

**CSIS** California School Information Services

# Alvord Unified School District

## Organizational and Staffing Review

May 1, 2019

**Michael H. Fine**  
Chief Executive Officer







CSIS California School Information Services

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May 1, 2019

Allan Murcerino, Superintendent  
Alvord Unified School District  
9 KPC Parkway  
Corona, CA 92879

Dear Superintendent Murcerino:

In September 2018, the Alvord Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for management assistance. Specifically, the agreement states that FCMAT will perform the following:

1. Conduct an organizational and staffing review of the district's Business Services and Human Resources divisions and make recommendations for staffing improvements or reductions, if any.
2. Evaluate the workflow and distribution of functions within and between the above divisions, and make recommendations for improved efficiency, if any.
3. Review operational processes and procedures for the Business Services division and make recommendations for improved efficiency, if any, in the following areas:
  - Position control
  - Purchasing
  - Accounts payable
  - Accounts receivable
  - Payroll
4. Review operational processes and procedures for the Human Resources Division and make recommendations for improved efficiency, if any.

This report contains the study team's findings and recommendations.

We appreciate the opportunity to serve you and we extend thanks to all the staff of the Alvord Unified School District for their cooperation and assistance during fieldwork.

Sincerely,

Michael H. Fine  
Chief Executive Officer

**FCMAT**

Michael H. Fine, Chief Executive Officer

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# About FCMAT

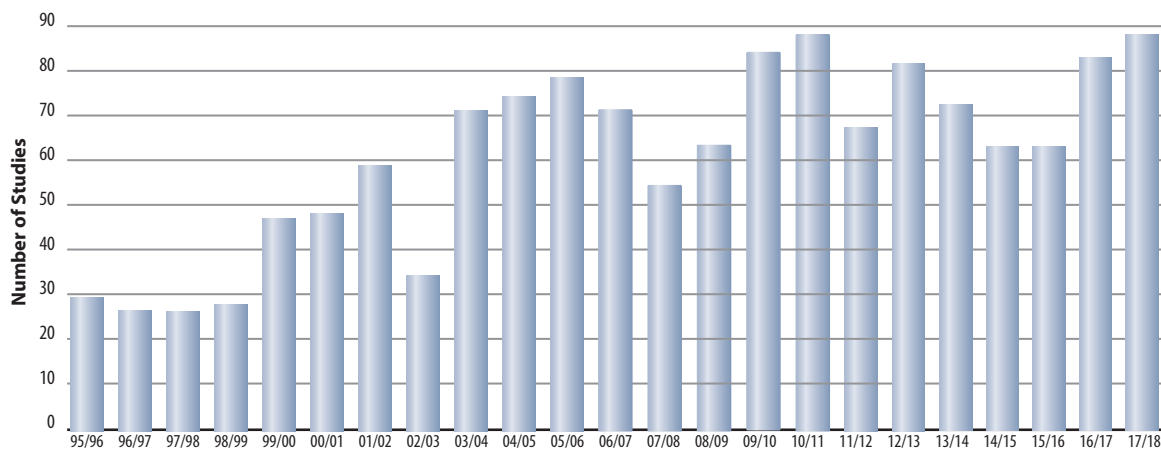
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

**Studies by Fiscal Year**



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website ([www.ed-data.org](http://www.ed-data.org)) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed the how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

# Introduction

## Background

Located in Riverside County, the Alvord Unified School District has a five-member elected governing board and serves approximately 19,000 students in transitional kindergarten through 12th grade who live in the cities of Riverside and Corona. The district has 14 elementary schools, four middle schools, three comprehensive high schools, one continuation high school and one alternative education high school. All schools operate on a traditional school calendar. The district has no charter schools.

Like many districts in California, Alvord Unified is experiencing declining enrollment. According to data from the California Department of Education (CDE), its enrollment peaked in 2008-09 at 20,057, but has been declining at an average of -0.32% per year over the past 10 years. During that time, only the 2015-16 school year saw a 0.39% increase; however, that has been overshadowed by deepening enrollment decreases of -1.08%, 1.3% and 3.01% in 2016-17, 2017-18 and 2018-19, respectively. The district's 2018-19 unduplicated pupil percentage, which includes those students who qualify for free and reduced-price meals, English learners and foster youth, is 81.3%.

While the district experienced steady declines in student enrollment and classroom staffing had been adjusted to reflect that decline, district office staffing had not been addressed. To help reduce staffing without a layoff, the district offered a Supplemental Early Retirement Plan (SERP) with employees retiring on or before June 30, 2019, and approximately 150 employees have accepted, four in the divisions being reviewed by FCMAT. All of the employees who have accepted will retire by June 30, 2019. Even with this staffing reduction, district administration wanted to ensure that the district office staffing was appropriate and that workflow and distribution of functions between its Business Services and Human Resources (HR) divisions were designed as efficiently as possible.

The district's budgetary struggles have added a greater emphasis on the need to ensure staffing in the Business Services and HR divisions is at appropriate levels. On August 29, 2018, the Riverside County Office of Education conditionally approved the district's 2018-19 adopted budget with concerns over 2019-20 and 2020-21 shortfalls, an operating deficit, declining enrollment and cash.

In September 2018, the district requested that FCMAT conduct an organizational and staffing review of the Business Services and HR divisions.

On November 2, 2018, the district's board approved a tentative collective bargaining agreement with the Alvord Educators Association that included a 1.5% retroactive salary increase and a 2.5% ongoing increase for its certificated bargaining unit. The district's classified unit's agreement contains a "me too" clause granting a similar increase. Based on this action, the county office issued a November 9, 2018 lack-of-going-concern determination. The district's auditors also issued a going-concern opinion in their 2017-18 audited financial statement.

## Study and Report Guidelines

FCMAT visited the district on January 8-11, 2019 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Organizational Structure
- Business Services Division
  - Position Control
  - Purchasing
  - Accounts Payable
  - Accounts Receivable
  - Payroll
- Human Resources Division
  - Division Organization
  - Recruitment
  - Benefits
  - Employee Evaluations
  - Discipline
  - Fingerprinting
  - Complaints
  - Substitute Employees
  - Workers' Compensation
  - HR Job Descriptions and Tasks
- Staffing Comparisons
- Appendices

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

## Study Team

The study team was composed of the following members:

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Each team member reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.



# Executive Summary

Since approximately 2010, the Alvord Unified School District has experienced a great deal of turnover at its executive/cabinet level. This has resulted in a loss of consistent processes and procedures for both the Business Services and Human Resources divisions reviewed in this study. With each change in cabinet-level positions, the divisions experienced changes to organization and tasks, creating confusion about how tasks are completed and who completes them as well as apathy among employees. Staff perceive that there is no real mandate to implement the changes since another administrator will soon come along with another agenda. As a result, both divisions have few, if any, written policies and procedures manuals or desk manuals.

Communication is lacking within and between divisions/departments. This has created isolation among employees, further eroded teamwork and created a culture of distrust. Interviews found a lack of understanding of the entirety of some processes, employees unsure of who does what, and key people left out of the discussions of how processes work and the impact of changes.

Changes in processing personnel action forms affected the work of the vast majority of employees in both divisions. These forms are used in personnel and payroll actions and originally began as a multipage paper document that covered all situations. Approximately one year ago, this system was converted to an electronic form, with 12 new documents to replace the one from the previous system. Processing can take a few days to four to five weeks or even months, the primary reason being failure to include supporting documents with the request. The district has also experienced an increase in the number of these documents that need to be approved centering on the Personnel Action Form for Additional Assignment/Out of Class/Subbing (Permanent Employee). In the past, the district utilized one form to approve all additional hours worked and several employees could use a single document. When individualized forms began to be required, the work involved increased. One staff member had 600 forms waiting upon return from summer break, and another stated a backlog of 150 is common. During interviews with FCMAT, two people became visibly upset when discussing the workload.

The Business Services and Human Resources divisions should participate in the key process of utilizing the position control system. The district uses county office accounting software called Galaxy. The district uses Galaxy's position control module, which can be integrated with both payroll and budget development. However, the district's position control specialist utilizes an Excel spreadsheet as her primary methodology and balances the Galaxy system to it. As a result, the district essentially operates two position control systems, but the data contained in Galaxy is used for budgetary decisions, negotiations and budget development.

Oversight of the Purchasing Department is best assigned to the chief business official (CBO) to provide more continuity in the procurement process from initiation through completion. The district should revise its policies and procedures to allow specified staff to enter into contracts on behalf of the district and allow the board to ratify these documents at a later date. The current process requires all contracts to be approved by the board before the work is performed. This reportedly hampers the district's ability to address conditions that disrupted instructional and support programs.

Various processes and procedures in the Business Services Division require revision to bring them into compliance with best practice or strengthen segregation of duties. These include the following:

- Assigning all vendor payment processing to the senior account clerks with only supervision responsibilities assigned to the accounting manager.
- Ensuring commercial warrants issued by the county office are not returned to the employee who processed the payment/payroll.
- Ensuring changes to vendor information can be made only by Purchasing Department employees and not those processing accounts payable payments.
- Establishing travel reimbursement policies for per meal rates and thresholds for qualification for these areas.
- Establishing transportation and lodging policies as well as considerations to comply with IRS regulations.
- Requiring the district to report the independent contractors to the California Employment Development Department.

Implementation of these efficiency measures could enable the district to reduce senior account clerk staffing in the Fiscal Services Department by one full-time position. However, as the district's modernization projects begin to be funded, the district may need to temporarily expand staffing at the senior account clerk position until the projects are completed.

The Business Services Division also has a vacant clerk typist II position that could be replaced by a four-hour clerk typist I position dedicated to filing duties and avoid a monthslong backlog that currently exists.

Improvements to processes and procedures can also be made in the Payroll Department such as the following:

- Eliminating the necessity of filing an individual personnel action form for every instance of extra duty time worked.
- Reevaluating which services require the submission of a personnel action form.
- Implementing controls on overtime worked.
- Developing and utilizing a reconciliation process for end-of-month payroll.
- Assigning final payroll approval to an administrator outside of the Payroll Department.
- Collecting all overpayments made to employees.
- Assigning the monitoring of 100-day workers' compensation leave pay provisions to the Risk Management Department.

Based on the utilization of an industry standard ratio of 400 payroll warrants to one payroll staff member, the district could reduce its payroll staff by one full-time payroll position.

FCMAT believes that the delays in paying employees because of the lack of an individual personnel action form would be considered a district error and therefore (depending on the time involved in correcting the error), could violate Education Code Section 45167 as well as the Fair Labor Standards Act of 1938 (29 CFR 553.20).

The district also has a duplicate system within its absence tracking. While staff reported that the district performed a full reconciliation from its former paper card system to transition to the Absence Management software, others indicated that old manual cards are still used. The paper

cards should be used as a historical basis before full implementation of Absence Management, but having two systems that report the same information is an inefficient use of district resources. The Human Resources Division could also implement improvements to its processes and procedures such as the following:

- Immediately updating its board policies and administrative regulations.
- Ensuring at least annual updates of the board policies/administrative regulations.
- Developing a template for use with all its forms.
- Reviewing and updating those forms and other materials at least annually.
- Including a last revision date on forms.
- Regularly updating its annual calendar to reflect current department assignments.

While the Human Resources Division has authored a 72-page handbook called “Employee Selection Guidelines and Procedures” on employee recruitment and hiring, it contains some conflicting statements regarding the timeline for board approval. Other items within the recruiting process need further attention such as the questions used for screening tests for all classified positions. The secured, timed tests are developed using test questions from the Cooperative Organization for the Development of Employee Selection Procedures (CODESP). All tests are multiple choice, but some have not been updated since 2005. The best practice is to update tests on a regularly scheduled basis.

FCMAT also found an issue in the district’s interview questions. The district typically uses identical questions for the same positions, and they are reportedly revised only if candidates begin responding perfectly to every question. When revising questions, the HR technician senior accesses CODESP’s question bank and works with administrators to revise the questions to meet the district’s needs. Having standard questions for positions increases the possibility of candidates sharing questions and memorizing answers. The best practice is to routinely rotate questions so interview panels may best assess candidates’ capabilities through spontaneous responses.

Employee benefits functions within the Risk Management Department have some conflicting processes depending on whether the employee was certificated or classified. For certificated, employees use Benefit Bridge to select their benefits. Management benefits are aligned with certificated benefits so management employees may also select their benefits online. However, classified employees do not have online access to their benefits selections through Self-Insured Schools of California and must meet in person with the benefits clerk and submit paper enrollment forms to make selections. Adding to the difficulties of this process is that each set of employees benefits have different plan years. Managing two benefits systems and holding two open enrollment periods is not the most efficient method to offer benefits, utilize employee time or provide a quality open enrollment experience to employees.

FCMAT also noted inconsistencies in handling employee discipline. District staff described various practices for performing these tasks. Some stated that site principals are encouraged to handle as many issues as possible at the site level using FRISK procedures. Human Resources Division employees commented that principals call for advice and support when they have issues. Some interviewees indicated that principals should be more independent when handling issues. Development of guidelines regarding how disciplinary issues are to be handled and providing annual training regarding disciplinary issues, board policies, and collective bargaining agreement language should help ensure consistency in the implementation of district guidelines for discipline.

Human Resources Division employees fingerprint all new employees at the district office, and the district has its own LiveScan system with three employees certified, in accordance with California law, to perform this task. Many districts have their potential new employees go to their county office for fingerprinting, which allows the district to decrease the duties of its Human Resources staff. The Riverside County Office of Education provides fingerprinting services to assist districts in meeting fingerprint clearance requirements for school employment. Having district employees fingerprinted through the county office would also allow them to participate in the county office substitute pool to help ensure an adequate supply of certificated substitute teachers.

FCMAT performed staffing comparisons with four other districts of similar size and composition. Using the staffing levels of Alvord Unified and the other four districts as well as other statistical information, FCMAT found that approximately six positions could be eliminated, three vacant positions should be flown and filled and the district should consider adding approximately four positions.

# Findings and Recommendations

## Organizational Structure

A school district's organizational structure establishes the framework for leadership and the delegation of specific duties and responsibilities for all staff members. As a district's enrollment increases or declines, the organizational structure should adapt as necessary to the changes. School districts should be staffed according to the basic theories of organizational structure and the standards used in other school agencies of similar size and type. The most common theories of organizational structure are span of control, chain of command, and line and staff authority.

### Span of Control

Span of control refers to the number of subordinates who report directly to a supervisor. Although there is no agreed-upon ideal number of subordinates for span of control, the span can be larger at lower levels of an organization than at higher levels because subordinates at lower levels typically perform more routine duties, and therefore can be more efficiently supervised (Principles of School Business Management by R. Craig Wood, David C. Thompson, Lawrence O. Picus and Don I. Tharpe).

### Chain of Command

Chain of command refers to the flow of authority in an organization. Chain of command is characterized by two guiding principles: unity of command, meaning that a subordinate is accountable to only one supervisor, thus eliminating the potential for an employee to receive conflicting direction and instruction from a variety of supervisors; and the scalar principle, meaning that subordinates at every level in the organization follow the chain of command and only communicate through their immediate supervisor. The result is a hierarchical division of labor in the organization.

### Line and Staff Authority

Line authority is the relationship between supervisors and subordinates and refers to the direct line in the chain of command. For example, in Alvord Unified, the superintendent has direct line authority over the assistant superintendents of business services and HR, and the assistant superintendents have direct line authority over their respective administrative assistants. Conversely, staff authority is advisory. Staff personnel do not have the authority to make and implement decisions; rather, they act in support roles to line personnel. The organizational structure of local educational agencies has both line and staff authority.

The purpose of any organizational structure is to help district management make key decisions to facilitate student learning while balancing financial resources. The organizational design should outline the management process and its specific links to the formal system of communication, authority and responsibility necessary to achieve the district's goals and objectives. Authority in a public school district originates with the elected governing board, which hires a superintendent to oversee the district. Through the superintendent, authority and responsibility are delegated to the district's administration and staff.

Management positions are typically responsible for supervising employees and overseeing the work of their respective divisions. They must ensure that staff members understand all district policies and procedures and perform their duties in a timely and accurate manner. Managers must also serve as a liaison between their division and others to identify and resolve problems and design and modify processes and procedures as necessary. Management positions should typically not be responsible for the division's routine daily functions; these should be assigned to division support staff.

The district provided FCMAT with 2018-19 organizational charts that clearly show the chain of command and functional areas of responsibility as well as the structure and relationships between positions. Without exception, all of the district personnel interviewed by FCMAT knew who supervised them. However, a great many also expressed their frustration at the high level of administrative turnover, citing examples of seven assistant superintendents in their division over the last eight years, 11 administrators since 2010, eight administrators in six years and six administrators in four years.

Stability in administration is imperative in providing consistency and leadership to all employees and the organization. The administrative turnover has affected the district in multiple ways including the following:

- Wasted time, money and employee efforts on each new administrator's plans or agendas. An example was cited of a new administrator wanting to convert files into an electronic medium. The district invested employee time and district funds toward that goal, but then returned those files to paper form when another new administrator preferred that format.

This creates needless work and wasted funds, but also apathy among employees who are reluctant to implement administration plans because they anticipate a new administrator will arrive and change them.

Further compounding this apathy is the severe lack of policies and procedures manuals or desk manuals in both the Business Services and HR divisions. FCMAT was provided with a "Fiscal Services District Information & Protocols" manual. While this document is undated, it appears to be between four and seven years old based on the employee roster in the document and the payroll schedule attached. Several administrations have come and gone since then, and some employees reported that they had never heard of such a document.

The HR Division provided FCMAT with three documents labeled as procedure manuals. While one document provides detailed information on the district's employee selection process, none are a complete policies and procedures manual for the entire division. The second of the three documents appears to be someone's desk manual which is concentrated on absence tracking, and the third document was a recruiting form.

Both the Business Services and HR manuals indicate that changes in administration have not resulted in documentation of processes on how to perform duties. This can create confusion as to how tasks are to be completed and result in differing processes for the same task. This becomes especially burdensome to new employees and is exacerbated when peer-to-peer training is expected, but there is disagreement about how to perform tasks.

Policies and procedures manuals provide the district with an opportunity to plan and diagram internal controls and written standards for the Business Services and HR divisions, school sites and other departments/divisions to follow.

Both divisions lack desk manuals. Employees commented to FCMAT that they have received little formal training and that new employees are told to observe current employees and imitate them. Desk manuals should be created for each position, include step-by-step procedures for job duties, workflow diagrams to ensure a better understanding of duties and their timelines. These manuals also ensure consistent application of internal controls and designate the responsibilities that each position(s) holds for internal control.

Desk manuals can assist with the training gaps that can remain after employee turnover and are especially helpful to new staff. They can provide training, cross-training, help preserve institutional knowledge, eliminate dependency on one person, ensure staff members follow the latest and most efficient procedures and effectively document and monitor segregation of duties districtwide. Once established, policies and procedures manuals should be made available to the district office, school sites and other divisions/departments as applicable as to assist with transactions and best practices. With the turnover the district has experienced and will continue to experience with upcoming retirements, documenting how tasks are performed will become especially important.

- Development of a culture of isolation in divisions/departments, which has eroded communication and teamwork. During FCMAT's interviews, district employees spoke about the lack of division meetings. They acknowledged that meetings occurred at administrative levels both within divisions and between some departments (such as payroll and risk management), but indicated that none encompassed everyone in a division or between divisions. This can result in decreased understanding of other people's processes and how tasks interrelate and can create distrust between employees as well as duplicate efforts. This lack of coordination between divisions was especially evident between the Business Services and HR divisions. No intra-divisional meetings occur between the two, and they do not have a joint calendar despite the fact that these two departments are inextricably linked through the hiring, payroll and position control functions. Their ability to operate together is especially critical when dealing with payroll, staffing and position control to ensure that employees are paid correctly and on time and that information is correct for financial reporting periods and budget development.
- A culture of distrust continues to exist in the district office. In FCMAT interviews with district personnel, many expressed frustration regarding a previous compensation study. Before the study, multiple people held the same position title, performed similar duties and were compensated equally. After the study was completed, these groups of employees were divided, and some were perceived to receive favorable treatment. Those who remained in their former positions without any adjustments continue to feel unappreciated and maltreated.

Others expressed that personnel decisions are not necessarily driven by aptitude but by political alliances and personality conflicts. Decisions based on criteria other than aptitude can hinder the district's operation, impede individuals in performing their duties and create unnecessary conflict.

## Recommendations

*The district should:*

1. Continue to review and revise its organizational chart as changes occur.
2. Establish a stable administrative team to the extent possible.
3. Create and/or update policies and procedures manuals for both the Business Services and HR divisions. The district could also consider utilizing a third-party to prepare the manuals to ensure they are consistent in format across all divisions/departments and do not detract from staff time to assigned duties.
4. Develop desk manuals of employee duties, and ensure that each employee includes step-by-step procedures for all assigned duties in their desk manual. The district could also consider utilizing a third-party to prepare the manuals to ensure they are consistent in format across all divisions/departments and do not detract from staff time to assigned duties.
5. Review and revise policies and procedures manuals and desk manuals periodically, but not less than once a year.
6. Implement monthly divisional and intra-divisional meetings.
7. Implement monthly department and intra-departmental meetings.
8. Consider a compensation study for the Business Services and HR divisions to ensure that all employees receive proper payment for their work.
9. Conduct an open and transparent hiring processes to ensure that aptitude and not political alliances or personality conflicts drives the hiring of a candidate.

## Business Services Division

The Business Services Division is led by the assistant superintendent of business services who directly supervises an administrative assistant and a clerk typist II. The clerk typist II position is vacant pending the results of this study. The assistant superintendent also oversees five supervisory positions. Two of those positions are discussed below as subjects of this study and include the accounting and payroll managers. The other three are not subjects of this study and include the director I, budget and finance; director I, risk management; and director I, child nutrition services.

The district has requested separate FCMAT studies of the Technology and Child Nutrition Services departments as well as studies of the Special Education, Student Services and Custodial departments through other agencies.

The director I, budget and finance supervises three full-time account budget analysts, one full-time position control specialist and one full-time accounting analyst. One account budget analyst position is vacant pending the results of this study and the accounting analyst is among those who accepted the SERP offered by the district. He will retire on June 30, 2019.

The director I, risk management supervises one full-time benefits technician and one full-time benefits clerk. Both of these positions are filled.

With the exception of the position control specialist, the tasks and responsibilities assigned to the directors and staff of the Budget and Finance and Risk Management departments were not part of the focus of this study. However, if their duties encroached into an area that was reviewed by FCMAT, they have been commented upon in the appropriate section including any recommendations as a result of that analysis. FCMAT's analysis of staffing improvements for these two departments within the Business Services Division can be reviewed in the Staffing Comparisons section of this report.

Additionally, FCMAT reviewed the job descriptions and tasks performed by the various positions within the Business Services Division. Beyond the items that are addressed below, FCMAT found that these job descriptions matched the tasks assigned to them. However, the following three items that should be brought to the district's attention:

- The title of the employment opportunity posting provided to FCMAT in response to the request for job descriptions for all Business Services Division personnel reads "accounting supervisor" while the division utilizes accounting manager.
- Not all positions within the Business Services Division have job descriptions that reflect a board approval date. Of the 20 provided to FCMAT, one was a job posting and not a full job description, four reflected revision dates but lacked board approval dates and one was missing the board approval date.
- The administrative assistant business services has been designated as a confidential position. Based on the duties that this position performs, that designation seems to be related to the fact that this person has access to confidential information. However, Government Code section 3540.1 indicates that is not what it means to be a confidential employee. That section states that a "(c)onfidential employee" means any employee who is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information that is used to contribute significantly to the development of management positions."

## Recommendations

*The district should:*

1. Review job descriptions to ensure that the titles used in the documents match those held by employees.
2. Ensure every position has a board approved job description.
3. Further analyze the job duties assigned to the administrative assistant business services to determine if she is truly a confidential employee under the definition contained in Government Code Section 3540.1.

## Position Control

Position control is a system of tracking information based on positions rather than employees. It is a framework of positions for all jobs in the organization regardless of whether there is an incumbent in a specific job or not. Position control includes the creation, maintenance, and monitoring of positions and the budgets for them. In school districts, position control is usually managed collaboratively between the HR and Fiscal departments.

Position control should begin with staffing ratios based on site and department needs and consider any contract requirements. District staff stated that there are no staffing ratios, and none were produced in response to FCMAT's request. Projections for the coming school year are developed based on student projections, student course requests, and input from the Fiscal Services, HR, Facilities/Construction, Special Education, English Learner Support Services, and State and Federal Programs departments.

Salary and benefit costs are the largest component of any school district's budget, averaging approximately 87% of the unrestricted general fund budget in unified districts statewide for the 2017-18 fiscal year. Therefore, accurately projecting salary and benefit costs is critical.

A reliable position control system establishes positions by site or department and helps prevent over- or underbudgeting of staff by including all district-approved positions. In addition, a reliable position control system prevents the omission of routine annual expenses that are tied to district positions in the budget process, such as substitutes, extra duty pay, stipends, vacation payouts, column changes, retiree health and welfare payments and other items in the district's employee contracts. Effective position control consists of a single system that is integrated with other financial modules such as budget and payroll. Position control functions must be separated to ensure proper internal controls. The controls must ensure that only board-authorized positions are entered into the system, that the HR division hires only employees for authorized positions, and that the Payroll Department pays only employees hired for authorized positions. The proper separation of duties is a key factor in creating strong internal controls and a reliable position control system.

As noted above, position control is normally a process divided between the business and human resources departments of districts, and no one person holds a position with position control as its primary definition/function. However, Alvord Unified's Fiscal Services Department within the Business Services Division has one full-time, eight-hour position titled position control specialist and the job description for that position states "The Position Control Specialist maintains and monitors position control processes." This is unusual even in a district of this size.

Internal controls help ensure efficient operations, reliable financial information and legal compliance. They also help protect the district from material weaknesses, serious errors and fraud. These controls should be part of any position control system. The following table provides a suggested distribution of labor between the Business Services and HR divisions to help provide the necessary internal control structure.

<b>Task</b>	<b>Responsibility</b>
Approve or authorize position	Governing Board
Enter approved position into position control, with estimated salary/budget. Each position is given a unique number—in Galaxy that is the TTS described below.	Business Services Division
Enter demographic data into the main demographic screen, including: Employee name Employee address Social Security number Credential (if applicable) Classification Salary schedule placement Annual review of employee assignments	Human Resources Division
Update employee benefits Review and update employee work calendars	Business Services or Human Resources Division
Annually review and update salary schedules. This may need to be completed more frequently such as in the case of collective bargaining settlements.	Business Services Division
Account codes Budget development Budget projections Multiyear projections Salary projections	Business Services Division

FCMAT’s interviews of district staff indicate that the district follows a structure that segregates duties to allow for proper internal controls except for the fact that the requestor also determines the account coding; however, the coding is reviewed for correctness as the position moves through the process of being incorporated into position control. Health and welfare costs are uploaded through a separate module into position control through the Risk Management Department. The district has also revised the last two digits of its object coding to delineate between such items as extra duty, vacation, overtime, stipends and substitute pay.

The district uses county office accounting software called Galaxy, which can be integrated with both payroll and budget development. Each position within Galaxy is organized by type, title and sequence (TTS) type, meaning the type of employee such as certificated, classified or management. Title is the job title and sequence is the number of people with that type and title. For example, if there are 10 first grade teachers, their type is certificated, their title is first-grade teachers and their sequence would be one through 10.

Before the district’s implementation of the Galaxy position control module, it relied on Excel spreadsheets. Unfortunately, FCMAT’s interviews with district personnel found that Alvord Unified has never made a full transition to position control within Galaxy and continues to track staffing in both Galaxy and Excel spreadsheets. Under the district’s current process, changes in positions are first incorporated into the spreadsheet maintained by the position control specialist and then into Galaxy, with the two systems periodically reconciled by that specialist. She works with the Payroll Department and HR staff to ensure Galaxy is updated if any discrepancies arise. When the Payroll Department or HR determines a new salary for someone, they are to notify her so she can verify their work and update her spreadsheet. The district essentially operates two position control systems, but the data contained in the Galaxy position control module is utilized for budgetary decisions, negotiations and budget development.

District staff from the HR Division also described an Excel spreadsheet they maintain for vacancies. HR employees add the position control number to their spreadsheet so they can align their spreadsheet with that of the position control specialist. The HR spreadsheet tracks not only classified vacancies but also the HR processes for filling each position and prospective vacancies. The HR coordinator and HR technicians reconcile their spreadsheet with that of the position control specialist monthly. Since the two spreadsheets are maintained for different purposes, they should not be expected to be identical, but interviewees from each department seemed to be confused about the purpose of the other's spreadsheets. Based on FCMAT's observations, the confusion appears to be based on the fact that similar phrases are used to describe the department's spreadsheet. Additional training and meetings between the departments would help dispel that confusion.

Staff explained that the primary reason for maintaining the spreadsheets is that changes in that document can be implemented immediately while changes within Galaxy may have to wait so that the system can interact with the payroll system. For example, if an employee resigns before the end of the fiscal year, Galaxy cannot incorporate the employment end date prior to the employee's departure. The position must remain in the employee's name in Galaxy so that he or she can be paid to the end of the term. When the date of termination has passed, the end date can be entered into Galaxy. This creates a lag in the Galaxy information, but also raises the possibility that a person can be overpaid if the lag is long enough.

The county office provided descriptions on how other districts in the county handle this situation, which involved specific communication between the HR Division and the Payroll Department. For salaried employees, they also described a way to enter the termination date in Galaxy to prevent overpayments.

Staff discussed with FCMAT some perceived weaknesses in Galaxy related to running reports, permissions on the position control system and a lack of trust in the system. Therefore, spreadsheets have become pervasive as a substitute for working within the Galaxy system. Based on FCMAT's interviews with both the district and the county office regarding Galaxy and its capabilities, staff appear to lack understanding of the full functionality of Galaxy.

Miscommunications and misunderstandings often occur among the personnel maintaining the position control system. At times, interviewees were uncertain about who performed a specific position control task. It was especially difficult to determine who was responsible for entering health and welfare costs; the position control specialist and the benefits clerk in the Risk Management Department each believed the other was responsible for that task. Further investigation by the payroll manager at FCMAT's request found that the Risk Management Department enters health and welfare information into a health and welfare module in Galaxy, which automatically uploads into the position control module. This is just one example of the confusion that surrounds some position control tasks.

Training in Galaxy's position control module appears to be severely lacking. The county office provides Galaxy training at the request of its districts and will even come to a district to provide it. Given the amount of turnover in administrators and staffing at Alvord Unified, refresher training should be immediately implemented, and a best practice would be to provide regular annual training for those who use the system daily or frequently. It would be highly beneficial for new employees to receive their training directly from those who know the system best, and that would be the county office.

The lack of communication between the Business Services and Human Resources divisions is also a severe hindrance to the operation of the district's position control. While meetings between the HR and Business Services divisions on position control were held in the past, they are not regularly scheduled. Sometimes, they are scheduled and canceled, and other times, some positions/divisions/departments are not represented, which impedes the flow of information and problem-solving. Meetings of all of the positions/divisions/departments that contribute to the position control process should start immediately to ensure that all participants know the job duties of all of the other participants in the position control system. These meetings, combined with additional Galaxy training, should greatly assist the district in moving toward a Galaxy-focused position control process.

The district utilizes personnel action forms to initiate and authorize hiring, promotions, reclassifications, transfers and increases in time as well as items related to payroll actions such as stipends, additional assignments, working out of class, permanent employees performing substitute work and overtime. These forms originally began as a multipage paper form that covered all situations. This system was converted into an electronic form approximately a year ago, and the documents were divided by purpose so site/department/division heads could more accurately forecast their personnel needs. The district now has 12 different personnel action forms.

As with many new processes, the individualized purpose forms have encountered some obstacles to implementation. At the time of fieldwork, the district was analyzing the processes associated with the forms to determine if the appropriate level of approvals is attached to each document as well as whether any unnecessary steps are involved. While the Business Services Division informed FCMAT of this process, these forms also involve processes and personnel from the HR Division, so it should be included in these discussions.

FCMAT was provided with only seven of the 12 individualized forms, and review of those documents showed that none contained a date of the last revision. Because an outdated version could be used, the best practice would be to include the date of last revision on all forms.

During implementation, the district provided PowerPoint presentations to the sites/divisions that would be generating the personnel actions, but no manuals were developed for future reference. The PowerPoint presentations show that the individualized forms were developed with required fields in red and with drop-down menus and fillable areas to assist the requestor. While some monetary fields such as salaries/hourly rates/stipends, etc. can be populated through drop-down menus, the Form for Additional Assignment/Out of Class/Subbing (Permanent Employee) requires that the requestor "Remember to use the 2018-2019 Classified Salary list that is sent to you by HR to get the correct information such as legal name and spelling, site, range, step and rate." The requestor is also asked to determine whether a shift differential will apply to the work. According to interviews with district staff, this information is reviewed for accuracy as the form passes through the approval process. However, given the number of personnel action forms within this category (discussed below), the accuracy of that information may be affected. For example, the district recently entered into a contract with its certificated unit that granted a 1.5% retroactive salary increase and a 2.5% ongoing increase. These increases were paid in steps, which would necessitate two successive salary schedule revisions and distribution of those lists. This situation can become quite confusing to the people initiating the personnel action forms and could result in inaccurate dollar amounts. In the district's deliberations on proper approvals and unnecessary steps for each form, it should consider assigning someone in the Fiscal Services or Payroll departments to complete that step to ensure accuracy.

The processing of personnel action forms reportedly takes from days or weeks or months primarily because of failure to include supporting documents with the request. Further, the person is not paid when the form is in process because of the district's policy of not processing payments until forms are complete. Education Code Section 45167 provides that if "an error has been made in the calculation or reporting in any classified employee payroll or in the payment of any classified employee's salary, the appointing authority shall, within five working days, . . . provide the employee with a statement of the correction and a supplemental payment drawn against any available funds." If the payment involves additional time, the Fair Labor Standards Act of 1938 (29 CFR 553.20) requires overtime to be paid "when due" and, generally means the first pay period after the hours were worked. The district's failure to promptly process personnel actions and submit timely payment would violate this Education Code Section and, if the payment was due to additional errors, federal law.

Aside from issues involving processing time, the most common topic mentioned during interviews was the increase in the number of personnel action forms requiring approval. One staff member had 600 forms waiting upon return from summer break and another stated that having a backlog of 150 was common. During interviews with FCMAT, two people became visibly upset when discussing the workload. Given the workload that they handle, it is questionable whether these forms are carefully reviewed or simply signed and approved to forward the stack to the next approver.

Further investigation found that this problem is focused on the Form for Additional Assignment/ Out of Class/Subbing (Permanent Employee). In the past, the district used a personnel form to approve all instances of additional hours, but several employees were listed on one document. The change to individualized forms has increased the amount of work involved. For example, under the old system, if 15 high school teachers each received a \$500 stipend for acting as department heads, one personnel action form for \$7,500 would have been created, and a list of the 15 high school teachers would have been attached. The new system requires an individual form for \$500 to be filed for each of the 15 teachers. District administration stated that the district switched to individual forms because of audit findings that indicated documentation was missing when auditors tested payroll transactions. However, FCMAT was unable to find these findings in the 2016-17 and 2017-18 audited financial statements.

FCMAT asked the county office how other Riverside County districts accomplished this task. The county office responded as follows:

Districts usually set up sub and temporary positions as a lump sum and tie them to a specific funding line that will be used to pay these positions later. Districts will then pay substitute/temporary positions using payroll adjustments each pay period as they work. Extra pay/duty can be set up to pay at the position or employee level and will pay according to how they are set up (e.g. monthly, annually, begin and end payroll cycles, amount or percent per pay period, with the ability to specify, number of lifetime cycles allowed, maximums per payroll or per fiscal year). This is typically used for stipends, longevity, etc. However extra pay can also be paid using a payroll adjustment each pay period.

FCMAT's asked the two Riverside County comparison districts used in this study about their process for approving additional hours. One stated that beyond the timesheet completed by the employee and signed by the supervisor, no additional documentation is required. The other requires additional documentation such as a personnel action; however, it uses a multiple-person method similar to the one discontinued by Alvord Unified.

Alvord Unified's personnel action process should be simplified so that one form is used for multiple people, resulting in greater efficiency. Otherwise, the district will probably be unable to attain its goal of reducing staffing requirements.

## Recommendations

*The district should:*

1. Develop ratios for adequate staffing in all departments and sites.
2. Start transitioning fully to Galaxy as the single system for position control.
3. Develop a map of all of the information that is to be placed in Galaxy's position control module and designate the person or people responsible for that information.
4. Immediately contact the county office to obtain training in the Galaxy position control module for all administrators and staff working within that program. This should include payroll since position control and payroll are integrated.
5. Schedule annual refresher training in Galaxy's position control module.
6. Immediately implement meetings of all of the positions/divisions/departments that contribute to the position control process to ensure that all participants know the job duties of all of the other participants.
7. Include the Human Resources Division in any revisions contemplated to personnel action forms.
8. Include the date of last revision on all personnel action forms.
9. Develop a policies and procedures manual for personnel action forms and ensure that all forms are discussed in this document. A process map for each of the individualized forms should be included to assist all users in understanding the progression of the form from beginning to end.
10. Consider changing the task of entering salary/hourly wage/stipend type information from the personnel action form requestor to someone in the Fiscal Services or Payroll departments to ensure accuracy.
11. Institute a policy that requires employees to be paid for their extra duty/additional hours, etc. on the pay period immediately following the period when the time was worked regardless of whether a personnel action form has been completed. This would comply with the Fair Labor Standards Act of 1938 (29 CFR 553.20).
12. Consult its legal counsel to determine if extended delays in processing personnel action forms that result in delayed payroll violate Education Code Section 45167.

13. Consider another methodology to process additional hours personnel action forms such as returning to a single sum/multiple person form to gain efficiency in the approval process.

## Purchasing

The Purchasing Department procures goods and services for all district schools and programs. The department is managed by the executive director for administrative services, who supervises one full-time assistant, two full-time buyers, two full-time delivery drivers and a four-hour per day (or 0.5 FTE) mail room clerk.

In public education, the responsibility for purchasing and procurement, bidding processes and contracts typically belongs to the CBO. District personnel reported that Alvord Unified transferred this responsibility from the CBO to the executive director for administrative services several years ago during a departmental restructuring. As part of this restructuring, supervision of the executive director was assigned to the superintendent. The best practice is for oversight to be assigned to the CBO to provide more continuity of procurement from initiation through completion.

The Public Contract Code requires bidding for supplies with costs that exceed a certain threshold as well as contracts for professional services and for facility repair, modernization and construction. In some circumstances, the district utilizes an independent contractor to conduct the bidding, and in others, it uses other options authorized by the Public Contract Code such as piggyback bidding and cooperative organizations, and quotes. Board Policy/Administrative Regulation 3311 specifically mentions piggybacking and cooperative organizations; however, quotes are not mentioned. The district should carefully align its policies to its practices.

The job descriptions of both the senior buyer and the buyer include duties related to bidding. The district would benefit from using its buyers to assist with bidding, particularly as state bond funds for facility modernization become available and are awarded to the district in coming years. Since staff seemed confused about how the bidding process occurs, the buyers should be provided training on applicable code requirements, board policy and district practices and procedures. The outside consultant, in consultation with the executive director of administrative services, could continue to assist until the district is satisfied that its buyers can manage the process.

The district's practice is that all contracts must be approved in advance by the board of education. This practice was generated years ago after more than a dozen vehicles were purchased without board authorization or public bidding. However, the district's Board Policy 3312(a) provides that all contracts must be either approved in advance or ratified after the fact.

Staff indicated that in emergency circumstances, this requirement has hampered their ability to address conditions that disrupted instructional and support programs for a longer period of time than would otherwise be necessary. While maintaining board control over contract authorization is appropriate, the board should consider developing additional guidelines for administrative staff that would allow timely response in these circumstances. For example, the board could authorize staff to enter into contracts up to the bid threshold dollar amount in situations that disrupt the educational program, or support programs that directly affect students. The contract would then be presented for ratification at the next regularly scheduled board meeting.

While the district's Board Policy 3312(a) on contracts allows the board to name designees to enter into contracts on its behalf, the board has not adopted a resolution to delegate this ability or enter into a contract. The district has a 2018-19 certification of signatures that provides the county office with those authorized to sign warrant orders, orders for salary payments and notices of employment, but this does not extend to the powers under Education Code Section 17604 regarding contracts.

For emergency circumstances where the public contract code bid threshold is exceeded, state law provides a bid waiver process that must be approved by the board of education of the district and the county superintendent of schools. In these circumstances, the board should conduct an emergency meeting to approve the waiver, ensuring prompt response and timely restoration of educational services. However, the best practice is to ensure concurrence with the county office before holding an emergency meeting.

The district must bid all public works projects that exceed \$15,000. In an effort to reduce the time, effort and expense of bidding these small projects, the district could benefit from voluntarily participating in the California Uniform Public Construction Cost Accounting Act (CUPCCAA). CUPCCAA is legislation to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state" per Section 22001 of the Public Contract Code. CUPCCAA is a voluntary program available to all public entities in the state, but it only applies to public agencies that have opted in to the provisions it established.

CUPCCAA allows for public project work of \$60,000 or less to be performed by a public agency's force account (i.e. its own staff), by negotiated contract, or by purchase order. Public projects of \$200,000 or less may use informal bidding procedures. Those of more than \$200,000 are required to use formal bidding procedures to let the contract. Utilizing CUPCCAA would decrease the number of bids for small projects and be consistent with the district's goal to be more efficient in administration as its enrollment and revenues continue to decline.

Utilization of CUPCCAA would not necessitate excluding the board from contract oversight. All contracts issued would still be presented for approval as per current procedure. However, regardless of whether the district moves to CUPCCAA or stays within the normal public works bid limits, it should consider providing its board members with some basic training/knowledge in bidding so that they can understand the bidding process and their role in it. This will become even more important as state bond funds become available, and the district's applications are approved and funded at the state level.

The district contracts with outside vendors for all of its printing services. FCMAT interviews indicated that the executive director for administrative services recently prepared a study that concluded in-house staff could provide these services at a cost savings. Most school districts similar in size to Alvord Unified have in-house printshops that offer competitive prices. This study should be reviewed and updated to determine if the district can feasibly provide these services while improving program quality and reducing costs.

The study review should provide information such as the following:

1. Evaluation of which printing services would be provided at a centralized printshop, which will continue to be provided at the school site and department levels, and which will continue to be provided by outside vendors.

2. Identification of a location to house the printshop and the cost of this housing.
3. Identification of the staffing levels needed to run the printshop operation including supervisory, printing staff, clerical staff and delivery staff.
4. Development of a collection/delivery methodology for printshop orders.
5. Determination of whether additional vehicles would be needed for the collection/delivery of printshop orders.
6. Development of cost estimates regarding
  - a. Acquisition/leasing of the needed equipment including the cost to return any of the district's current photocopying equipment.
  - b. Cost of supplies used that are not covered in the cost of the equipment (e.g. paper, toner, staples, etc.)
  - c. Transportation costs for collection/delivery of printshop orders. Even if the district determines that these can be included in the normal schedule of the district's delivery drivers, the cost should be calculated and included so that the true expense of the operation can be determined.
  - d. Salary/benefit costs of all employees involved in the printshop operation including supervisory costs.
  - e. Indirect costs associated with the program.
7. Develop written practices, procedures and policies to guide staff in accessing printshop services.
8. Consider asking outside vendors to submit a proposal for printshop services as well. Sometimes printshops can be set up within the district's facilities but be operated by outside vendors and still provide program quality and reduced costs.

The district has a master photocopiers contract that provides equipment for each site and department. Costs are invoiced for each copier in two components, one for the equipment lease and one for operating and maintenance costs. Each component also has a separate accounting line in the Galaxy accounting system. Therefore, if the site has seven copiers, the accounting system will have 14 lines of code for this equipment even if the coding for each line is the same. Because the Galaxy system limits the number of items per warrant to 33, multiple warrants must be issued to complete payment for copier costs. The district should explore simplification of the invoice process both internally and with the vendor to reduce the number of separate invoices that require processing each month. This will provide a manageable contract structure for administrative and invoice processing.

District staff stated that the contract for the photocopying equipment is for five years. As the end of that contract nears, the district should conduct a districtwide bidding process for copier services.

Some vendors will not accept purchase orders at many districts throughout the state, including Alvord Unified. To deal with this issue, the district utilizes the State of California Purchase Card Program, known as CAL-Card, through the state Department of General Services. The program provides eligible public agencies access to Visa purchase card services and is designed to minimize credit costs, including offering rebates on purchases. The program is widely utilized by public school districts in California.

One of the features of the program is district-tailored controls over card use, including the type of expenditure allowed and maximum dollar limits by type of purchase and by user. The district has authorized 12 cards for various district departments and staff, with individual card limits ranging from \$2,000 to \$10,000 for a districtwide total of \$76,000. Users can utilize the cards to purchase items such as supplies that are needed at the last minute, food for staff meetings, district-authorized travel arrangements and when a vendor will not accept a purchase order. They cannot use the card for a variety of stipulated purposes including services of any kind, equipment and personal expenses. No single use can exceed \$500.

While the district has availed itself of Cal-Card's controls, it has not issued a card to the Purchasing Department. By implementing available controls for the department, utilization of a CAL-Card by Purchasing Department staff would improve their efficiency and responsiveness to procurement needs without sacrificing accountability or internal controls.

The district operates a warehouse for delivery of certain equipment and supplies as well as for storage of district records. The warehouse is the responsibility of the director of maintenance and operations, who reports to the executive director of administrative services. The warehouse is staffed by two full-time delivery drivers.

As equipment, textbooks and supplies arrive from vendors at the warehouse, the items are received into the Galaxy financial system, electronic equipment is tagged for asset inventory purposes and delivered to the department or school site. Sites/departments can also have deliveries made directly to them. For direct deliveries, shipping documents are signed by the staff receiving the goods and are sent to the district office for processing payments to vendors. District staff indicated that sites also maintained some form of their own asset inventory. Efficiencies could be improved if the district were to require items that do not require fixed asset accounting to be delivered directly to the sites and departments placing the orders.

Having two methodologies for asset inventory can create confusion about who is supposed to perform the task and result in no one doing it. The district should consider revising its policies and procedures so that the Purchasing Department would review purchase orders to determine if any items should be placed on the district's asset inventory and confirm that the delivery location is the warehouse. This will ensure that they are delivered there for asset inventory processing in accordance with the Fiscal Service Department's policies.

Both the district's 2016-17 and its 2017-2018 independent external financial audit reports raised concerns about the district's practices for inventory of capital assets. The 2016-17 audited financial statements included an auditor's internal control letter that states "the District does not appear to be performing periodic inventory of its capital assets that are in the equipment category." The 2017-18 audited financial statements contained a finding indicating fixed asset inventory records were incomplete and were not maintained on the Galaxy financial software system. The auditors recommended assigning the responsibility to identified staff members, drafting a formal procedure/policy relative to capital assets, providing training to the staff members performing that duty and conducting a complete physical inventory as the basis for uploading into the Galaxy system.

In response to the finding, the audit reports that management committed to engage a third-party vendor to assist the district in the physical inventory, upload the inventory into Galaxy and assign the maintenance of the records to the Fiscal Services Department. At the time of FCMAT's fieldwork, the physical inventory had not been completed and training had not been provided to staff members.

Interviews of district staff found that a list of assets that to be surplused is not submitted to the board for approval. This could violate Education Code section 17546 and the district's Board Policy/Administrative Regulation 3270. These require unanimous approval of the board members present at a meeting where the item is submitted for sale, donation or disposal "by any employee of the district empowered for that purpose by the board." FCMAT could not determine if the board had passed a resolution providing that authority to any of its administrative staff; however, district administration indicated a new process is being initiated that would follow both Education Code's and the district's board policy. Sale or disposal of instructional materials or items purchased with federal funds have additional requirements contained in Education Code Sections 60500-60530 and CCR Title 5, Section 3946, respectively.

Warehouse staff also maintain records for all school sites and departments. Paper documents are temporarily stored in departments and at school sites. Records that require long-term storage are transferred to the warehouse. Warehouse staff perform periodic sweeps of expired records for disposal, and purchasing staff report that the district utilizes and follows the California Association of School Business Officials' Records Retention Manual.

Storage of hard-copy paper documents requires secure physical plant space and personnel time to maintain custody of the documents, some of which must be kept indefinitely. Staff time and storage space for managing paper documents is also required at department offices and school sites, which increases expenses. Over time, the cost of managing and storing paper documents could become cost-prohibitive.

The district may benefit from implementing an electronic document management system. These systems are an efficient way of storing district records in a timely and cost-effective manner, and significantly improve the efficiency of accessing these records for all district employees. They also minimize the need for document storage space at departments and school sites as well as the warehouse.

At the district office, the district operates a mail room that is staffed by a four-hour per day, or 0.5 FTE, mail room clerk. Incoming mail is received in the mail room daily from the US Postal Service, the county office and departments and school sites. The mail room clerk processes outgoing district mail each day. Staff indicated the year includes peak times when outgoing mail volume is significant, making it difficult for the clerk to complete duties within the contracted hours. At other times, the volume is lighter.

Incoming packages from a variety of shipping companies are also processed daily in the mail room. Staff estimated that approximately 40% of incoming packages are deliveries to district employees for personal purposes. Employees also utilize the mail room for personal outgoing correspondence although the clerk does not process this mail or apply district postage. Using the district mail room for personal purposes should be eliminated since this could constitute a gift of public funds, which is contrary to state law.

FCMAT interviews indicated that the executive director of administrative services authorized the Purchasing Department staff to use a rubber stamp to apply his signature to purchase orders that he verbally approves. Sound internal controls discourage these practices since using these stamps

increases the opportunity for fraud. The executive director should provide an original signature for all paper purchase orders and emphasize a preference for electronic purchase orders in the Galaxy financial software system.

District staff reported that each school site receives a budget allocation of \$500 per teacher to spend on classroom supplies. Staff were unaware of any guidelines for procedures or practices for teachers, administrators or support staff regarding the use of these funds. Staff reported this program created a significant volume of work for the Purchasing and Fiscal Services departments since many teachers make numerous purchases for relatively small transactional amounts. Guidelines should be developed for all staff to help reduce the administrative time necessary to process teacher payment claims and orders, which could include procedures that group individual purchases together or limit the number or type of vendors that teachers can utilize.

The district developed procedure manuals for purchasing and procurement processes. The manuals are thorough, but do not follow a standard format or structure and were undated. The district should develop a standard format for these manuals to ensure they are as effective as possible. The district could also consider utilizing a third party to prepare the manuals to ensure they are consistent in format across all departments and do not detract from staff time to assigned duties.

Years ago, the district reduced its staffing allocation in the Purchasing Department from three to two buyers. Assuming that it will continue to decline in enrollment and improve efficiencies in the department as described above, the district should be able to provide effective services with the existing staffing levels. However, while the district has no current construction/modernization projects, it has approximately \$8.4 million in modernization projects listed on the workload list for the Modernization School Facilities Program. Once bonds are sold on the state level, monies become available, and the district's projects are funded, those events will affect the division's staffing. As a result, the district may need to expand the Purchasing Department's staffing in the buyer's position temporarily until the projects are completed.

The district's warehouse staffing allocation of two delivery drivers is appropriate given operating procedures. If efficiencies can be implemented for warehousing records, and if the district can increase vendor deliveries to the initiating school or department, it could reduce this allocation, particularly considering the projected multiyear decline in enrollment .

## Recommendations

*The district should:*

1. Transfer direct reporting of the Purchasing Department to the chief business official, improving efficiencies for procurement while allowing the superintendent more time to focus on the district's many priorities.
2. Carefully align its board policies and administrative regulations to reflect its practices.
3. Train the buyers in all aspects of the bidding process required by the Public Contract Code, including the procedures involved in managing a bidding process. Also included would be the requirements for utilizing bidding alternatives such as emergencies, piggybacking, joint powers purchasing cooperatives, etc.

4. Adopt a resolution naming designees to enter into contracts on its behalf in accordance with its Board Policy 3312(a) and Education Code Section 17604.
5. Specifically include the CBO on its list of designees for contracting authority to manage circumstances where educational or support services are disrupted by an emergency.
6. Consider adopting California Uniform Public Construction Cost Accounting Act procedures to improve administrative efficiency and quality control regarding smaller public works projects.
7. Consider providing its board members with some basic training/knowledge in bidding so that they can understand the process and their role in it.
8. Review the printing program study prepared by the executive director of administrative services and determine if the district can maintain or improve printing services at a lower cost.
9. Explore simplification of the copier invoice process both internally and with the vendor to reduce the number of separate invoices that require processing each month. Conduct a districtwide bidding process for copier services with expiration of the current contract.
10. Consider issuing a CAL-Card Visa card to the Purchasing Department. Authorize the department staff to utilize this card to procure supplies and equipment when it would improve efficiency over procurement and in situations that do not otherwise require a bidding process per the Public Contract Code.
11. Consider revising its policies and procedures to allow deliveries directly to the schools and departments for items that do not require fixed asset accounting.
12. Consider revising its policies and procedures so that the Purchasing Department reviews purchase orders to determine if any items should be placed on the district's asset inventory. Confirm that the warehouse is listed as the delivery location on the purchase order to ensure that the items are delivered there for asset inventory processing in accordance with the Fiscal Services Department's policies.
13. Conduct a physical inventory of all district fixed assets, and utilize the information as the basis for entry into the Galaxy financial software system. Ensure that staff of the Fiscal Services Department are trained on policies and procedures to maintain fixed asset records in Galaxy.
14. Revise its practices to align with its board policies for surplus, donation and sale of personal property.
15. Evaluate the implementation of an electronic document management system to eliminate the need to manage and store records in paper format.

16. Eliminate employees' personal use of the district mail room to ensure there is no gift of public funds.
17. Discontinue using a rubber signature stamp as the executive director's signature on manually-generated purchase orders and instead require an original signature. The district should also utilize the Galaxy financial software system for all purchase orders whenever possible to ensure a complete audit trail in the system via electronic signatures.
18. Develop guidelines for staff regarding procedures for administering the \$500 per teacher classroom supply budget allocation. This will minimize the volume of individual reimbursement claims and purchase orders that are generated by the program.
19. Develop a standard format for Purchasing Department policies and procedures manuals to ensure they provide staff with the most effective support possible. The district could also consider utilizing a third party to prepare the manuals to ensure they are consistent in format across all departments and do not detract from staff time to assigned duties.
20. Continue using its current level of buyer staffing in the Purchasing Department, but consider increasing that allocation temporarily when the district is awarded funds under the State Facility Modernization Program.
21. Consider reducing delivery driver staffing allocations by implementing the efficiencies described above such as increasing deliveries by vendors directly to sites and departments and implementing an electronic document management system.

## Accounts Payable

The district has one full-time accounting manager who supervises four full-time senior account clerks and one full-time accounting technician. Two of the four clerk positions process accounts payable, and one processes contracts and claims as well as accounts receivable; the other position is vacant. The accounting technician provides a variety of services including those for the associated student body organizations.

These staff members are responsible for processing commercial warrant payments to vendors either in the Galaxy financial system or within QuickBooks, the software program used by the elementary schools for their unorganized student body organizations. Other staff members are also assigned to process payments in specific areas, such as the accounting manager for "Just-In-Time" supply deliveries, an accounts payable person in the child nutrition program to process their invoices and school site personnel to process invoices for the various organized and unorganized associated student bodies.

The district's organizational chart indicates the two senior account clerks processing accounts payable divide vendors by the first letter of their name. During FCMAT's interviews, staff indicated that some exceptions are made. Certain vendor payment processing has been assigned to their supervisor, the accounting manager, because of the workload.

Several issues are of concern in this arrangement. In general, supervisor positions should supervise and not perform work assigned to staff as found in their job description. The accounting manager is a management position yet performs bargaining unit work. To prevent conflicts with the bargaining unit, it is a better practice to avoid having managers perform unit work on a regular basis. An internal control weakness also exists when an accounts payable batch includes payments processed by the supervisor, who has the authority to approve the same batch for payment.

The district should assign all vendor payment processing to the senior account clerks and ensure the accounting manager has only supervision responsibilities.

Once an initiating staff member submits a purchase requisition, it moves to the first approver identified in the Galaxy system and awaits approval. When that approval is granted, it goes to the next approver and so on until it reaches an administrator who is also a cabinet member and then moves on to generate a purchase order. The Purchasing Department places the order. Deliveries can be made to either the warehouse or the directly to the site/department. If the delivery is to the warehouse, staff there will enter the receipt of the goods into Galaxy, and if items go directly to sites/departments, personnel have been instructed to send the packing slip to the senior account clerks.

The senior account clerk matches supporting documentation including the purchase order, receiving document and the vendor invoice, and authorizes payment to the vendor in Galaxy. A batch of authorized payments is created and submitted to the director of budget and finance for final approval every day. The batch is then transmitted to the county office for warrant processing.

Commercial warrants payable to the vendor are generated by the county office and shipped to the district via a county office provided courier. The employee who generated the payment receives and distributes the warrants to the vendors.

Effective internal control includes segregation of duties that will prevent the same person from initiating, processing and mailing transactions and from posting the transaction in the accounting records. The district has a significant deficiency in internal controls over cash disbursements since it allows the same employee control over the entire process. Proper segregation of duties dictates that different employees should be assigned warrant generation and distribution.

A number of employees reported in FCMAT interviews that they have the authority to make changes to vendor information in the Galaxy financial system. Some of these employees also had the authority to generate payments to district vendors, as noted above, as well as control over mailing of the warrant. Sound internal controls prevent the same employee from changing vendor information and also generating payments to vendors as well as controlling distribution of commercial warrants to vendors. This prevents the same employee from adding a new vendor or changing information on an existing or dormant/inactive vendor, submitting an invoice from the new or revised/reconstituted vendor and then generating payment. In the district's process, a fraudster could perform the above scenario.

The district business office receives invoices from several different legal firms. These documents are circulated among the various departments at the district office. Each lead administrator reviews and approves the charges incurred by his or her department and forwards the invoices to the next department. When all departments have completed their review and approval, the invoices are returned to the business office for payment processing.

The legal firms that do business with the district do not segregate their invoiced services by department or by service category. The district should request that the law firms segregate their invoices by department and service category to facilitate departmental review, significantly reducing the time required to process payment.

Board Policy/Administrative Regulation 3350 sets the district's meal and incidental reimbursement policy for authorized travel at \$56 per day. This policy does not establish parameters for individual meal amounts or guidelines for when an employee is eligible to claim a meal. The district's practice is to reimburse an employee up to \$56 for meal costs incurred, irrespective of the number of meals. As a result, district staff indicated that employees have claimed the entire amount for a single meal and, when a meal exceeded the limit, were reimbursed the full amount.

The district should adopt travel reimbursement policies that establish per-meal rates, and guidelines that indicate when an employee is eligible to claim reimbursement. The state Department of Human Resources (CAL HR) has established such policies. More information on CAL HR's meal and incidental policies can be found on their website, located at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx> Another source for the district regarding per diem rates are those established by the U.S. General Services Administration for meals and incidentals across all locations and can be found at: <https://www.gsa.gov/travel/plan-book/per-diem-rates>

Other than direction to include the cost of travel in the employee's reimbursement request, the district's Board Policy/Administrative Regulation 3350 does not have guidelines related to transportation and lodging. Because the district is within the Los Angeles/Orange/Riverside/San Bernardino County megalopolis, it is important to place parameters on these two areas. For example, many districts have a policy requiring multiple people attending the same event to share automobile transportation. If individuals do not wish to carpool, the district provides mileage reimbursement for only one vehicle. The district should also have policies on the use of air transportation such as a mileage floor to qualify for its use or proof that airfare is less expensive than driving.

Another common practice is to place a travel limitation such as time or mileage for the use of lodging during travel. For example, the workshop/conference must be more than 50 miles or one hour away from the attendee's residence. Lodging expenses should also have maximum amounts such as twice the all-locations rate established in the GSA rates noted above. Policies should also include the ability to exceed the district's limits, but these should be used rarely.

Some hotel establishments offer state government discounts to their normal room rate structure and may allow the waiver of the transient occupancy tax. The district should require employees to request these rates when making reservations for lodging. If the hotel allows the waiver of the transient occupancy tax, a Hotel/Motel Transient Occupancy Tax Waiver Exemption Claim for Governmental Agencies form (attached as Appendix A to this report) should be faxed to the hotel or taken with the attendee.

Per IRS Revenue Ruling 2006-56 (dated November 13, 2006), organizations are required to properly track and record employee per diem meal reimbursements. Per diem reimbursements higher than the federal per diem rates must be included as gross wages on the employee's W-2. To avoid these tax consequences, reimbursements for actual business expenses must be made in accordance with IRS requirements, specifically the rules for an accountable plan. An accountable plan limits reimbursement to business-related expenses substantiated by receipts or other verification. Any excess payments made to the employee must be returned to the employer in a timely manner. The district's \$56 per day policy exceeds the IRS' \$55-per-day limit, and the \$1 overage would need to be added to the W-2 of any employee who utilized the meal allowance.

The district should review its travel cost reimbursement practices and adjust them accordingly to comply with the IRS requirements. The district should also consult with its auditors to confirm that its policies comply with IRS regulations.

FCMAT's interviews of district staff indicated that they were not aware of the reporting requirements for payments made to independent contractors with respect to the state Employment Development Department (EDD). A form DE 542 must be completed by any business or government entity that is required to file a federal Form 1099-MISC for services performed by an independent contractor. Entities must report to the EDD within 20 days of either making payments of \$600 or more or entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier. This information is used to assist state and county agencies in locating parents who are delinquent in their child support obligations. Failure to comply with the timeline established by the EDD can result in a \$24-per-incident fine levied on the district.

Accounts payable staff indicated that long- and short-term employee leaves of absence have occurred in recent months. The supervisor reportedly absorbed the duties of the person on long-term leave while the duties of the person on short-term leave were left until his or her return. Having one person perform the duties of two can be an unrealistic expectation resulting in tasks that are completed inaccurately, incompletely or not at all. Management should ensure that qualified substitutes are provided when an employee will be absent for an extended period of time.

Standard operating procedures typically provide that commercial and payroll warrants that are outstanding for more than six months are considered stale-dated and must be canceled and reissued to the payee. However, the district does not consistently monitor stale-dated warrants, according to staff. A warrant is reissued only when the payee notifies the district that it has been lost; there is no active procedure to identify stale-dated warrants.

The Fiscal Services Department accounting technician monitors and provides certain accounting services to the various associated student body (ASB) organizations at 22 school sites. These services vary depending on whether the ASB is organized (the district's middle and high schools) or unorganized (the district's elementary schools). For unorganized ASBs, they include the processing of accounts payable checks and incoming deposits, monthly bank reconciliations and QuickBooks reports as well as trainings. Services for the organized ASBs are more extensive but include account monitoring, monthly bank reconciliations, web store reconciliations, miniaudits, contract processing, tax reporting forms preparation, trainings for new and existing ASB personnel in both ASB policies and procedures and ASB computer programs as well as the fielding of questions on ASB policies and procedures.

FCMAT's review of the 2016-17 and 2017-18 audited financial statements indicate that they included findings for both high schools and middle schools but none for any elementary schools. District staff reported that this was because the district's auditors did not examine the unorganized ASBs in their audit work. Ignoring them in this manner represents a breakdown in the district's internal controls for ASB accounts.

Returning ASB duties to all school sites would streamline the Accounts Payable Department and will require the district to construct a phased implementation plan with ASB training at all sites. This should include training at the inception of the change as well as in an annual refresher session. The district office should also increase its periodic audits of school site transactions. ASB contracts are among the items that should be specifically covered in ASB site administration training. The ASB is a part of the district, and the district periodically passes a resolution deter-

mining who has the signature authority to sign contracts. The district's Board Policy 3312(a) on contracts allows the board to elect a designee to enter into contracts on its behalf. FCMAT requested a copy of the board's resolution that established those given that authority. However, the board has not delegated this ability to anyone other than the 2018-19 certification of signatures to the county office, which allows those authorized to sign warrant orders, orders for salary payments and notices of employment. District staff reported that principals have signed ASB contracts on behalf of the district, but those signatures are not binding the district because the principals do not have that authority unless and until the board approves the ASB contracts. Instead, the signature binds the principals personally if something goes wrong with the vendor and/or event.

Staff indicated that employees are sometimes confused about which department is responsible for processing a purchase requisition for a particular purchase. The situation typically arises when a senior account clerk receives an invoice, and no purchase requisition has been initiated. The account clerk must research the item to identify the responsible department.

A variety of staff members reported the above situations and similar ones during FCMAT's interviews, indicating that some personnel have a somewhat casual attitude about the purchasing and accounts payable processes. The Purchasing and Accounts Payable departments' staffs spend a considerable amount of time solving problems that could be avoided. Management is responsible for setting the tone of an organization, and that includes ensuring sound internal controls.

Management should ensure all staff are aware of its expectation that sound internal control standards will be used at all times. A strong system of internal controls helps staff morale since employees know the organization is managed professionally. This will have the additional benefit of improving staff efficiency by eliminating clerical time spent solving avoidable problems.

Implementing these efficiency measures could help reduce senior account clerk staffing in the Fiscal Services Department by one full-time position. This conclusion is also supported by the district's declining enrollment condition, which will reduce accounts payable and accounting workload as student enrollment decreases in coming years. While the district has no current construction/modernization projects, approximately \$8.4 million in modernization projects is included in the workload list for the Modernization School Facilities Program. Once bonds are sold on the state level, monies become available, and the district's projects receive funding, those events will affect the division's staffing. As a result, the district may need to expand staffing at the senior account clerk position temporarily until the projects are completed.

## Recommendations

*The district should:*

1. Assign all vendor payment processing to the senior account clerks and only supervision responsibilities to the accounting manager.
2. Segregate the duty to distribute commercial warrants from those staff responsible for generating them so that the same employee cannot initiate, process and mail warrants to vendors.
3. Ensure that employees who distribute commercial warrants have view-only access to vendor demographic screens and cannot establish new vendors or change vendor information in the Galaxy financial software system.

4. Establish a policy that only the Purchasing Department can establish new vendors or make revisions to vendor information.
5. Request that the law firms that do business with the district segregate their billing of services by department and service category on invoices to facilitate departmental review, significantly reducing the time required to process payment.
6. Adopt specific travel and conference reimbursement guidelines for meals, transportation and lodging.
7. Require employees request state government discounts and the waiver of the transient occupancy tax when making lodging reservations for authorized district travel.
8. Review district travel cost reimbursement practices and adjust accordingly to comply with Internal Revenue Service (IRS) Code requirements regarding accountable plans. The district may also consult with its auditors to ensure they comply with the IRS' rules.
9. Prepare and timely file form DE 542 with the state Employment Development Department regarding payments made to independent contractors.
10. Hire qualified substitutes to cover the work of employees who are on extended leaves of absence to avoid large backlogs of work.
11. Contact the district's auditors to discuss the possibility of including examination of the unorganized ASBs in their audit work.
12. Implement procedures to periodically identify, cancel and replace stale dated payroll and commercial warrants on a timely basis.
13. Transfer ASB day-to-day accounting services provided by district office staff back to the school sites. In preparation, the district should develop a phased implementation plan that should include ASB training at all sites at the inception of the change and an annual refresher course. The district office should also increase its periodic audits of school site transactions.
14. Set high expectations that staff will implement internal controls over the purchasing and accounts payable processes at all times.
15. Reduce staffing in the Fiscal Services Department by one full-time senior account clerk position by implementing the efficiency measures recommended in this report and adjusting for the workload decreases that come with declining student enrollment.

## Accounts Receivable

The Fiscal Services Department staff includes a full-time senior account clerk for contracts and claims who reports to the accounting manager. This position is responsible for both accounts payable and accounts receivable.

In accounts receivable, the senior account clerk processes all cash receipts that come into the district office. Receipts in the form of both cash and checks arrive every day from a variety of sources including school site cash collections, payments for restitution, retiree health insurance premium contributions, donations and grant payments.

The senior account clerk dedicates Monday through Wednesday to processing receipts and related bank deposits. Paper receipts are provided to all sites/departments that bring cash to be deposited. The clerk and a second employee count all cash separately and both sign a cash reconciliation form as verification of the amount received. All deposits, along with the reconciliation form, calculator tape and a deposit slip, are placed in a bar coded, sealed bag and kept in a locked fireproof safe in the district office. The bags are entered in a manual log book maintained by the clerk. Deposits that arrive on Thursday and Friday stay in the safe over the weekend. On any given weekend, the safe could hold between \$10,000 and \$15,000 in cash and checks, and it is locked and closed after each use.

Each Wednesday, an armored transport service collects the deposit from the senior account clerk and scans the bar-coded, sealed bags into a portable computer. The clerk reviews the list created by the computer and signs. The driver signs the manual log book that contains information such as the person picking up the deposit, bag numbers and date and time of pickup. The driver then transports the deposit to the bank, where it is deposited into a clearing account in the district's name.

The senior account clerk enters the pertinent data into the accounts receivable module of the Galaxy financial software system. The accounting technician confirms the deposit amount to the clearing account bank statement. Once a week, the senior account clerk generates a check via the Galaxy accounts receivable system to transfer funds from the clearing account to the county treasury.

FCMAT's review of this process found a significant internal control deficiency. The district has no control to detect a check that was received but never deposited or recorded in the accounting system. The district should assign the task of logging in all of the checks received to the accounting technician. The senior account clerk can then process the checks as in the past, but the account technician would confirm the deposit to the clearing account bank statement and compare it to the checks received to ensure that all are deposited. The procedures to sweep funds from the clearing account would remain the same.

Staff indicated that the district lacks a procedure to change the fireproof safe combination when employees leave the district. Standard operating procedures should include changing the combination each time an authorized employee no longer requires access to the safe or terminates employment with the district.

The district sometimes invoices third parties for a variety of purposes but one of the more common is retiree health benefits. Invoices are sometimes prepared by the department that requires the payment. In some circumstances, funds are received by department staff that issued the invoice and forwarded to the accounting technician for processing. Sound internal controls require that the person who prepares an invoice does not receive payment from the payor. Instead, the payor sends the payment directly to the staff member responsible for cash receipts and deposits.

The district utilizes an accounts receivable aging list to monitor the status of all invoiced items. However, it does not utilize a collection agency for uncollectible debts and does not have a policy on writing off debts that have been deemed uncollectible. The largest incidence of bad debts reported to FCMAT involves current or former employee payroll overpayments, and the district's collection efforts have been inconsistent. The district should establish guidelines and policies for staff for practices involving the collection of dated invoices and bad debts to assure staff time is efficiently allocated to collection efforts. The policies and procedures for bad debts should also include board approval of the cessation of collection efforts and writing off the debt. Failure to obtain board approval could constitute a gift of public funds, which is contrary to state law.

District staff also reported that document filing is not regularly performed, with a backlog of several months. This task could be performed periodically by various Business Services Division staff members as their duties; however, the district could also eliminate the vacant clerk typist II position and add a four-hour clerk typist I position who is dedicated to such filing for all staff members. To improve filing efficiency, the district should consider implementing an electronic document management system, which would eliminate the need for assistance by other staff.

## Recommendations

*The district should:*

1. Change the armored car service pick-up date for transport of deposits to Friday to minimize the amount of cash left in the safe over the weekend.
2. Immediately revise its accounts [receivable](#) procedures as discussed above to include a log of all of the checks received and reconciling the log to the deposit record in the district's clearing account.
3. Immediately change the combination to the district office safe and change it each time an employee who had the code either no longer works in a position that requires access to the safe or terminates employment with the district.
4. Change its procedures such that payors of district issued invoices should submit their payments directly to the employee responsible for cash receipts and deposits rather than the department that issued the invoice.
5. Establish policy, procedures and practices with respect to the collection of outstanding aged accounts receivable invoices and employee overpayments, and the criteria and authority to declare a debt as uncollectible.
6. Assign document filing to appropriate staff members, and ensure these filings occur regularly. As an alternative, consider eliminating the vacant clerk typist II position and adding a four-hour clerk typist I position that is dedicated to such filing for all staff members.
7. Consider implementing an electronic document management system.

## Payroll

The district's Payroll Department has a full-time payroll manager who supervises four full-time payroll technicians and a full-time payroll analyst. Each payroll technician is assigned employee names according to a portion of the alphabet and prepares payroll for both certificated and classified staff. The analyst position provides a variety of payroll-related services such as processing payroll for substitutes, verifying pay lines for employees working as substitutes, review of Absence Management (formerly the Automated Educational Substitute Operator or "AESOP") information, substitute sick leave tracking and initial setup of substitute employees. The district has approximately 900 certificated and 600 classified contracted employees as well as approximately 600 substitutes and other temporary staff who are paid each month.

Payroll is processed at the end of the month for all employees, including payment for extra duty and other nonrecurring services. A supplemental payroll is processed on the 20th for substitute pay. The district can also generate emergency payroll warrants via the payment-on-demand feature in the Galaxy financial software system as well as through the revolving checking account if circumstances require a quick turnaround and the system is unavailable.

All personnel actions are authorized by a properly approved personnel action form accompanied by supporting documentation. The Payroll Department cannot pay an employee until this form is completed, and the related documentation is received. An additional form called a New Employee Authorization Transmittal is required for new employees. The documentation used to support the hiring and payment of permanent employees is the annual employment agreement, while employees that provide intermittent or temporary services complete either an electronic or paper timesheet.

The district implemented more than a dozen personnel action forms in early 2018 through the Informed K-12 program to facilitate more efficient approval instead of the paper form that was previously used. The staff member who authorized services initiates the personnel action electronically, and the program circulates the form to authorized approvers, until final approval is provided at the superintendent's cabinet level. Once approval is granted, and supporting documentation is received, payroll is authorized to pay the employee. Depending on how long it takes to obtain all of the necessary documentation, this can result in delayed payment to employees. Delays in payments of additional hours to employees violate the Fair Labor Standards Act of 1938 (29 CFR 553.20), which requires overtime to be paid "when due" and, generally means the first pay period after the hours were worked. This can also violate Education Code Section 45167, which requires the district to provide a supplemental payment within five working days of any error that is made in employee payment. FCMAT believes the district's failure to process personnel actions or other supplemental documentation needed for payroll processing in a timely manner would be considered an error.

Payroll Department staff reported that the volume of personnel actions for supplemental services is overwhelming the staff who are required to initiate these forms and staff who are required to review, correct, update and approve them. Personnel action forms are required for every extra duty, overtime and substitute service. With the volume of these services used across an organization the size of Alvord Unified, some staff reported that forms awaiting review for Informed K12 can routinely number in the hundreds.

The district should reevaluate which services require the submission of a personnel action form. For example, a routine service that is mandated by law, policy, practice or procedure or obligated by a collective bargaining agreement could be deemed as authorized via a completed timesheet. A personnel action form would then be prepared only for those services deemed discretionary.

Another strategy is to establish a single position in the position control system for all substitute services and another for those that are temporary, both assigned with specific account code strings in the budget. Extra duty pay for contracted employees can also be set up to pay at the position or employee level with payment made according to how they are normally compensated (monthly, quarterly, periodically, etc.) or as a payroll adjustment with each payroll period.

Another issue is receiving a completed and authorized timesheet without a corresponding personnel action form, preventing the timesheet from being paid since it is considered unapproved. A similar issue is a school site or department that hires an employee without submitting a personnel action form or any supporting documentation, and the Payroll Department staff learns of the situation only when the employee asks about not receiving a paycheck. In both circumstances, payroll staff must contact the responsible staff member and request submission of the documentation that authorizes and approves the services, a process that is time-consuming and avoidable. In such cases, payment may occur as soon as a check can be generated, or the employee may have to wait until the next payroll cycle.

Providing services before the authorization and/or supporting documentation are complete is a significant internal control issue; however, an employee should always be paid on payday, particularly if the oversight was the employer's responsibility.

Employers who are determined to have made an error in calculating or reporting any employee payroll or paying any employee's salary are required to provide the employee with a statement of the correction and a supplemental payment drawn against any available funds (Education Code 45167). This is required to occur within five workdays of the determination. FCMAT believes the district's failure to process personnel action forms or other supplemental documentation needed for payroll processing in a timely manner would be considered an error. Therefore, Alvord Unified must amend its practices to comply with this code section.

During FCMAT interviews, several employees in the Business Services and HR divisions indicated they have worked overtime to keep up with their assigned responsibilities and to handle the workload of vacant positions in their departments. In other instances, new employees reported they worked additional hours to maintain their productivity while learning the duties of their new position.

Some supervisors reportedly knew their employees worked overtime while others did not. Some employees also reported they were not compensated for all their overtime work, either through overtime pay or with compensated time off.

According to the Fair Labor Standards Act of 1938 (29 CFR 553.20), an employee must be paid for any overtime worked. Whether prior approval was granted is irrelevant. Even tasks that were not authorized if the employer knew or had reason to know the work was done. Compensation can be monetary or via compensatory time off; however, both forms are calculated at one and one-half times the hours worked. The district should implement procedures to control overtime worked by employees and ensure all overtime work is properly compensated. It should also determine which employees have previously worked overtime without remuneration and compensate them accordingly.

The industry routinely uses common checks and balances to prove the accuracy of payroll before it is authorized for processing. For example, each technician reviews the work of another technician with each monthly payroll cycle on a rotational basis. Procedures for end-of-month payroll include reconciling one month's gross payroll to the next month. Procedures for supplemental payroll typically include reconciling gross payroll to a spreadsheet calculation based on supporting documentation.

However, staff reported the district does not reconcile the end-of-month payroll in either manner. To accomplish this, the district could use a spreadsheet template that identifies the gross payroll of the previous month, additions and other adjustments that increased gross payroll, deletions and other adjustments that decreased gross payroll, and a final balance that is compared to the total per the Galaxy financial software system. Any discrepancy would be investigated, and any necessary corrections made before a final approval is provided.

The payroll manager grants final payroll authorization, and the payroll is submitted to the county office for processing. The best practices in the industry include having an administrator who does not work in the Payroll Department provide final payroll authorization such as the assistant superintendent of business services or the director I of budget and finance. This administrator would complete an overview of the payroll, including reasonableness tests of gross payroll and confirmation of any employees added since the previous month. This type of review is more important with larger organizations.

Once the county office returns payroll warrants to the district, one of the payroll technicians segregates them by site and department. The technicians rotate the duty of segregating the warrants every month. However, this practice gives each technician control over the warrants he or she generated for the month, a violation of sound internal controls, which would prohibit an employee from handling a warrant that he or she generated in the financial system. The district should change its practices to prevent such an occurrence.

Another recurring theme during FCMAT interviews was that the Galaxy financial software system is not robust, requiring work-arounds and/or extra procedures. This usually results in staff-prepared spreadsheets to verify information generated by the system, with personnel frequently spending extra time to gain the confidence they need to proceed with transaction processing.

County office staff indicated Galaxy has a robust report generator titled Micro Strategy for both standard and custom report needs. County office staff further stated that if the report sought is not among those in the system, they will work one-on-one with the district to prepare the necessary report request. The district should explore the potential of this reporting system, and work closely with county office staff to gain a deeper understanding of Galaxy's capabilities and the best practices for transaction processing.

Payroll Department staff also recognize the importance of training site and department staff in the proper procedures of payroll processing. This training typically takes two forms, an annual update for all staff and 1-to-1 training for new staff. In the past, staff receive significant time at the annual meeting, and opportunities for 1-to-1 training as needed, but the time available has decreased over the years. Properly trained staff at sites and departments are critical to minimizing errors, omissions and time spent resolving problems. Payroll Department staff must be afforded the opportunity to provide this training at hiring and as annual refresher training.

As of FCMAT's fieldwork, the district had no payroll policy and procedure manuals; however, Payroll Department administration stated that they were working to develop a manual for site and department staff. The district should ensure that it utilizes a standard format in doing so. It should also consider utilizing a third party to prepare the manuals to ensure they are consistent in format across all departments and do not detract from staff time to assigned duties.

The district has outstanding payroll overpayments to employees that have not been collected. The district should make every effort to track, reconcile and collect these overpayments. Collection efforts should include asking employees to agree to a voluntarily signed payroll reduction agreement taking legal action in small claims court if they refuse.

California Labor Code Section 224 permits a deduction under certain circumstances including when an employee expressly authorizes it in writing for erroneous overpayment of wages. The district should request employees either pay back the overpayment or provide written consent to deduct the amount from their next paycheck. Even if an employee consents to a deduction, he or she must still receive no less than the minimum wage for all hours worked in that pay period. Otherwise, the district needs to create a payment plan instead of deducting the overpayment in one paycheck.

If the employee refuses to grant express written authorization to deduct future wages, the district must still seek reimbursement since failure to do so will result in a gift of public funds. The district should document its efforts and, if the employee refuses, refer the matter to a third-party collection agency or pursue legal action in small claims court to recover the overpayment.

The Risk Management and Payroll departments coordinate the monitoring of employees who have entered its workers' compensation 100-day leave provisions as provided by state law. The first 60 days of leave tracking are the obligation of the Risk Management Department, and the final 40 days are the Payroll Department's responsibility. The departments share a calendar so all staff members involved can stay informed on the status of the 100-day leave provisions employee by employee. Staff in both departments indicated employees experienced some confusion about who maintained the calendar, resulting in the other department failing to take action on overpayments that were therefore never collected. The district should assign the monitoring of the 100-day leave process to the Risk Management Department, and the task of authorizing payroll withholding to a designated administrator in the Payroll Department to avoid overpayments.

The district utilizes the Absence Management system (formerly known as AESOP) for employee leave reporting. Employees enter data into the program for sick leave, bereavement and other leave utilization, while site and department office staff enter employee vacation usage. Payroll Department staff use the data to calculate any required employee pay adjustments.

The district's external independent financial audit report for the 2017-2018 year included a finding indicating that payroll errors occurred because of late, erroneous or retroactive leave reporting by staff members in the Absence Management system. The auditors encouraged the district to develop stronger procedures; however, during FCMAT's interviews, staff reported that these types of mistakes are still made. Part of the problems is that the Absence Management system is not used to its full potential. While staff stated the district performed a full reconciliation from its former paper card system to Absence Management, others said cards are still used. The paper cards should be used as a historical basis before full implementation of Absence Management, but utilizing two systems that report the same information is inefficient.

The district uses the Veritime program to electronically report services provided by certificated and classified substitutes. However, the contracted staff instead submit a paper timesheet. The Veritime system's purpose is to simplify reporting claims for payment by employees, and using paper reporting systems is antiquated and inefficient. The district should require all staff to report substitute, extra duty and temporary services via the Veritime system.

Interviewees had several concerns about communication issues between the Payroll, Human Resources and Risk Management departments. These issues have led to an erosion of confidence in the district's ability to process payroll timely and accurately, with some stating the problems have occurred for many years. Staff indicated that the three departments have met on a few occasions to manage issues and improve processes such as incorrect entries, missing personal action forms and tracking extended absences, but no meeting notes were taken, and the participants had different conclusions about what was discussed. Changes from those meetings do not always get implemented.

A significant amount of work is needed to improve communication and teamwork and reduce the number of payroll errors. Every effort should be made to improve the relationship between the three departments, including holding regularly scheduled meetings with agendas and minutes and circulating timely and relevant written communications. All employees should be heard, and everyone should be treated respectfully at these meetings. Other considerations include having the departments attend professional development activities together, and housing staff members in the same office space.

Sufficient payroll staffing ratio is approximately 400 payroll warrants to one payroll staff member according to industry standards. The district reports that it processes approximately 2,200 warrants on average per pay period. Dividing the number of warrants by the ratio results in the district needing 5.5 FTE to support its payroll processes. The district employs 6.0 FTE for this purpose, including a payroll manager, four payroll technicians and one payroll analyst. While these ratios would indicate the district could eliminate 0.5 FTE, it is also experiencing declining enrollment. The 10-year average is 0.84% per year, with an approximate 8% decline since its highest level for the 2009-10 fiscal year.

The distance between the ratio and the district's staffing will only increase as student enrollment and related staffing allocations continue to decline, and as the district implements the efficiency measures identified in this report. Based on these factors, staffing in the Payroll Department could be reduced by one full-time payroll position.

## Recommendations

*The district should:*

1. Implement a policy requiring employees to be paid for their extra duty/additional hours, etc. on the pay period immediately following the one in which the time was worked regardless of whether a personnel action form has been completed to comply with the Fair Labor Standards Act of 1938 (29 CFR 553.20).
2. Reevaluate the circumstances that require the submission of a personnel action form to authorize services that are compensated with the supplemental payroll. This will reduce the volume of these forms for routine and/or recurring services.
3. Ensure each employee who provides services to the district is properly authorized and supporting documentation submitted to allow for timely payment on the scheduled payday. Furthermore, if the employer makes an error or omission on the employee payroll that includes lack of a personnel action form, a corrected payment should be made within five working days of discovery of the error or omission to comply with Education Code Section 45167.
4. Implement procedures to control overtime worked by employees and ensure all overtime work is properly compensated, and determine which employees have worked overtime without remuneration and compensate them accordingly.

5. Develop and utilize a methodology to reconcile the current end-of-month gross payroll to the previous end-of-month gross payroll to confirm accuracy and reduce errors.
6. Assign final payroll approval to an administrator who does not work in the Payroll Department. This administrator should perform reasonableness tests and confirm significant changes.
7. Assign the distribution of payroll warrants to employees other than those who generate them in the Galaxy financial software system.
8. Explore the potential of the Galaxy financial software program report-generating system titled Micro Strategies, and work closely with county office staff to gain a better understanding of Galaxy's capabilities and best practices for transaction processing.
9. Provide the Payroll Department staff with the ability to train site and department staff in payroll procedures to minimize errors and delays at initial hiring and as annual refresher training.
10. Develop a policy and procedure manual for the Payroll Department, and consider utilizing a third party to prepare them.
11. Act timely and diligently to collect all overpayments to employees.
12. Assign the monitoring of the 100-day workers' compensation leave pay provisions to the Risk Management Department, and assign the authorization of payroll withholding to a designated administrator in the Payroll Department to provide timely payroll withholding.
13. Continue employee training across the district on the procedures for reporting leaves of absence in the Absence Management system to eliminate payroll errors due to inaccurate or late reporting, and to fully implement the Absence Management system.
14. Require all district staff to utilize the electronic Veritime timesheet reporting system for all substitute, extra duty and temporary services.
15. Ensure communications between the HR and Business Services divisions are consistent and timely. Ensure minutes are taken at the meetings and distributed to both divisions.
16. Conduct regularly scheduled interdepartmental meetings between the HR, Payroll and Risk Management departments with mandatory attendance for all staff.
17. Develop agendas for interdepartmental meetings, and take minutes to record identified assignments and deliverables.

18. Consider housing the HR Division, Payroll and Risk Management departments staff members in the same office space, to minimize communication issues and foster unity.
19. Reduce Payroll Department staffing by one full-time payroll position to achieve a ratio of 400 payroll warrants to one payroll staff member, and address decreases in the district's student enrollment.



# Human Resources Division

## Division Organization

The district's HR Division is staffed by an assistant superintendent of HR; a director II, HR; a coordinator, HR; an administrative assistant, HR; a HR technician senior; two HR credential technicians; an assistant to the director; four HR technicians; a HR office manager; a bilingual secretary II; a bilingual clerk typist I and an HR assistant. Of these positions, the following did have incumbents within the last year but are currently vacant: one HR credentials technician; two HR technicians; one HR office manager; and a bilingual clerk typist I.

As the vacancies occurred, the responsibilities attached to each have been redistributed in accordance with job descriptions. For example, the district provided a list of responsibilities formerly assigned to the HR office manager. The list included the responsibilities, when they were to be completed, and who is responsible for them. All of the division's positions are full-time and for 12 months except the bilingual clerk typist I which works four hours per day and 12 months. District administration are awaiting the results of this study before determining whether any vacancies should be filled.

In the last six years, the HR Division has had eight different assistant superintendents. The current one began his assignment the same week as the FCMAT fieldwork when his predecessor moved to the Student Services Department. During FCMAT's fieldwork, multiple interviewees indicated that each leadership change has resulted in alterations to employees' assignments and workloads. For example, at the beginning of 2018, a new assistant superintendent reorganized the HR technicians' assignments. These were previously divided by classified and certificated employees, but were changed so that each HR technician was assigned employees according to the alphabetical order of their last names and by school. This division mirrors that of payroll, so there is potential for collaboration.

In addition, the responsibilities of the director and coordinator were reassigned this fiscal year to align the employee personnel classification. The director, who holds an administrative credential, had worked with classified employees but was reassigned to certificated employees. The coordinator, who is a classified employee and worked with certificated employees, was assigned to classified employees. The director's assistant's assignments, which are primarily working with classified employees, did not change. Consequently, the director and support personnel duties no longer align.

Employees indicated additional changes were made in their duties such as assignments based on perceived site personnel and union leadership preferences; assignment of responsibilities with minimal or no cross-training; and increased workloads. Employees reported that issues arose because of the lack of training and the reluctance of both Business Services and HR division personnel to change their processes.

Employees felt the impact of the changes in various ways including the following:

- Inconsistent processes and procedures
- Paperwork that cannot be understood and/or is redundant
- Lack of communication and transparency
- Distrust of managers and directives
- People insulating themselves and creating isolation

- Low department morale
- Reluctance to adopt changes because of the perception that new directions would shortly be forthcoming
- Complaints and grievances filed because of the changes in work and conditions.

In an effort to receive necessary information and communication, union leadership reported that it filed public records requests. Complaints, grievances and public records requests require extensive time to process and can hinder the staff's ability to provide regular service to employees and candidates.

The district's HR webpage states HR does the following:

...supports the employment needs of all administrative, certificated and classified personnel. These services include but are not limited to, obtaining appropriate fingerprint clearance, recruiting and selecting capable staff, maintaining all personnel records, monitoring assignments and credentials, resolving relevant employment issues, and honoring employees at various functions.

The district uses numerous forms for standard HR responsibilities and provided copies to FCMAT of those used for the following purposes:

- Resignation, retirement, termination
- Tuberculosis (TB) notifications
- Family Medical Leave Act/California Family Rights Act (FMLA/CFRA)
- Employment packets; reasonable assurance letters; and forms/checklists for recruitment plans and timelines

The district also submitted hiring checklists for classified substitutes; classified management; certificated substitutes; walk-on coaches; certificated employees; classified employees and tutors. The forms were comprehensive, but in a variety of formats, and most did not contain a last date of revision. The best practice would be to create a template for use with all HR forms including a date of revision at the bottom.

The district's orientation materials, including instructions for online safety training classes, also lacked consistency in their format. In addition, forms such as the Notice to Employees Regarding Article IV, Sec. 10(b) Fair Share and the Certificated Employment Acknowledgment do not reflect recent legal changes regarding union membership and new employee orientation.

In addition to using various forms to handle the division's responsibilities, HR utilizes several software systems including the following:

- AERIES (student information system)
- CODESP (for test and interview questions)
- EdJoin (a recruitment system designed for use by school districts)
- Equifax (to manage unemployment applications)
- Absence Management (absence monitoring)
- Galaxy (payroll and personnel management)
- Informed K12 (workflow automation for district forms)

- OnBase (electronic employee records)
- OPAC program (typing test)
- Touch Print Enterprise Live Scan System (fingerprinting system).

Among the forms used by the division is an annual calendar for HR activities. FCMAT reviewed a blank example and not the actual calendar utilized by the division showing the tasks were completed for the 2018-19 fiscal year. The calendar is dated 2018-2019, begins with July, is divided by months and lists activities for each month. The activities are divided by “board, certificated, classified, general, and notes.” The notes section contains ongoing activities. This calendar provides a roadmap for critical HR tasks and activities. The information is especially important during times of change and should be routinely updated to reflect current division assignments.

The HR Division relies on the district’s board policies and administrative regulations to perform its duties. FCMAT’s review of these guidelines for personnel found that some policies were updated in 2017 and 2018, but most policies had not been updated since 2011. While routinely reviewing and updating a comprehensive set of policies and regulations can be time-consuming, they are a necessary part of the district’s system of internal controls. Many school districts utilize a policy subscription service such as the California School Board Association’s GAMUT service to help ensure policies are regularly reviewed.

Personnel orders are one of the division’s major division responsibilities and a means of communicating HR’s activities to the board. These are the reports of certificated and classified employees who are being hired or whose employment status is changing that are submitted for approval to the governing board at its regularly scheduled meetings. FCMAT’s interviews showed that employees spent between two to eight days preparing these documents for inclusion in the board’s agendas. If the district implements a process to convert individual personnel action forms to those listing multiple people, this workload could be significantly reduced.

## Recommendations

*The district should:*

1. To the extent that is possible, establish a stable management team within the HR Division.
2. Establish clear lines of communication within the division to disseminate changes in policies, procedures and work responsibilities. With the newest change in the division head, clarification should be provided to all division employees about who is assigned which tasks. Efforts should be made to eliminate unnecessary or duplicated work.
3. Align support personnel’s work with that of their administrator.
4. Develop a template for use with all HR forms.
5. Review and update forms and materials at least annually.
6. Include the last revision date on each form as it is revised.
7. Regularly update the HR annual calendar to reflect current [division](#) assignments.

8. Update its board policies and administrative regulations and implement procedures to ensure that they are reviewed and updated at least annually.

## Recruitment

The district has authored a 72-page document named “Employee Selection Guidelines and Procedures” regarding employee recruitment and hiring. This board approved the handbook on June 9, 2016. It covers relevant recruitment/hiring topics including the following:

- Equal employment opportunity laws
- Personnel action requests
- Transfer and internal promotions
- Interview procedures
- Evaluation and rating
- Post-interview procedures

The appendix includes human resources forms such as the following:

- Recruitment Plan and Timeline
- Certificated Selection Process
- Classified Selection Process
- Management Selection Process
- Procedures for Screening
- Selection Criteria for Screening
- Interview Process Checklist
- Procedures and Norms for Interview Panelists Interview
- Interview Forced Ranking Summary Report

The handbook has conflicting information about the timeline for board approval of personnel appointments. The personnel action requests section states the following:

To be effective all personnel appointments, excluding short-term and temporary appointments, must be approved by the Board of Education before work begins, or ratified by the Board of Education after work begins within thirty (30) days, or at the next regular Board of Education meeting, whichever is sooner.

However, the Recommendations to Hire section states the following:

New hires may not begin in their new position until they are approved by the Board of Education. HR will assign an effective date typically two (2) days after a scheduled Board Meeting. Emergency hires may be conducted only with the approval of the Superintendent and subject to Board approval at the next regularly scheduled Board of Education meeting.

Conflicting information can create confusion and inconsistent practices.

In FCMAT’s review of the district’s recruitment for certificated vacancies, no issues were found and consequently none are discussed below.

## Classified Vacancies

During FCMAT's fieldwork, employees described the process for filling classified vacancies. The HR Division conducts screening tests for all classified positions, and the secured, timed tests are developed using test questions from CODESP. All tests are multiple choice, but some have not been updated since 2005. The best practice is to update tests on a scheduled basis to ensure questions are up to date. HR staff notifies candidates if they have passed or failed. If candidates fail, they are given an opportunity to retest the next time the position is flown.

When interviews are held, the panel is chaired the site or department administrators for the department where the employee is being hired. The guidelines for who sits on the interview panels are not written. Representatives from the union, job-alike, and the HR Division representative participate on all classified panels. Job-alike representatives are selected by seniority, and HR staff members rotate attendance at the interviews. These guidelines can affect the work and efficiency of school sites as well as the HR Division. Employees discussed the difficulty of attending interviews and managing their regular work. FCMAT's review of the bargaining agreement with California School Employees Association (CSEA) found that it does not have any language on the composition of interview panels.

Interview questions are typically identical for the same positions and reportedly are revised only if candidates began to respond similarly or flawlessly to every question. When revising questions, the HR technician senior accesses CODESP's question bank and works with administrators to revise the questions to suit the district's needs. Having standard questions for positions increases the possibility of candidates sharing them and memorizing answers. The best practice is to routinely rotate questions to promote spontaneous responses.

## Recommendations

*The district should:*

1. Determine the best recruitment/hiring practices for the district's needs. Update the handbook accordingly to resolve the handbook's conflicting statements about the timeline for board approval.
2. Revise and update screening tests on a regular schedule.
3. Consider revising the guidelines on the composition of the interview panels to minimize the impact on district work and memorialize them within the division's policies and procedures manual.
4. Consider having several sets of interview questions for frequently hired positions to prevent candidates from memorizing and sharing interview questions.

## Benefits

Benefits management resides within the Risk Management Department, which is within the Business Services Division. Within that department, a benefits technician manages benefits for certificated employees, and a benefits clerk coordinates them for all management and classified employees.

The HR credentials technician provides new certificated employees with their benefits package and notifies the benefits technician. If employees have questions, they are referred to the benefits technician for a response. Once the benefits technician receives notification of new employees, she registers them into Benefit Bridge which is an online system managed by the district's third-party administrator, Keenan. Once registered, certificated employees use Benefit Bridge to select their benefits. Management benefits are aligned with certificated benefits so management employees may also select their benefits online.

Classified employee benefits are managed by Self-Insured Schools of California (SISC), a different company than what is offered to certificated and management employees. The assistant to the HR director provides new classified employees with the one of three benefits packets aligned to the level of benefits for which they qualify. Classified employees meet with the benefits clerk to make their benefits selections. Since classified employees cannot select benefits online, they submit paper enrollment forms, and the benefits clerk enters their selections into the SISC system. Managing two benefits systems and holding two open enrollment periods is an inefficient way to offer benefits and utilize employee time.

In addition to the different enrollment procedures, the two benefits systems have different plan years. Open enrollment for certificated and management employees is scheduled each spring because their plan year begins in July. SISC requires open enrollment to be held in August because SISC plan years begin in October. Differences in enrollment procedures and plan years can increase inefficiencies and errors. FCMAT's review of the district's collective bargaining agreement showed that neither specifies a particular benefits management company or process for handling benefits enrollment. However, Appendix C of the agreement with CSEA states the open enrollment period will take place in May or as soon as possible afterward.

## Recommendations

*The district should:*

1. Consider using one benefits management system, preferably one in which all employees may enter their benefits selection online.
2. Consider aligning certificated, management, and classified open enrollment periods.

## Employee Evaluations

Employee evaluations are important to districts, supervisors, and employees. When done regularly, they help align manager and employee goals; meet legal and contract obligations; review issues; celebrate accomplishments; and set goals for the future. Therefore, it is important to complete all required evaluations on time and ensure organizational consistency in how they are performed. This consistency is best established when administrators and managers receive regular training on evaluation documents, focus areas, and rating calibration.

During FCMAT fieldwork, interviewees explained that HR keeps spreadsheets that track when employees are to be evaluated. Completed evaluations are logged in both Galaxy's and HR's spreadsheet. Evaluation instructions, forms, and guidance are sent to administrators annually. However, interviewees indicated that when evaluation lists are distributed to site administrators, questions usually arise about their accuracy for certificated employees. Those questions were attributed to administrators and employees not understanding the evaluation system.

Throughout the school year, HR employees send reminders to site administrators about timelines and completion dates. The best practices would include maintaining one evaluation tracking system with data and reports drawn from that system. This would also reduce employees' workloads since they would not be responsible for double entry of information.

HR staff are responsible for monitoring evaluations to ensure that they are completed and returned; however, evaluations are not routinely reviewed for content, and some administrators miss deadlines in returning evaluations. Some interviewees said site administrators are expected to discuss issues or concerns with HR managers before completing employee evaluations. When administrators do not submit evaluations on a timely basis, HR technicians send reminders and notify the HR managers; however, some evaluators do not return evaluations even after reminders from HR administrators.

HR staff has provided evaluation training to administrators, but it is not on a routine or scheduled basis.

### **Certificated Evaluations**

The agreement between the district and Alvord Educators Association (AEA) states that evaluations are to be completed every other year for tenured employees. The agreement also contains a provision stating tenured employees, who have worked for the district at least 10 years, are highly qualified, and have four previous overall performance evaluation ratings as "Meets or exceeds district standards" may be evaluated every five years. Either the employee or evaluator may withdraw consent for the five-year timeline at any time. This language aligns with Education Code Section 44664. The teacher evaluation form is based on California Standards for the Teaching Profession with eight standards which include the following:

- Engaging and supporting all students in learning
- Creating and maintaining effective environments for student learning
- Understanding and organizing subject matter for student learning
- Planning instruction and design learning experiences for all students
- Assessing student learning
- Developing as a professional educator
- Student progress towards the attainment of academic standards
- Professional behavior

All of the standards contain between three and six criteria for the evaluator to rate the employee except for the standard of student progress towards the attainment of academic standards, which has one criteria. The form also contains areas for the evaluator to provide his or her summary comments, commendations and recommendations and assistance.

The evaluation form, for counselors, librarians, nurses, psychologists, specialists, and special assignments, assesses items such as: Adherence to established procedures; fulfillment of responsibilities and duties to students, parents, and staff; and demonstrated knowledge and skill of the assignment. Each assessment area has four to 10 criteria.

## Classified Evaluations

Classified employees are evaluated every year after their probationary period. Those who are probationary unit members, promoted or demoted unit members are evaluated at two, four, and six months of their 130 days in paid status in their regular assignment. FCMAT's review of the classified evaluation form provided by the district shows that it contains seven areas: Quality of work; quantity of work; work habits and attitudes; personal qualities; relationships with pupils, public, and all personnel; supervisory ability; and job knowledge. The form also allows for the evaluator to provide additional comments.

## Management and Confidential Evaluations

The district utilizes separate evaluation forms for classified management/confidential employees and certificated management. The evaluation form for classified management/confidential employees includes eight areas for evaluation: Communication; organization; leadership; accountability and staff development; human resources; facilities/operations; fiscal resources; and community relations. Each area contains a minimum of three standards to be evaluated, and the form includes areas for recommendations, goals and objectives for the next evaluation period and summary evaluation.

The certificated performance review contains three areas: Instructional leadership development; district culture development; and professional leadership development. It also has an area for the evaluator to complete the employee's goals for the evaluation period. Each area has space for the evaluator to write commendations and recommendations. However, the form is not aligned with the one used for other employee groups and lacks their complexity and rubrics. As a result, the document does not provide an opportunity to objectively assess the district's certificated management.

The California Commission on Teacher Credentialing has developed the California Professional Standards for Educational Leaders (CPSEL) which consists of six standards: development and implementation of a shared vision; instructional leadership; management and learning environment; family and community engagement; ethics and integrity; external context and policy. Each standard contains three to four main focus areas (elements) and indicators that delineate leader action. The purpose of the CPSEL is to serve as leadership criteria for California educational leaders. In accordance with best practice, many districts in California base their certificated management evaluation on CPSEL, which are research-based and provide an objective assessment of educational leaders.

## Recommendations

*The district should:*

1. Use Galaxy as the evaluation tracking system. Ensure that any changes and anomalies, such as five-year evaluation timelines for teachers, are documented in Galaxy.
2. Consider having HR managers review all evaluations to ensure documents are complete, and that there is consistency between administrators and managers regarding evaluation ratings.
3. Hold all administrators and managers accountable for turning in required evaluations on time.

4. Provide annual training for all administrators regarding evaluation practices, forms and timelines.
5. Revise the certificated management evaluation instrument to be of similar caliber as the district's other evaluation instruments. If possible, the form should be based on criteria contained in the CPSEL.

## Discipline

Administrators are trained in FRISK training/procedures. The acronym stands for: Facts (what happened); Rules (what rule was violated); Impact (what was the effect); Suggestions/Directions (what needs to be improved or corrected); and Knowledge (personnel file rights). The FRISK model, developed by a legal firm, is designed for public sector evaluators to use while correcting employee misconduct or promoting positive change in substandard employee performance. The FRISK process is designed to be positive, corrective, and progressive.

During FCMAT's fieldwork, district staff described various practices for handling employee discipline. Some stated that site principals are encouraged to handle as many issues as possible at the site level using FRISK procedures. HR employees commented that principals call for advice and support when they have issues. Others indicated they believe principals should be more independent when handling issues.

While district administration stated that each site has a copy of the FRISK manual and template as well as sample letters, FCMAT's fieldwork and documentation review indicate there is no systematic process for handling discipline issues. The district also lacks a defined process for how principals utilize the FRISK manual and a consistent practice on the development of discipline documents.

To support consistency and equity, the best practice is to have clear districtwide procedures regarding employee discipline. While the FRISK manual is effective, it is not tailored to specific districts' board policies and collective bargaining agreements. Relying on the FRISK manual to guide discipline invites inconsistent interpretation and does not provide expert resources to managers. To ensure districtwide consistency, the best practice is to hold annual in-service trainings on discipline management using the FRISK manual as a basis for discussion. Consistency and equity would be further enhanced by HR managers working closely with site and department managers/principals on specific discipline issues, including the review any written documentation to ensure completeness and appropriate citation of collective bargaining agreements and board policies.

## Recommendations

*The district should:*

1. Develop guidelines regarding how disciplinary issues are to be handled. These guidelines should include that any written documentation be reviewed by an HR manager.
2. Provide annual training regarding disciplinary issues, board policies, and collective bargaining agreement language. Include discussion opportunities to ensure consistency in the implementation of district guidelines regarding discipline.

## Fingerprinting

Education Code Sections 44830.1, 44836, 45122.1 and 45123 require all districts in California to obtain Department of Justice fingerprint clearance for all new employees. During FCMAT fieldwork, HR employees explained they fingerprint all new employees at the district office and that fingerprinting responsibilities are divided among the staff. The assistant to the director, HR credentials technician and HR technicians are all certified in accordance with California law to fingerprint new employees and the district has its own LiveScan system.

Many districts have their potential new employees go to their county office for fingerprinting, which allows the district to decrease the duties attached to its HR staff. The Riverside County Office of Education provides the necessary fingerprinting.

To participate, the district would be required to enter into the county office's consortium agreement regarding fingerprinting. Participation would allow the district to have its potential employees serviced at the county office and to utilize the substitute pool created at the county level. Substitutes then have the advantage of not having to pay for fingerprints services at multiple districts. The county office shares the results of the LiveScan process with the districts that enter into the consortium agreement.

Potential employees would need to make an appointment at the county office for the service, and fees would still be charged for the service. The amount would depend on the service needed, but the cost may be paid by the district or the prospective employee.

## Recommendation

*The district should:*

1. Explore using county office's fingerprinting services and removing this assignment from district employees.

## Complaints

The board of education has policies and administrative regulations regarding the following:

- Complaints against employees (BP/AR 1312.1) last revised in 2001
- Uniform complaint procedures (BP/AR 1312.3) last revised in 2018
- Complaints concerning discrimination in employment (4031) last revised in 2014

The administrative regulation for Board Policy 1312.1 states that the complaint form should be obtained through the superintendent's office even though the form is available online. It also states the form should be submitted to the assistant superintendent of instructional support services. The administrative regulations for Board Policies 1312.3 and 4031 state the assistant superintendent of human resources receives the complaints. The administrative regulations for Board Policy 1312.3 state the assistant superintendent for human resources is also designated as the compliance officer for Board Policy 5145.3, Nondiscrimination/Harassment. This aligns with the language in Board Policy 5145.3, which states the coordinator/compliance officer may be contacted at the HR Division.

During FCMAT fieldwork, interviewees explained that HR managers work with complaints in accordance with board policies. They use a spreadsheet and calendar notations to keep track of timelines and documentation. This process was described as effective as long as the complaints come to HR. Even though the complaint forms state the location for submission of the forms,

staff indicated that complaints are accepted by other departments or even board members. Interviewees also commented that they cannot ensure timelines are followed and documentation is complete when forms are received outside of the location designated for submission.

## Recommendations

*The district should:*

1. Review board policies and regulations to determine if the procedures are appropriately aligned with organizational structures.
2. Provide training and direction so that all board members, administrators and managers follow board policy when receiving complaints.
3. Review current HR Division processes for managing complaints and adjust as needed to ensure timeliness and consistency.

## Substitute Employees

During the FCMAT fieldwork, staff indicated the district has approximately 400 certificated and 200 classified substitute employees. Employees stated the pay rate for certificated substitutes is comparable to surrounding districts. However, the pay rate for classified substitutes has not changed for at least 10 years, and is affecting the district's ability to attract candidates since they can make more money working for surrounding districts. The limited number of classified substitutes has made it difficult to provide substitute coverage especially for special education instructional assistants and campus supervisors. As recently as 2018, HR staff proposed changing the classified substitute rates, but the proposal was reported to have been rejected at the superintendent's cabinet level.

The HR Division maintains a master calendar of conferences, school events and other activities requiring substitute teachers. Site and district administrators are asked to review the calendar and, when possible, schedule activities on days when other activities, requiring substitute teachers, are not already scheduled. While HR had the ability to stop sites and departments from over scheduling activities, it is now up to sites and departments to check the calendar and determine when and whether to schedule activities. Without a final arbitrator of the master calendar, managing the number of substitute teachers needed each day is extremely difficult, and the number of classes without a certificated teacher is likely to increase. The best practice would be to determine the maximum number of substitute teachers the system can manage and set a hard cap on how many substitute teachers could be used for professional development daily.

The HR credentials technician works with prospective substitute teachers who need a credential or permit to perform those duties. The HR technicians are responsible for fingerprinting prospective substitutes. The county office has a substitute teacher consortium that provides fingerprinting services and processes credential applications for substitute teachers. Districts may participate in the consortium free of charge. Alvord Unified is not a member of the consortium but, if it were to participate, the work of fingerprinting substitute teachers and credential application support could shift to the county office. Substitute teachers would also benefit since they would need to be fingerprinted only for the consortium.

## Recommendations

*The district should:*

1. Conduct a compensation study for classified substitute rates and, if warranted by the study, adjust the rates.
2. Develop a master calendar for teachers' professional development and regulate the number who can be out for professional development to ensure that classrooms are staffed by qualified substitute teachers.
3. Consider joining the county office consortium for substitute teachers.

## Workers' Compensation

The benefits technician in the Risk Management Department is responsible for managing the Workers' Compensation program for certificated and classified employees. When an employee is injured, the benefits technician is notified by either the company nurse, an online reporting and support system or the school site. The benefits technician keeps track of employees' absences for workers' compensation and handles all correspondence regarding workers' compensation. The benefits technician also ensures all claims paperwork is completed, including the supervisor's report, and manages the return-to-work program including finding modified duty as needed.

Interviewees explained that attempts were made to coordinate Workers' Compensation tracking between the HR, Payroll, and Risk Management departments. The Payroll section of this report includes further discussion of maintenance of the calendar.

Staff expressed concerns about absence entry into Absence Management, the employee absence management system. Some employees stated the benefits technician enters absences into Absence Management for the first 60 days of an employee's absence. If the employee continues to be absent, she notifies the Payroll Department staff so they can enter the absences from that point forward. Other employees believe HR is responsible for entering this information. There was similar confusion about monitoring the 100-day leave process as discussed in the Payroll section above. Assigning both the responsibility for the calculation of the 100-day leave process and the responsibility for tracking employee absences in Absence Management within the Risk Management Department and then notification from Risk Management to the Payroll Department at the point that the employee exhausts their paid leave(s) would assist with not only the confusion but also help avoid employee overpayments.

Interviewees had differing opinions on monthly meetings to discuss workers' compensation and employee absences. Some indicated the meetings were scheduled monthly, but were sometimes cancelled. Others stated they occurred only haphazardly. Participants include the benefits technician, HR coordinator, HR technicians and payroll technicians. The meetings are used to coordinate efforts, ensure employees are paid properly, and maintain consistent processes. Meeting minutes are not routinely distributed, and interviewees commented that because there are no written processes, they are inconsistent, and errors continue to occur.

## Recommendations

*The district should:*

1. Continue using the Workers' Compensation calendar and provide training as needed.

2. Assign the calculation of 100-day leave process and the tracking of employee absences in Absence Management to the Risk Management Department. Risk Management should notify the Payroll Department when the employee exhausts his or paid leave(s) to avoid overpayments.
3. Continue monthly meetings to coordinate workers' compensation assignments. Ensure meeting minutes are written, distributed to all parties involved and policies and procedures are modified to reflect decisions made at those meetings.

## HR Job Descriptions and Tasks

FCMAT reviewed the job descriptions and tasks performed by the various positions within the HR Division. FCMAT found that the job descriptions of most positions matched the tasks that had been assigned to them. However, any discrepancies that were not included in another section of this report are discussed below by position title.

### Coordinator, HR

The job description for this position states the coordinator, HR is to perform highly technical duties and responsibilities related to the district's comprehensive and certificated and classified personnel system; interpret, communicate, and apply extensive knowledge of laws, codes, and policies; and plan, organize, coordinate, and perform a variety of specialized duties. Examples of duties and responsibilities include: Organizing, implementing, and overseeing procedures related to application process, recruitment, hiring, and examination; analyzing and evaluating personnel requests from various sites; preparing, maintaining, and generating a variety of comprehensive and confidential personnel records; recording minutes of labor negotiations, conducting discipline and investigative meetings; ensuring maintenance of classified collective bargaining files; and compiling and analyzing data used to establish classified labor negotiations positions. The job description reflects that it was board approved on June 4, 2015, and the position is on range nine of the classified management salary schedule.

The staff list of responsibilities states the incumbent is responsible for all classified employee matters including: Recruitment; investigations, discipline and dismissal, layoff process; 39-month layoff rehire; evaluations; employee processing; interactive meetings; Absence Management and Veritime monitoring; negotiations and labor relations, management employee processing. According to the district provided organizational chart, the incumbent supervises four HR technicians (with two of those positions vacant), one HR technician senior, the HR assistant, and the bilingual secretary II.

During interviews, the incumbent's job responsibilities were described as working with all classified staffing including recruitment for both certificated and classified management. The incumbent also manages staffing for coaches, both certificated and walk-on, avid tutors, and student workers. She receives all results (both certificated and classified) of the fingerprint clearances and subsequent arrest notices. The incumbent works closely with site administrators regarding substitute issues, employee leaves, bargaining questions, and discipline.

The incumbent is responsible for the use of the Absence Management system and supports employees as updates and changes are made to the system by providing or arranging for training.

While the incumbent participates in certificated and classified collective bargaining negotiations, she spends a great deal of time working with the CSEA, the bargaining unit for classified

employees. The incumbent participates in CSEA/management problem solving meetings and serves on the reclassification committee, which meets when classified employees request a reclassification of their position.

With the exception of the reclassification committee meetings, the incumbent's work is aligned with the job description. The duty to conduct reclassification studies is specifically listed on the job description for the director II, HR.

FCMAT's interview with the director II, HR indicated she has decided to accept the Supplemental Early Retirement Plan (SERP) and will be retiring on or before the end of the current fiscal year. With the duty change that occurred between the director II, HR and the coordinator, HR discussed above, the district has cross-trained those positions to serve both classified and certificated employees. The district has also redistributed the duties assigned to the former office manager, which is the third supervisory position in the HR Division. With the retirement of both supervisors, the district should consider eliminating a supervisory position and filling the other vacant position.

In this scenario, FCMAT would recommend that one office manager position be eliminated and the director II, HR position be filled. Since the coordinator, HR position focuses on the district's classified staff, it will need someone to attend to its certificated population. The director II position requires an administrative credential, administrative experience and teaching experience, which would allow the position to serve certificated employees. The office manager position does not have these requirements.

## Recommendations

*The district should:*

1. Compare the coordinator, HR's job description with her actual assignments and align either the job description with the assignments or vice versa.
2. If the district decides that the coordinator, HR will retain the duties regarding reclassification studies, revise the director II, HR's job description accordingly.
3. Fill the director II, HR position when the incumbent retires at the end of the current fiscal year, and eliminate the office manager position in the HR Division.

## Administrative Assistant, HR Development

The job description states the incumbent serves as a confidential administrative assistant in the HR Division, relieves administrators of administrative and technical routines; performs highly specialized duties related to evaluating the qualifications of job applicants, and assists staff in fulfilling personnel requirements. Examples of duties and responsibilities include: Serving as the personal assistant to the assistant superintendent, HR; assisting with the review of job applications; determining placement of new employees on salary schedules; maintaining confidential files and records; assisting in problem solving with classified and certificated unit representatives; and maintaining collective bargaining files and minutes at certificated and classified negotiation sessions. The job description lists the position as posted on July 2, 2012 and contains a statement regarding furlough days for the 2012-13 school year as well as referring to the department as "HR Development." This is no longer the department's title. The position is on range three of the confidential salary schedule.

The staff responsibility list states the incumbent is responsible for: Secretarial support to the assistant superintendent, HR; calendar; negotiations; timesheets; action items; special projects; salary schedules; conference requests; department budget; purchase orders; board items; and certificated discipline letters. During FCMAT's fieldwork, interviewees stated the incumbent prepares Board reports and agenda items; prepares disciplinary reports; tracks and maintains grievance files; and maintains a spreadsheet of the department's overtime. The incumbent supports position control by providing managers with the statement of need form and communicating with the position control technician when the position is approved. Neither the responsibility list nor the fieldwork indicated that the incumbent assists in reviewing job applications.

The incumbent participates in certificated and classified negotiations by preparing agendas, taking minutes, and preparing documents and management proposals. The incumbent also prepares the language changes, final contracts, and public hearing documents. This position is appropriately classified as confidential.

## Recommendations

*The district should:*

1. Update the job description to reflect the current department title and eliminate the references to the 2012-13 school year.
2. Determine if the position should assist with reviewing job applications and update the job description accordingly.

## Assistant to the Director

The job description for this position states the incumbent is to perform secretarial tasks of above average responsibility, and assist in the coordination, preparation and implementation of activities and materials in the department. Examples of duties and responsibilities include: Coordinating dissemination of materials to schools and sites; maintaining a calendar of activities; maintaining student, employee, or departmental records/files; and compiling, preparing, and reviewing reports and records. The job description was board-approved on April 11, 2005. The position is placed on the classified salary schedule at range 40.

The staff responsibility list states the incumbent is responsible for: Clerical support to director, initial classified onboarding process, classified management onboarding, classified evaluation date calculation, classified evaluations, classified staffing list, classified seniority list, position/salary report, PERS report, classified professional growth, classified summer school, classified 39-month rehire processing, fingerprinting, classified personnel order back-up, classified personnel actions back-up, and test proctoring back-up.

During the FCMAT fieldwork, employees stated the incumbent keeps track of employment and staffing lists. She maintains the classified seniority list which is used to generate the annual classified seniority letters. She processes classified professional growth requests; does projections for fiscal budget planning; and processes data for all employees on the 39-month rehire list. The incumbent does all onboarding of new classified and classified management employees with the technical support of the HR technicians. Job descriptions are not available on the district website, so the incumbent provides job descriptions to employees and outside job applicants upon request.

The incumbent meets twice individually with each new classified employee. In the first meeting, she provides them with their contract, employee handbook and any documents required for hire and/or specific to their position. The incumbent also enrolls employees in any required online safety classes. During the second meeting, the incumbent reviews the documents with the employee and answers any employee questions. While this system provides individualized service, it may not be an efficient way to process new employees. Group meetings, especially during heavy hiring periods, would likely be more efficient, especially if fingerprinting services are moved to the county as recommended above. In addition, group meetings allow employees to learn from one another's questions.

As previously discussed, a change was made to the duties of the director II, HR which is the incumbent's immediate supervisor. Those duties encompass certificated employees; however, the assistant's duties center around classified employees and not the certificated employees served by her supervisor. The incumbent also described to FCMAT her activities as backup support. Those duties are assigned to the HR technician senior, which is a lower level position at range 39. Based on their description, the incumbent appeared to be serving more as an assistant to the HR technician senior than as an assistant to the director.

### **Recommendations**

*The district should:*

1. Consider providing job descriptions through the district's website.
2. Consider processing employees in groups rather than individually, especially if fingerprinting services are moved to the county office.
3. Review the tasks assigned to this position. Ensure the tasks assigned to the position appropriately support the work of the department and the incumbent's assigned manager.

### **HR Technician Senior**

The job description for the HR technician senior position states the incumbent performs responsible personnel duties in the area of recruitment, examination, placement and maintenance of applicant records and files; and provides specialized information and assistance to district personnel, staff and job applicants. Examples of duties and responsibilities include: Coordinating and facilitating the classified recruiting processes; setting up job candidate testing, prescreening, and interview panels; providing employment and general district information to prospective job applicants; analyzing applicant prescreening results and making initial recommendations; and maintaining a system of personnel records including control and storage of documents and files. The position was board approved on June 1, 2016. It is on the classified salary schedule at range 39.

The staff responsibility list states the incumbent is responsible for: The classified vacancy list; classified recruitments; interviews; requests for transfer and increase in hours; employee testing, classified personnel actions; the classified personnel order, monitoring position control with payroll; fingerprinting; classified management recruitment; unemployment; and classified screening when needed.

During fieldwork, interviewees indicated the incumbent coordinates the classified vacancy list, which is reconciled with other district spreadsheets, such as that of the position control specialist. She does not reconcile her spreadsheet with the information in Galaxy. The incumbent also uses the vacancy list to track the various steps required to fill each classified position.

The district has a detailed process for filling each position. For example, the incumbent maintains files for classified employees, who request transfers and for those requesting an increase in hours. When positions are authorized to be filled, she reviews those files and provides the information to the site/department administrators for those employees whose requests match the open position. Sites/departments are then required to follow the collective bargaining agreement regarding informal interviews or accepting an employee's request for additional hours. Transfer and/or increase in hours request forms may, per the agreement, be submitted at any time and are then kept active for one year from the date the form is received in HR or until the request is granted, whichever comes first. This requires continuous maintenance of the forms by the HR technician senior. While the incumbent removes requests from her books when they expire or the employee's request is granted, she keeps the forms for an additional year in case there are any questions or concerns about how a position was filled.

The incumbent coordinates the testing for all classified vacancies. She accesses test questions from CODESP and then works with an administrator to select questions for the tests. Scores are considered valid for two years from the date of the test, so the incumbent keeps a database of every person's results for two years. The HR technician senior creates all paperwork for the interviews, invites panel members and schedules the interview room. She then invites and schedules candidates.

## Recommendations

*The district should:*

1. Ensure that the classified vacancy list is reconciled with the information in the Galaxy position control module.
2. Consider proposing to the CSEA bargaining unit that classified employees have two windows of opportunity to submit transfer and increase in hours requests. This would reduce the amount of time needed to monitor and review request forms; in turn, this should reduce the amount of time needed to fill positions.

## HR Credential Technician

The job description for this position states the incumbent performs specialized and technical functions in support of the recruitment selection, assignment, credentialing and processing of certificated employees (including certificated management); provides technical information and assistance to employees, administrators, job applicants; and assists in evaluation of credential requirements and eligibility. Examples of duties and responsibilities include: Coordinating and facilitating certificated recruiting processes (including certificated management); setting up job candidate testing, prescreening, and interview panels; analyzing applicant prescreening results; maintaining a system of personnel records; and conducting and/or facilitating new employee orientations for certificated employees. The job description was board approved on June 1, 2016. The position is on the classified salary schedule at range 39.

The staff responsibility list states the incumbent is responsible for: Certificated and certificated management recruitment and initial onboarding process, teacher credentials, Every Student Succeeds Act (ESSA) monitoring, certificated staffing, column change/reclassification, the certificated vacancy list, new hire reclassifications, assignment monitoring and reporting, certificated application screening, AERIES, seniority list, teacher induction notifications, intent to return notices, summer school, fingerprinting, student observation, certificated evaluations, and certificated 39-month rehire processing.

During FCMAT's fieldwork, interviewees stated the incumbent is responsible for working with the county office on its credentials audit of the district. Because of her other responsibilities and the fact that the other HR credentials technician position is vacant, she requested and received an extension on the county office deadline for information.

The incumbent is responsible for the certificated personnel order. She works with teachers to ensure that they renew their credentials in a timely fashion and evaluates transcripts to see if teachers are eligible to move up on the salary schedule.

The incumbent sends annual verification letters to certificated staff regarding the certificated staff member's salary placement, number of units, and assignment. Each employee receives a letter, reviews the information, signs the letter, and returns it to the incumbent. The Alvord Educators Association (AEA) contract does not include a requirement to provide these letters to staff. The district's efforts go beyond their duty to provide information to its employees, and those efforts take a significant amount of support staff time. Rather than a mass mailing and steps necessary for every certificated employee, the district should consider allowing employees read-only access to Galaxy from their district computers or setting up a kiosk in HR with read-only access into Galaxy for those who have questions. If changes need to be made, a form could be completed to initiate the necessary revisions.

Article XII, Section 6 of the AEA CBA states that the AEA is required to receive student enrollment reports monthly. However, this task is performed weekly. Every Monday, the incumbent prepares the master enrollment reports for the AEA president, the district's directors, assistant superintendents, and the HR Division. This report shows all teachers and their class enrollment counts. The division's clerical staff could easily perform this duty. It should be transferred to the HR assistant, but reporting should be reduced to monthly as detailed in the contract.

Certificated employees may request voluntary transfers and/or reassignments. During FCMAT fieldwork, interviewees indicated the HR credential technician coordinates these requests by ensuring the requestors' credentials are appropriate for the vacancy. If more than one employee requests a transfer/reassignment, the selection is based on seniority. The HR credential technician reviews the assignment with AEA and the assistant superintendent of HR. Based on FCMAT's review of the AEA collective bargaining agreement, this process is not aligned with Article 10, which governs transfer and reassignment. Section 1(j) states the criteria for reassignment/transfer are: education; work record; self-development; job knowledge and/or competitive ability to apply it effectively; interpersonal skills; and flexibility. Section 3(c) and Section 5(a), for reassignments and transfers respectively, states that all requests will be forwarded to the immediate supervisor with a decision made on the basis of Section 1(j). No mention is made of seniority as the basis.

The incumbent schedules interviews for all certificated positions and posts the vacancies on EdJoin. Once a candidate is recommended for hire, the incumbent processes the employee by working with the employee on the new hire paperwork, providing the employee badge, notifying departments and fingerprinting the employee.

The incumbent's other responsibilities include: Entering information regarding certificated employees into Aeries, the student data base system; coordinating summer school teacher assignments; coordinating the hiring of adult education and career technical education teachers; completing student loan forgiveness paperwork for teachers; and coordinating teacher transfers and reassignments.

The HR credential technician is responsible for assigning student observation placements. The university student observation placements are important for both the students and the district.

Students are given an opportunity to learn about the district's instructional program and, in return, the district has the opportunity to assess university students as prospective teachers. However, since university students will be in direct contact with district students, albeit with teacher supervision, it is important to ensure proper safeguards are taken.

The district has two processes for these student observation placements. The first is when a university makes a request for student observation placements. In this process, the university provides student information and ensures the student has the appropriate clearances (such as for fingerprints) before requesting placement. In the second process, a student contacts the HR credential technician directly to request placement. When this occurs, the incumbent requires the student to provide a university syllabus before placement. Once the incumbent determines who needs to be placed, she emails principals and requests placements and keeps a spreadsheet of the students and where they are. However, with the second process, the district does not process the student's fingerprints and assumes that has occurred through the university, which may or may not be the case.

Requiring a university student to provide a syllabus does not ensure the university has ensured appropriate clearances or that the university has required that particular student to do observations. A simple Google search can produce a syllabus and could allow a predator access to district students. The best practice would be to have a single process for these placements through a university and eliminate direct access by students.

Other than the items noted above, the job description and responsibilities for the HR credential technician are aligned.

## Recommendations

*The district should:*

1. Review its practice of sending annual verification letters to certificated staff and consider providing employees with electronic access to this information as well as a process to revise errors.
2. Transfer the duty of preparing and distributing the student enrollment reports to the HR assistant and reduce their production to the monthly reporting as is detailed in the collective bargaining agreement.
3. Revise its processes and procedures regarding certificated voluntary transfers and/or reassignments to follow the process as outlined in the AEA contract.
4. Standardize the university student observation placement process. Require university students to work through their universities for placement.

## Human Resources Assistant

The job description for this position states the incumbent provides district and departmental reception and staff support to human resources functions such as recruitment, selection, benefits, maintenance of manual and computerized employee files, and miscellaneous employee transactions. Examples of duties and responsibilities include: Receiving and screening telephone calls and inquiries; greeting visitors, staff, and the public; preparing reports, correspondence, notices and other documents in support of employment and employee relations functions; maintains and updates information for personnel and subject matter files; prepares position vacancy announce-

ments; and accepts and processes job applications for recruited positions. The position was board approved on June 1, 2016. The position is on the classified salary schedule at range 32.

The staff responsibility list states the incumbent: Receives documents; screens visitors; completes verifications of employment; provides clerical support; prepares Reasonable Assurance letters; screens candidates for classified positions; and posts permanent classified and certificated vacancies. During FCMAT fieldwork, interviewees described the incumbent's job responsibilities as: Serving as the HR Division's receptionist; posting classified and certificated vacancies; screening classified applications; scanning personnel files for inactive employees; completing requests for verification of employment.

While the job description has sufficient flexibility to provide support for the division's work, the current responsibilities do not seem sufficient for a full-time position. With the district's interest in streamlining the organization and reducing personnel costs, it is critical for each position to have a full complement of responsibilities. In the HR Division, the amount of overtime required could be reduced by adding appropriate responsibilities to this position.

### **Recommendation**

*The district should:*

1. Consider assigning additional responsibilities to the human resources assistant position if the district determines to retain the position.

## Staffing Comparisons

Data for a comparison of the Business Services and HR divisions' staffing was obtained from four California unified school districts with student enrollments similar to that of Alvord Unified.

The comparison districts surveyed were Jurupa, Val Verde, Hacienda la Puente, and Pajaro Valley unified school districts. However, two of the four districts did not provide complete information for use in this study. The associate superintendent of business administration services at Hacienda la Puente district Business Services Department declined to provide data such as the number of warrants processed annually excluding payroll, payroll frequency, average number of pay warrants per pay period and number of purchase orders processed annually.

The chief business official at Pajaro Valley district did not respond to multiple telephone calls and e-mails from FCMAT to gather this same information along with where ASB transactions were performed and confirm the organization of the Business Administration Services Department as reported on the district's online organizational chart. As a result, in-depth analysis of its Business Services departments is limited to information gathered either through limited contact with the district or online sources.

Although comparative information is useful, it should not be considered the only measure of appropriate staffing levels. School districts are complex and vary widely in demographics and resources. Careful evaluation is recommended because generalizations can be misleading if unique circumstances are not considered. FCMAT considered district type, student enrollment, special education enrollment, unduplicated pupil percentage and general fund revenues per student in choosing the comparison districts. Statistical data for the comparison was also taken from CDE's Dataquest and Education Data Partnership (Ed-Data) websites, and division staffing information was obtained directly from the comparison districts except as noted above.

As shown in the following staffing comparison chart, the districts surveyed, including

Alvord Unified, reported their district office staff within the parameters of this study consisted of between 36.0 FTE and 47.5 FTE, with an average of 42.125 FTE. Alvord Unified's staffing totals 43.0 FTE, placing it at 0.875 FTE above the four-district average and also placing it squarely in the middle of the group included in the staffing comparison survey.



## Human Resources Division

The human resources divisions of all of the districts in the comparison study range from 10.0 FTE to 17.0 FTE. Alvord Unified's HR Division is staffed at 15.5 FTE, which is 1.0 more than the four-district average of 14.5 FTE.

Among the districts selected for comparison, whether or not merit based, all had an assistant superintendent as their HR division head and 1.0 FTE of clerical assistance to the assistant superintendent. The supervisory level of the HR division in each district consisted of two districts with 2.0 FTE, one with 2.4 FTE and two with 3.0 FTE. Alvord Unified is one of the districts with 3.0 FTE of supervisory employees. Taking the number of employees as reported on the attached chart and dividing by the supervisor FTE shows that the majority have one supervisor per 860-921 employees. Alvord Unified and Jurupa Unified are outliers with ratios of 1:564 and 1:593, respectively. Based on this, Alvord Unified appears to be overstaffed within the category of supervisory personnel in the HR Division.

Support staff within the HR division of the comparison district's was much more varied with Jurupa Unified having the most minimal support staff of 3.0 FTE in technical support and 2.0 FTE in clerical support. The remaining three comparison districts reported 10.0-11.0 FTE of technical support and 1.0-2.0 FTE in clerical support. Alvord Unified has 7.0 FTE in technical support and 3.5 FTE in clerical support. Given these statistics, Jurupa Unified is the outlier. With Alvord Unified's recent implementation of an expanded personnel action system (described above) and the work that has been generated by this change, FCMAT has determined that implementation of a structure like Jurupa Unified would not succeed at Alvord Unified. As a result, it will be eliminated from further discussion in the HR comparison.

All three comparison districts had positions like Alvord Unified's in technical support, and filling Alvord Unified's current vacant positions in this area (one HR credential technician and two HR technicians) would still leave it on the lower end of the scale of staffing for this area.

However, analysis of the clerical side of the division shows that Alvord Unified is most likely overstaffed in clerical support. None of the other three comparison districts had clerical staffing assigned to one particular supervisory administrator such as Alvord Unified's assistant to director. One district, Hacienda la Puente Unified, had an additional secretarial position that would appear to handle general clerical duties and all three had full-time receptionist positions. Given Alvord Unified's office floor plan, with the HR Division located at the front doors to the office building housing the district office, having a receptionist-type position would benefit the HR Division and all other divisions/departments in the district office. With approximately 49% of the district's student population speaking Spanish, the district should also consider the necessity of adding a bilingual component to any receptionist position to be filled.

As to the remaining clerical staffing, because the district is on the lower end in technical staffing, it may wish to carry forward with a general clerical position to assist with lesser technical duties such as an HR assistant or bilingual secretary II. However, having an additional 2.5 FTE above the receptionist position would be excessive in comparison to the three other districts.

## Business Services Division

The Business Services Division is the largest of the divisions/departments in this study. Alvord Unified's division is staffed by 21.0 FTE, which is 2.5 higher than the four district average in this study and Alvord Unified ranks between the third and fourth comparison districts. The two smallest divisions are staffed at 16.0 FTE, another is staffed at 18.5 FTE and the largest is staffed

at 23.5 FTE. All of the comparison districts consistently reported some form of assistant superintendent or chief business official as their department head along with an administrative assistant/secretarial position. Alvord Unified, along with two other districts reported an additional clerical position such as a secretary or clerk typist.

All of the districts in the comparison study reported that their business services divisions had additional areas reporting to them beyond the business/fiscal services functions. The other districts consistently included the Child Nutrition Services Department and three of the other four included the Risk Management Department, which mirror Alvord Unified's structure. However, the other comparison districts had between two and five additional departments reporting to the division head. Alvord Unified should add the Purchasing Department.

All of the districts in the comparison study included supervisory staff in their organizational structure which varied between 2.0-4.0 FTE. Alvord Unified reports 3.0 FTE in this category, which puts it in the middle of the comparison districts.

As was analyzed above, using the 400 payroll warrants to one payroll staff member ratio, the district is overstaffed by 0.5 FTE. However, with declining enrollment, it should eliminate one payroll position to address both the structural overstaffing issue and the anticipated issue surrounding declining enrollment.

Based on the staffing shown in the chart above and the assumption that every purchase order processed resulted in an invoice that needed to be processed and paid, Alvord Unified's ratio of purchase orders to accounts payable staffing is 883-to-1. The other two districts that reported purchase order numbers to FCMAT have ratios of 570-to-1 and 1,475-to-1. As of the writing of this report and unlike the other two districts used in this comparison, Alvord Unified does not have major construction projects that affects the level of this work. However, the district has approximately \$8.4 million in modernization projects on the workload list for the Modernization School Facilities Program. Once bonds are sold on the state level, monies begin to become available, and the district's projects move to being funded, those events will affect the Purchasing Department and accounts payable staffing. As is noted above, FCMAT recommended elimination of a senior account clerk position. While the district will potentially see increased work for construction projects as they begin to be funded, the district also has one senior account clerk that is dedicated to ASB functions and perform extra work until it reaches a level that warrants another person.

Alvord Unified is the only district in the comparison study that has a staff position that is completely dedicated to position control. All of the other comparison districts have the functions of position control assigned to positions that incorporate other duties such as accountants, budget/fiscal analysts, etc. While this would appear to provide an opportunity for downsizing in this area, the district has implemented a cumbersome personnel action form process that may not allow others to take on extra duties and the district has not successfully accomplished cross-training among many of the positions within the district. The position control specialist is a position that does not appear to have been cross-trained and, without a diligent effort to provide that training, there is a very real danger is that the knowledge held by this one person may not be able to be replicated to others. Complicating this issue is that this is also a position that has duplicate systems in place that need to be addressed.

## Purchasing Department

The Purchasing Department in all of the districts in the comparison study range from 6.5 FTE to 11.5 FTE. Alvord Unified's Purchasing Department is lowest at 6.5 FTE which is 2.625 below the four district average of 9.125 FTE. Three of the four districts have the Purchasing Department structured as part of their Business Services Division. As is discussed previously in the report, FCMAT recommends the district transfer the Purchasing Department back to the Business Services Division.

With this change, the district will need to establish a department head within the Purchasing Department like that of the other comparison districts with a director and secretary. The current department head, the executive director, administrative services and his secretary would presumably remain in the Administrative Services Division.

In reviewing the level of purchasing supervisory personnel in the Purchasing Department of the comparison districts, FCMAT found two districts have none and two have a manager or supervisor. Alvord Unified plans to move the Purchasing Department to the Business Services Division and hire a new department head, and none of the comparison districts have a clear organizational structure for supervisory personnel. Therefore, Alvord Unified should provide the new department head with some time to settle into his or her role, then determine whether a supervisory position is needed.

An analysis of support staff shows that, except for Pajaro Valley Unified, all the comparison districts employ 4.0 FTE in positions for purchasing duties. This seems to mean Alvord Unified needs to hire 2.0 FTE positions; however, those three districts also reported that they had multimillion construction/modernization projects ranging from \$60-180 million. Using another measure of comparison such as the purchase orders processed annually shows that Alvord Unified processes approximately 2,200 per purchasing staff position, Jurupa Unified processes approximately 1,140 per purchasing staff position and Val Verde Unified processes approximately 1,660 per purchasing staff position. Adding one purchasing position to the district would reduce the number of purchase orders per purchasing staff to approximately 1,500 and would align Alvord Unified with the other two districts that reported purchase order processing information.

The other position common among the comparison districts is that of the delivery driver. Alvord Unified reports two and the other comparison districts show two with three drivers, one with one and one with none. Dividing the number of school sites reported by the comparison districts by the number of delivery drivers reported shows that the number of schools served per driver ranges between zero and 34. Eliminating the low and high outliers leaves a range of 11.5 to seven sites per driver. Applying that ratio to Alvord Unified would suggest that another driver should be hired; however, FCMAT has made some suggestions for efficiencies in the report above. Consequently, the district should evaluate whether those efficiencies are effective before determining that another delivery driver is necessary.

## Recommendations

*The district should:*

1. Consider eliminating the following positions:
  - HR office manager
  - Assistant to director

- Either the HR assistant or the bilingual secretary II
  - Bilingual clerk typist I
  - Payroll analyst or payroll technician
  - Senior account clerk
2. Consider flying and filling the following vacant positions:
- HR credential technician
  - Two HR technicians
3. Consider adding the following positions:
- District receptionist
  - Purchasing director
  - Administrative assistant (Purchasing Department)
  - Buyer purchasing

# Appendices



## Appendix A

### Sample Hotel/Motel Transient Occupancy Tax Waiver Exemption Claim for Governmental Agencies

#### HOTEL/MOTEL TRANSIENT OCCUPANCY TAX WAIVER EXEMPTION CLAIM FOR GOVERNMENT AGENCIES

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Employed By: \_\_\_\_\_  
District Name/Federal ID Number

Hotel/Motel: \_\_\_\_\_

Location: \_\_\_\_\_

Arrival: \_\_\_\_\_

Departure: \_\_\_\_\_

This is to certify that I, the undersigned, am a representative or employee of the school district indicated above. The district is an agency of the State of California. The charges for the occupancy at the above establishment on the dates set forth have been, or will be, paid for by such governmental agency, and such charges are incurred in the performance of my official duties as a representative or employee of the above-noted governmental agency.

I hereby declare, under penalty of perjury, that the foregoing statements are true and correct.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

**INSTRUCTIONS TO EMPLOYEE:** Please check with the hotel/motel when making your reservations to see if they allow Transient Occupancy Tax Exemptions. If they do, complete this form and fax it to the hotel/motel either ahead of your arrival or, if acceptable to them, at the time of registration.

**INSTRUCTIONS TO HOTEL/MOTEL:** Please retain this form for your files in order to substantiate your tax report.



# Appendix B

## Study Agreement



CSIS California School Information Services

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### FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT September 21, 2018

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Alvord Unified School District, hereinafter referred to as the district, mutually agree as follows:

#### 1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). The district has requested that the team assign professionals to study specific aspects of the district's operations. These professionals may include staff of the team, county offices of education, the California Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

#### 2. SCOPE OF THE WORK

##### A. Scope and Objectives of the Study

1. Conduct an organizational and staffing review of the district's fiscal services and human resources departments and make recommendations for staffing improvements or reductions, if any.
2. Evaluate the workflow and distribution of functions within and between the above departments, and make recommendations for improved efficiency, if any.
3. Review operational processes and procedures for the fiscal services department and make recommendations for improved efficiency, if any, in the following areas:
  - Position control
  - Purchasing
  - Accounts payable
  - Accounts receivable
  - Payroll

4. Review operational processes and procedures for the human resources department and make recommendations for improved efficiency, if any.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary.
3. Exit Meeting - The team will hold an exit meeting at the conclusion of the on-site review to inform the district of significant findings and recommendations to that point.
4. Exit Letter – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.
5. Draft Report - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
6. Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.
7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

3. PROJECT PERSONNEL

The FCMAT study team may also include:

- |                            |                         |
|----------------------------|-------------------------|
| <i>A. To be determined</i> | <i>FCMAT Staff</i>      |
| <i>B. To be determined</i> | <i>FCMAT Consultant</i> |
| <i>C. To be determined</i> | <i>FCMAT Consultant</i> |

#### 4. PROJECT COSTS

The cost for studies requested pursuant to Education Code (EC) 42127.8(d)(1) shall be as follows:

- A. \$800 per day for each staff member while on site, conducting fieldwork at other locations, presenting reports or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- C. The district will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon the district's acceptance of the final report.

**Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be \$26,800.**

- D. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools - Administrative Agent, located at 1300 17<sup>th</sup> Street, City Centre, Bakersfield, CA 93301.

#### 5. RESPONSIBILITIES OF THE DISTRICT

- A. The district will provide office and conference room space during on-site reviews.
- B. The district will provide the following if requested:
  - 1. Policies, regulations and prior reports that address the study scope.
  - 2. Current or proposed organizational charts.
  - 3. Current and two prior years' audit reports.
  - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
  - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a preliminary draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

## 6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

Orientation:	to be determined
Staff Interviews:	to be determined
Exit Meeting:	to be determined
Draft Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

## 7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

## 8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

## 9. INSURANCE

During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers

compensation as required under California state law. FCMAT shall provide certificates of insurance, with Alvord Unified School District named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

10. **HOLD HARMLESS**

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. **CONTACT PERSON**

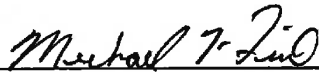
Name: Susana Lopez  
 Telephone: (951) 509-5000  
 E-mail: [susana.lopez@alvordschools.org](mailto:susana.lopez@alvordschools.org)



9-21-18

\_\_\_\_\_  
 Allan Mucerino, Superintendent  
 Alvord Unified School District

\_\_\_\_\_  
 Date



September 6, 2018

\_\_\_\_\_  
 Michael H. Fine,  
 Chief Executive Officer  
 Fiscal Crisis and Management Assistance Team

\_\_\_\_\_  
 Date