to maintain the accuracy of student counts, since staffing and funding from the state are directly related to enrollment.

Best practice guidelines call for the system to link its financial plans and budgets to the goals and objectives of the strategic plan, and to focus the system's resources toward achieving those goals and objectives. This includes assessing performance and adjusting financial plans and budgets where required. When necessary, the system should consider options to increase revenues. It should take advantage of opportunities to obtain grants and other types of funding, and to increase efficiency and reduce costs.

The Huntsville Superintendent ensures that the System's main strategies and goals are placed on the desks of each Board member during meetings. Staff members also are aware of and direct their effort toward the achievement of the priority goals and objectives. Financial plans are adjusted through reallocations based on budget examination. The System has a grant writer on staff and pursues all federal funding opportunities. It also adapts operations to achieve more efficiency and contain costs; an example is the hiring of substitute teachers so that full-time teachers can be used as in-house consultants when circumstances are appropriate.

Community Involvement

According to best practices, schools should use every practical means of communication to provide timely information to parents and guardians, such as newsletters, flyers, websites, and direct school-parent contact. Schools should annually distribute information about school policies and programs in a clear and understandable format. Schools should conduct annual parent/teacher conferences and have active parent-teacher associations. Parents on School Advisory Councils (SACs) should be actively involved in making decisions regarding school improvement, and should receive training on their responsibilities and on the system's finances and budget policies.

The Huntsville System produces an annual report for the community, and holds town hall type meetings in addition to the regular Board meetings. The Superintendent participates in a number of community organizations and sits on the General's Community Advisory Committee

at Redstone Arsenal. Teachers hold parent conferences for individual students as needed. Schools hold monthly PTA meetings and periodic open houses. Each school has a periodic newsletter. The System has active parent-teacher associations and encourages parent involvement, leadership, and participation. SACs are actively involved in Title I schools, which are the only schools that have them.

Best practices call for the system to have active involvement of business partners and community organizations. Schools should have forums for regular communication with local business entities. Each school should have an individual who is responsible for coordinating and monitoring programs and projects with its business partners. Students, parents, teachers and administrators should regularly participate in community service projects, including offering school resources when practical. Schools should have active mentoring programs. The system should involve business partners on School Advisory Councils (SACs) that make decisions regarding school improvement. The system should have or work with a foundation that has broad representation among business interests.

The Huntsville System works closely with the Chamber of Commerce of Huntsville/Madison County and the Huntsville Committee of 100. Schools involve businesses in helping to fund educational programs, including applying for grants. One example was a recent donation of land from a local business for a school site. The school principal is the main contact for local businesses at the school level. The central office has an administrator who is designated to work with volunteers from the community. The Superintendent has an advisory committee with wide representation from the community, as spelled out in the system's policy and procedures manual. The system has a number of ongoing service-learning projects; schools have active mentoring programs including peer tutoring and peer mediation. Also, some at-risk funds go to outside community organizations for mentoring programs. The system actively engages the education committees of business and social organizations and works closely with the Huntsville-Madison County Foundation.

Feedback from Principals

An important step in quality improvement is to solicit and address input from customers. In this case, the primary customers include the schools. We interviewed a cross-section of the System's school principals to solicit comments related to the operations of the board and superintendent's office. The following paragraphs summarize the comments of principals.

Respondents credited the Board and Superintendent for allowing principals and teachers to try new and innovative techniques, such as block scheduling, and for their efforts to maintain and support the concept of community or neighborhood schools. Most respondents expressed appreciation that the Board and Superintendent allow principals to manage their schools and avoid micromanaging day-to-day operations of the schools. In this regard, respondents agreed that the Superintendent trusts the judgment of school principals and is direct and "up-front" in addressing problems. Principals believe that Board policies provide a good starting point and frame of reference for the principal's actions.

A number of respondents felt that more effort should be made to include the input of principals and teachers in policy development. Principals expressed a need to highlight the positive aspects of the System and requested better attendance of the Board and central office

staff in school activities. The suggestion was made that the Board should make an effort to remove barriers to rewarding good teacher performance. Principals felt that principals need to be encouraged to work together on common problems, building better team spirit among administrators within the System. Some respondents mentioned that a new principal can feel isolated and needs some type of mentoring program. A major problem mentioned by principals was the ability of members of the public to make comments during Board meetings concerning the good name and character of employees, without any prior screening as to truthfulness or any opportunity for employees to respond. This, it was suggested, could lead in the future to lawsuits. Respondents expressed the need for a policy on the proper procedures for parents to follow when experiencing a problem with their child; the policy should encourage the parent to first discuss the problem with the teacher, then principal, then central office and then the Board if necessary. Principals expressed a desire to be able to apply for an opening at a specific school, rather than applying without being able to know where they might be assigned.

Conclusions and Suggestions

The activities of the Board and Superintendent include most of the best practices contained in the guidelines. The areas remaining for implementation include expansion of the strategic plan to non-instructional areas, evaluation of board performance, extension of school advisory councils to all schools, and more active methods of communication with local business entities. The interviews with principals revealed the need to evaluate the public comment portion of board meetings, and the need to be proactive in highlighting the successes of the System.

Based on the response to best practice guidelines and principal feedback, the Board and Superintendent should address the following areas:

- Expand the strategic plan to include all non-instructional functional areas, and use the strategic objectives for those areas in budget formation.
- Consider a process to evaluate the performance of the Board.
- Analyze staffing and budget flexibility for school administrators, particularly discretionary funds for school principals.
- Systematically explore opportunities to improve management structures, increase efficiency and effectiveness, and reduce costs for all areas of operation.
- Develop a form of school advisory council for all schools and get them actively involved in making decisions regarding school improvement.
- Encourage business partners to serve on school advisory councils for all schools, and develop periodic forums for regular communication with local business entities.
- Consider alternatives to ensure that the public comment section of board meetings is not used to characterize employees or their work unfairly without the opportunity to respond.
- Work together to highlight positive aspects of the school system.

TABLE A-1. Large-System Expenditures per Student for O & M, Food Service, Transportation, and General Administration in FY 2003

| Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|----------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Operations & Maint. \$ | 601 | \$ 905 | \$ 621 | \$ 742 | \$ 338 | \$ 892 | \$ 487 | \$ 524 | \$ 582 | \$ 529 | \$ 566 | \$ 432 |
| Food Service | 395 | 335 | 302 | 396 | 329 | 471 | 372 | 333 | 420 | 399 | 467 | 521 |
| Transportation | 255 | 159 | 271 | 149 | 303 | 328 | 300 | 303 | 249 | 232 | 347 | 308 |
| General Admin. | 133 | 163 | 131 | 145 | 118 | 148 | 109 | 125 | 146 | 130 | 111 | 117 |
| Total | \$ 1,383 | \$ 1,561 | \$ 1,325 | \$ 1,433 | \$ 1,087 | \$ 1,839 | \$ 1,268 | \$ 1,286 | \$ 1,398 | \$ 1,290 | \$ 1,492 | \$ 1,377 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Operations & Maint. | 100% | 151% | 103% | 124% | 56% | 149% | 81% | 87% | 97% | 88% | 94% | 72% |
| Food Service | 100% | 85% | 76% | 100% | 83% | 119% | 94% | 84% | 106% | 101% | 118% | 132% |
| Transportation | 100% | 62% | 106% | 59% | 119% | 129% | 118% | 119% | 98% | 91% | 136% | 121% |
| General Admin. | 100% | 122% | 99% | 109% | 88% | 111% | 82% | 94% | 110% | 98% | 84% | 88% |
| Total | 100% | 113% | 96% | 104% | 79% | 133% | 92% | 93% | 101% | 93% | 108% | 100% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Operations & Maint. | 1 | 4 | 3 | 11 | 2 | 9 | 8 | 5 | 7 | 6 | 10 | |
| Food Service | 8 | 11 | 6 | 10 | 2 | 7 | 9 | 4 | 5 | 3 | 1 | |
| Transportation | 10 | 7 | 11 | 5 | 2 | 6 | 4 | 8 | 9 | 1 | 3 | |
| General Admin. | 1 | 5 | 4 | 8 | 2 | 11 | 7 | 3 | 6 | 10 | 9 | |
| Total | 2 | 6 | 3 | 11 | 1 | 10 | 9 | 5 | 8 | 4 | 7 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Operations & Maint. | 1 | 17 | 10 | 121 | 2 | 54 | 42 | 23 | 39 | 29 | 83 | |
| Food Service | 122 | 127 | 103 | 124 | 57 | 115 | 123 | 91 | 102 | 64 | 29 | |
| Transportation | 99 | 68 | 100 | 61 | 49 | 62 | 60 | 75 | 80 | 35 | 58 | |
| General Admin. | 100 | 112 | 109 | 119 | 107 | 122 | 115 | 108 | 114 | 121 | 120 | |
| Total | 36 | 85 | 38 | 123 | 8 | 99 | 92 | 65 | 91 | 55 | 86 | |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-2. 2003 FTE Employees per 1,000 Students for O & M, Food Service, Transportation, and General Administration

| Large System Avg. | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 FTE Employees per 1,000 Students for: | | | | | | | | | | | | |
| Operations & Maint. | 10.3 | 14.6 | 10.8 | 14.1 | 6.2 | 12.7 | 7.3 | 7.3 | 11.1 | 11.7 | 6.6 | 5.3 |
| Food Service | 9.8 | 11.2 | 8.5 | 8.6 | 8.4 | 12.1 | 9.3 | 8.0 | 11.0 | 8.7 | 10.8 | 11.3 |
| Transportation | 9.3 | 0.5 | 10.6 | 3.4 | 12.7 | 13.2 | 12.7 | 11.5 | 9.0 | 9.8 | 13.4 | 12.6 |
| General Admin. | 1.8 | 2.7 | 1.5 | 1.6 | 1.9 | 1.7 | 1.6 | 1.8 | 2.1 | 1.6 | 1.4 | 1.8 |
| Total | 31.3 | 29.0 | 31.5 | 27.7 | 29.2 | 39.7 | 31.0 | 28.6 | 33.2 | 31.8 | 32.2 | 31.0 |
| 2003 FTE Employees per 1,000 Students as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Operations & Maint. | 100% | 142% | 105% | 137% | 60% | 123% | 71% | 71% | 108% | 114% | 64% | 52% |
| Food Service | 100% | 114% | 87% | 88% | 85% | 123% | 95% | 81% | 112% | 89% | 110% | 115% |
| Transportation | 100% | 5% | 114% | 36% | 136% | 142% | 137% | 124% | 97% | 105% | 144% | 135% |
| General Admin. | 100% | 152% | 83% | 88% | 104% | 93% | 90% | 100% | 115% | 87% | 79% | 98% |
| Total | 100% | 93% | 101% | 89% | 93% | 127% | 99% | 92% | 106% | 102% | 103% | 99% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Operations & Maint. | 1 | 6 | 2 | 10 | 3 | 8 | 7 | 5 | 4 | 9 | 11 | |
| Food Service | 3 | 9 | 8 | 10 | 1 | 6 | 11 | 4 | 7 | 5 | 2 | |
| Transportation | 11 | 7 | 10 | 4 | 2 | 3 | 6 | 9 | 8 | 1 | 5 | |
| General Admin. | 1 | 10 | 8 | 3 | 6 | 7 | 4 | 2 | 9 | 11 | 5 | |
| Total | 9 | 5 | 11 | 8 | 1 | 7 | 10 | 2 | 4 | 3 | 6 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Operations & Maint. | 2 | 12 | 3 | 77 | 4 | 58 | 55 | 10 | 8 | 68 | 99 | |
| Food Service | 65 | 116 | 115 | 117 | 37 | 108 | 123 | 68 | 114 | 72 | 60 | |
| Transportation | 120 | 75 | 104 | 58 | 52 | 57 | 68 | 80 | 78 | 49 | 59 | |
| General Admin. | 79 | 118 | 113 | 106 | 110 | 112 | 107 | 102 | 114 | 119 | 108 | |
| Total | 86 | 69 | 93 | 85 | 22 | 75 | 89 | 56 | 68 | 63 | 73 | |

SOURCES: School System LEAPS Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-3. 2003 Expenditures per Student for Operations & Maintenance, by Object of Expenditure

| Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|--------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Personal Services | \$ 231 | \$ 372 | \$ 232 | \$ 370 | \$ 105 | \$ 301 | \$ 148 | \$ 183 | \$ 239 | \$ 204 | \$ 177 | \$ 116 |
| Employee Benefits | 82 | 125 | 80 | 113 | 45 | 109 | 57 | 63 | 88 | 84 | 60 | 42 |
| Purchased Services | 231 | 288 | 229 | 221 | 134 | 402 | 243 | 220 | 212 | 196 | 251 | 229 |
| Materials & Supplies | 56 | 119 | 79 | 38 | 54 | 80 | 40 | 57 | 44 | 45 | 78 | 46 |
| Total | \$ 601 | \$ 905 | \$ 621 | \$ 742 | \$ 338 | \$ 892 | \$ 487 | \$ 524 | \$ 582 | \$ 529 | \$ 566 | \$ 432 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 100% | 161% | 100% | 160% | 45% | 130% | 64% | 79% | 103% | 88% | 77% | 50% |
| Employee Benefits | 100% | 153% | 97% | 138% | 54% | 133% | 69% | 77% | 108% | 102% | 73% | 51% |
| Purchased Services | 100% | 125% | 99% | 96% | 58% | 174% | 105% | 96% | 92% | 85% | 109% | 99% |
| Materials & Supplies | 100% | 212% | 141% | 68% | 96% | 142% | 71% | 102% | 77% | 80% | 139% | 81% |
| Total | 100% | 151% | 103% | 124% | 56% | 149% | 81% | 87% | 97% | 88% | 94% | 72% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 1 | 5 | 2 | 11 | 3 | 9 | 7 | 4 | 6 | 8 | 10 | |
| Employee Benefits | 1 | 6 | 2 | 10 | 3 | 9 | 7 | 4 | 5 | 8 | 11 | |
| Purchased Services | 2 | 5 | 7 | 11 | 1 | 4 | 8 | 9 | 10 | 3 | 6 | |
| Materials & Supplies | 1 | 3 | 11 | 6 | 2 | 10 | 5 | 9 | 8 | 4 | 7 | |
| Total | 1 | 4 | 3 | 11 | 2 | 9 | 8 | 5 | 7 | 6 | 10 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Personal Services | 1 | 13 | 2 | 98 | 6 | 58 | 31 | 11 | 22 | 34 | 82 | |
| Employee Benefits | 1 | 17 | 3 | 83 | 4 | 58 | 46 | 9 | 12 | 52 | 96 | |
| Purchased Services | 16 | 47 | 63 | 128 | 2 | 36 | 64 | 75 | 89 | 31 | 48 | |
| Materials & Supplies | 6 | 21 | 108 | 65 | 20 | 105 | 59 | 95 | 90 | 22 | 85 | |
| Total | 1 | 17 | 10 | 121 | 2 | 54 | 42 | 23 | 39 | 29 | 83 | |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-4. 2003 Expenditures per Student for Operations & Maintenance, by Function of Expenditure Code

| Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|--------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Buildings & Grounds | \$ 492 | \$ 735 | \$ 579 | \$ 672 | \$ 238 | \$ 806 | \$ 370 | \$ 516 | \$ 436 | \$ 359 | \$ 475 | \$ 385 |
| Equipment & Other | 86 | 107 | 35 | 25 | 89 | 27 | 115 | 8 | 123 | 147 | 76 | 46 |
| Security | 22 | 63 | 6 | 46 | 10 | 59 | 2 | 0 | 23 | 23 | 15 | 0 |
| Total | \$ 601 | \$ 905 | \$ 621 | \$ 742 | \$ 338 | \$ 892 | \$ 487 | \$ 524 | \$ 582 | \$ 529 | \$ 566 | \$ 432 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Buildings & Grounds | 100% | 149% | 118% | 136% | 48% | 164% | 75% | 105% | 89% | 73% | 97% | 78% |
| Equipment & Other | 100% | 125% | 41% | 29% | 104% | 32% | 134% | 9% | 144% | 171% | 88% | 54% |
| Security | 100% | 280% | 29% | 203% | 45% | 263% | 8% | 0% | 104% | 102% | 67% | 2% |
| Total | 100% | 151% | 103% | 124% | 56% | 149% | 81% | 87% | 97% | 88% | 94% | 72% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Buildings & Grounds | 2 | 4 | 3 | 11 | 1 | 9 | 5 | 7 | 10 | 6 | 8 | |
| Equipment & Other | 4 | 8 | 10 | 5 | 9 | 3 | 11 | 2 | 1 | 6 | 7 | |
| Security | 1 | 8 | 3 | 7 | 2 | 9 | 11 | 4 | 5 | 6 | 10 | |
| Total | 1 | 4 | 3 | 11 | 2 | 9 | 8 | 5 | 7 | 6 | 10 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Buildings & Grounds | 7 | 12 | 9 | 128 | 3 | 80 | 22 | 48 | 89 | 33 | 71 | |
| Equipment & Other | 24 | 67 | 76 | 38 | 73 | 20 | 104 | 17 | 10 | 43 | 57 | |
| Security | 2 | 66 | 5 | 43 | 3 | 107 | 123 | 13 | 14 | 24 | 121 | |
| Total | 1 | 17 | 10 | 121 | 2 | 54 | 42 | 23 | 39 | 29 | 83 | |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-5. 2003 Expenditures per Student for Food Service, by Object of Expenditure

| Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|--------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Personal Services | \$ 143 | \$ 129 | \$ 111 | \$ 151 | \$ 116 | \$ 175 | \$ 141 | \$ 117 | \$ 148 | \$ 138 | \$ 163 | \$ 176 |
| Employee Benefits | 69 | 74 | 54 | 62 | 57 | 82 | 67 | 60 | 77 | 63 | 77 | 83 |
| Purchased Services | 8 | 7 | 2 | 9 | 5 | 3 | 3 | 2 | 8 | 6 | 3 | 41 |
| Materials & Supplies | 176 | 125 | 135 | 173 | 151 | 210 | 160 | 155 | 187 | 193 | 225 | 221 |
| Total | 395 | 335 | 302 | 396 | 329 | 471 | 372 | 333 | 420 | 399 | 467 | 521 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 100% | 90% | 78% | 106% | 81% | 123% | 99% | 82% | 104% | 97% | 114% | 124% |
| Employee Benefits | 100% | 108% | 78% | 90% | 83% | 120% | 97% | 87% | 111% | 91% | 111% | 121% |
| Purchased Services | 100% | 96% | 30% | 122% | 60% | 44% | 46% | 23% | 110% | 80% | 34% | 531% |
| Materials & Supplies | 100% | 71% | 77% | 98% | 86% | 120% | 91% | 88% | 106% | 110% | 128% | 125% |
| Total | 100% | 85% | 76% | 100% | 83% | 119% | 94% | 84% | 106% | 101% | 118% | 132% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 8 | 11 | 4 | 10 | 2 | 6 | 9 | 5 | 7 | 3 | 1 | |
| Employee Benefits | 5 | 11 | 8 | 10 | 2 | 6 | 9 | 4 | 7 | 3 | 1 | |
| Purchased Services | 4 | 10 | 2 | 6 | 8 | 7 | 11 | 3 | 5 | 9 | 1 | |
| Materials & Supplies | 11 | 10 | 6 | 9 | 3 | 7 | 8 | 5 | 4 | 1 | 2 | |
| Total | 8 | 11 | 6 | 10 | 2 | 7 | 9 | 4 | 5 | 3 | 1 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Personal Services | 115 | 125 | 85 | 124 | 50 | 101 | 123 | 93 | 104 | 67 | 48 | |
| Employee Benefits | 81 | 124 | 113 | 122 | 48 | 101 | 119 | 71 | 112 | 70 | 45 | |
| Purchased Services | 84 | 121 | 65 | 103 | 112 | 111 | 125 | 72 | 93 | 118 | 7 | |
| Materials & Supplies | 126 | 125 | 103 | 121 | 51 | 113 | 120 | 88 | 78 | 30 | 38 | |
| Total | 122 | 127 | 103 | 124 | 57 | 115 | 123 | 91 | 102 | 64 | 29 | |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-6. 2003 Expenditures per Student for Transportation, by Object of Expenditure

| | Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. |
|---|----------------------|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|
| 2003 Students (ADM) | | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Personal Services | \$ 137 | \$ 10 | \$ 143 | \$ 55 | \$ 171 | \$ 188 | \$ 183 | \$ 175 | \$ 146 | \$ 141 | \$ 197 | \$ 163 |
| Employee Benefits | 63 | 4 | 73 | 22 | 85 | 94 | 81 | 80 | 66 | 63 | 90 | 79 |
| Purchased Services | 30 | 145 | 14 | 64 | 7 | 20 | 11 | 18 | 8 | 5 | 32 | 24 |
| Materials & Supplies | 25 | 0 | 42 | 9 | 40 | 26 | 25 | 31 | 30 | 23 | 28 | 42 |
| Total | \$ 255 | \$ 159 | \$ 271 | \$ 149 | \$ 303 | \$ 328 | \$ 300 | \$ 303 | \$ 249 | \$ 232 | \$ 347 | \$ 308 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 100% | 7% | 104% | 40% | 125% | 137% | 133% | 127% | 106% | 103% | 144% | 119% |
| Employee Benefits | 100% | 6% | 116% | 35% | 135% | 150% | 128% | 127% | 104% | 100% | 143% | 126% |
| Purchased Services | 100% | 491% | 46% | 217% | 23% | 68% | 39% | 60% | 28% | 18% | 110% | 80% |
| Materials & Supplies | 100% | 0% | 166% | 35% | 157% | 103% | 100% | 124% | 117% | 89% | 110% | 164% |
| Total | 100% | 62% | 106% | 59% | 119% | 129% | 118% | 119% | 98% | 91% | 136% | 121% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 11 | 8 | 10 | 5 | 2 | 3 | 4 | 7 | 9 | 1 | 6 | 6 |
| Employee Benefits | 11 | 7 | 10 | 3 | 1 | 4 | 5 | 8 | 9 | 2 | 6 | 6 |
| Purchased Services | 1 | 7 | 2 | 10 | 5 | 8 | 6 | 9 | 11 | 3 | 4 | 4 |
| Materials & Supplies | 11 | 1 | 10 | 3 | 7 | 8 | 4 | 5 | 9 | 6 | 2 | 2 |
| Total | 10 | 7 | 11 | 5 | 2 | 6 | 4 | 8 | 9 | 1 | 3 | 3 |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Personal Services | 120 | 70 | 101 | 59 | 44 | 50 | 57 | 69 | 71 | 37 | 61 | 61 |
| Employee Benefits | 120 | 70 | 102 | 53 | 38 | 60 | 62 | 76 | 77 | 47 | 63 | 63 |
| Purchased Services | 4 | 73 | 8 | 117 | 40 | 86 | 50 | 106 | 124 | 14 | 26 | 26 |
| Materials & Supplies | 121 | 36 | 101 | 42 | 75 | 77 | 62 | 66 | 81 | 71 | 37 | 37 |
| Total | 99 | 68 | 100 | 61 | 49 | 62 | 60 | 75 | 80 | 35 | 58 | 58 |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.

TABLE A-7. 2003 Expenditures per Student for General Administration, by Object of Expenditure

| Large System Average | Huntsville City | Baldwin Co. | Birmingham City | Elmore Co. | Hoover City | Jefferson Co. | Madison Co. | Mobile Co. | Montgomery Co. | Shelby Co. | Tuscaloosa Co. | |
|---|-----------------|-------------|-----------------|------------|-------------|---------------|-------------|------------|----------------|------------|----------------|--------|
| 2003 Students (ADM) | 22,568 | 23,414 | 36,368 | 10,742 | 10,693 | 39,972 | 16,603 | 65,029 | 33,094 | 21,760 | 15,930 | |
| 2003 Expenditures per Student for: | | | | | | | | | | | | |
| Personal Services | 84 | \$ 114 | \$ 77 | \$ 93 | \$ 76 | \$ 83 | \$ 74 | \$ 82 | \$ 89 | \$ 80 | \$ 71 | \$ 77 |
| Employee Benefits | 23 | 29 | 18 | 35 | 19 | 19 | 18 | 19 | 25 | 22 | 17 | 19 |
| Purchased Services | 17 | 16 | 24 | 14 | 13 | 25 | 8 | 15 | 20 | 24 | 15 | 15 |
| Materials & Supplies | 9 | 4 | 13 | 4 | 10 | 21 | 9 | 9 | 12 | 4 | 9 | 6 |
| Total | \$ 133 | \$ 163 | \$ 131 | \$ 145 | \$ 118 | \$ 148 | \$ 109 | \$ 125 | \$ 146 | \$ 130 | \$ 111 | \$ 117 |
| 2003 Expenditures per Student as a Percent of the Average for Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 100% | 135% | 91% | 110% | 90% | 98% | 88% | 97% | 106% | 94% | 84% | 91% |
| Employee Benefits | 100% | 126% | 77% | 151% | 85% | 84% | 77% | 85% | 108% | 97% | 73% | 81% |
| Purchased Services | 100% | 93% | 140% | 81% | 74% | 145% | 45% | 86% | 118% | 141% | 88% | 88% |
| Materials & Supplies | 100% | 46% | 146% | 43% | 111% | 242% | 106% | 102% | 140% | 50% | 96% | 67% |
| Total | 100% | 122% | 99% | 109% | 88% | 111% | 82% | 94% | 110% | 98% | 84% | 88% |
| Rank Among 11 Alabama School Systems with 10,000 or More Students: | | | | | | | | | | | | |
| Personal Services | 1 | 8 | 2 | 9 | 4 | 10 | 5 | 3 | 6 | 11 | 7 | |
| Employee Benefits | 2 | 9 | 1 | 5 | 7 | 10 | 6 | 3 | 4 | 11 | 8 | |
| Purchased Services | 5 | 3 | 9 | 10 | 1 | 11 | 8 | 4 | 2 | 6 | 7 | |
| Materials & Supplies | 10 | 2 | 11 | 4 | 1 | 5 | 6 | 3 | 9 | 7 | 8 | |
| Total | 1 | 5 | 4 | 8 | 2 | 11 | 7 | 3 | 6 | 10 | 9 | |
| Rank Among 128 School Systems in Alabama: | | | | | | | | | | | | |
| Personal Services | 96 | 118 | 109 | 119 | 114 | 120 | 115 | 111 | 116 | 122 | 117 | |
| Employee Benefits | 89 | 119 | 69 | 114 | 116 | 120 | 115 | 105 | 110 | 122 | 117 | |
| Purchased Services | 85 | 56 | 97 | 104 | 51 | 120 | 93 | 72 | 54 | 89 | 91 | |
| Materials & Supplies | 118 | 35 | 120 | 49 | 13 | 53 | 58 | 39 | 115 | 67 | 98 | |
| Total | 100 | 112 | 109 | 119 | 107 | 122 | 115 | 108 | 114 | 121 | 120 | |

SOURCES: School System Financial Reports and ADM for 2003, from State Department of Education; PARCA calculations.