



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

July 5, 2023

Daryl Camp, Superintendent
San Lorenzo Unified School District
15510 Usher St.
San Lorenzo, CA 94580

Dear Superintendent Camp,

The purpose of this letter is to provide the San Lorenzo Unified School District with an update on its progress in implementing the recommendations of the Fiscal Crisis Management Assistance Team (FCMAT) in its final report dated November 30, 2020.

In April 2020, the San Lorenzo Unified School District and FCMAT entered into an agreement for FCMAT to conduct a review of the district's Business Services and Human Resources departments. The agreement stated that FCMAT would perform the following:

1. Conduct an organizational and staffing review of the Business Services Department and make recommendations for staffing improvements, if any.
2. Evaluate the current workflow and distribution of functions within the Business Services Department and make recommendations for improved efficiency, if any.
3. Review operational processes and procedures for the Business Services Department and make recommendations for improved efficiency, if any.
4. Conduct an organizational and staffing review of the Human Resources Department and make recommendations for staffing improvements, if any.
5. Evaluate the current workflow and distribution of functions within the Human Resources Department and make recommendations for improved efficiency, if any.
6. Review the operational processes and procedures of the Human Resources Department and make recommendations for improved efficiency, if any.

The report issued in November 2020 provided a number of recommendations for the Business Services and Human Resources departments.

FCMAT interviewed district personnel again in March 2023 and collected data, reviewed supporting documents, and evaluated the district's progress in implementing recommendations from the November 2020 report. The following comments summarize the district's progress.

The FCMAT follow-up study team consisted of the following members:

Tami Montero, CFE
Intervention Specialist
Bakersfield, CA

Shayleen Harte
Deputy Executive Officer
Bakersfield, CA

Original Recommendations and Status of Implementation

Business Department

Organizational Structure and Staff (Business)

1. Update its Business Services Department organizational chart to include the titles shown on the approved job descriptions, and reformat the chart to show the chain of command.

Status: In Progress

The district has updated the organizational chart, correcting the chain of command issues that existed at the time of the original study. However, a few job descriptions still have titles that need to be updated (not all requested job descriptions were provided for review).

2. Review and update job descriptions to ensure they include the appropriate supervisor, job title, and date of first approval and/or revision approval by the governing board and/or the personnel commission (if applicable).

Status: Not Implemented

Many job descriptions are vague in terms of the assigned supervisor. In the “basic functions” section, most job descriptions begin with the phrase “under the direction of an assigned supervisor,” but the title of the supervisor is not provided.

Also, the dates of first approval and/or revision are not consistent across the job descriptions. Some classified job descriptions show the approval dates of the personnel commission and respective bargaining unit, while others do not. Job descriptions do not include board approval or revision dates. Some job descriptions do not have any information regarding approval dates.

3. Review the program/project assistant position. Update the position title to reflect the actual job function, and create a job description for this position to be considered for adoption by the personnel commission and governing board.

Status: Not Implemented

This job description has not been updated since the original study. It lacks specificity about the job function because it is used in different departments with different activities to be performed by individuals with this job title.

4. Increase business office staffing by 3.0 FTE by hiring one new full-time payroll supervisor and transferring 2.0 FTE from the Human Resources (HR) Department (the 1.0 FTE risk, safety, and benefits manager and the 1.0 FTE benefits technician).

Status: Not Implemented

The payroll supervisor position was created; however, neither the risk, safety and benefits manager nor the benefits technician has been transferred from HR to the Business Services Department. The district is still reviewing this as a potential implementation opportunity.

5. Reorganize the management/supervisory structure of the Business Services Department to align with the suggested organizational chart in this report.

Status: Implemented

The Business Services Department has been reorganized per the suggested organizational chart provided in the original study.

Collaboration (Business)

1. Implement cross-training for each position in the district office to ensure essential tasks and functions can be completed without interruption when an employee is absent, a position is vacant, or additional support is needed to complete tasks on time.

Status: In Progress

Interviews with staff indicated that some cross-training is taking place in the business office. In cross-training where there are absences or a vacancy, staff reported this requires pay outside the trainee's job classification.

2. Develop and document operational policies and procedures for each business function and/or activity. Ensure that standard operating procedures for each major task or designated responsibility of each administrative position in the business office include a step-by-step guide for performing required tasks.

Status: Not implemented

Few operational policies and procedures have been developed for the Business Services Department by business function and/or activity. Evidence of procedures for payroll taxes and cash deposits were provided as part of this review. Other operational policies and procedures have not been developed.

3. Create desk manuals for positions to ensure other employees can understand and perform all duties when an employee is absent or needs assistance, or when a position is vacant.

Status: Not Implemented

A desk manual for the payroll desk was provided; however, desk manuals have not been created for the remaining positions in the Business Services Department.

4. Ensure that training and professional development are provided as needed to business office support staff for their assigned areas of responsibility.

Status: In Progress

Interviews with staff indicated that they have been given access to training and professional development opportunities with School Services of California, Capitol Advisors, and the California Association of School Business Officials' (CASBO's) professional councils.

5. Create workflow diagrams to help employees in the Business Services and HR departments better understand and coordinate with other departments and positions.

Status: Not Implemented

Workflow diagrams have not been created to help the Business Services and HR departments better understand and coordinate with other departments.

6. Review the FCMAT standards for internal controls and for annual independent audit reports to ensure it is following them.

Status: Not Implemented

The district has not reviewed the FCMAT standards for internal controls; FCMAT again recommended that the district do so, and follow the recommendations. The district's external audit was free of internal control findings.

7. At the beginning of each school year, create a list of district office staff and the major functions for which each is responsible. Distribute this list to school sites and departments, post it to the district website, and revise it when changes occur so school sites and departments know whom to contact for routine issues involving payroll, accounts payable, budget questions and purchase requisitions.

Status: Implemented

The district provided the list and shared how it is distributed to staff districtwide.

8. Convene the Business Services, HR and Educational Services departments to create a budget calendar to ensure shared processes are completed collaboratively, accurately and in a timely manner.

Status: Not implemented

The three departments have not created a budget calendar to ensure shared processes are completed collaboratively, accurately and in a timely manner.

Organizational Culture and Communications (Business)

1. Ensure the superintendent sets the tone of the organization and makes certain that resources, training, direction and communication are available so staff can perform their duties.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area. Resources, training, direction and communication are available, and they follow the tone set by the superintendent.

2. Ensure that district leaders encourage a climate of collaboration, teamwork and open communication among business office support positions, as well as between business office staff and other departments and school sites.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area.

Teamwork has improved significantly with the change in leadership at the cabinet level.

3. Ensure that the managers understand they must be professional and respectful when communicating with fellow employees, regardless of level.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area. The new leaders in the business and human resources departments have demonstrated professional and respectful behavior.

4. Ensure that all staff in the district office understand the importance of providing customer service to others.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area.

Customer service has improved, as has communication with other departments.

5. Require select personnel in the Business Services, HR and Educational Services departments to meet at least monthly to improve communication. Consider having the assistant superintendent of business services initiate such meetings. Prepare and distribute written draft agendas before each meeting, allowing staff to propose items for the agenda in advance.

Status: Not Implemented

Interviews with staff indicated that monthly meetings of Business Services, HR and Educational Services have not occurred. In addition, the district did not provide copies of agendas for meetings of this type.

6. Establish regular meetings between payroll and the HR Department to discuss ongoing issues, develop solutions to common problems, and improve communication between the departments.

Status: Not Implemented

Interviews with staff indicated that monthly meetings between payroll and HR have not occurred.

Staff Development, Turnover and Training (Business)

1. Prepare a staff development plan for all business services staff members to improve skills, knowledge, efficiency and outcomes.

Status: Not Implemented

The Business Services Department has not prepared a staff development plan for staff to improve skills, knowledge, efficiency and outcomes.

2. Ensure staff members have access to regularly updated information and formal training opportunities related to their responsibilities, including information on best practices and changes in laws and regulations.

Status: Implemented

Interviews with staff indicated that they have been given access to updated information and formal training opportunities, including opportunities to attend trainings with School Services of California, Capitol Advisors, and CASBO's professional councils.

3. Ensure the Business Services Department communicates regularly with internal staff and all departments about their responsibilities for accounting procedures and internal controls.

Status: In Progress

Interviews with staff indicated that business services staff have been working to improve communication with all staff and departments, with emphasis on collaboration. This requires a culture change for all and is taking time.

4. Ensure that procedure manuals or other resources it develops are used, and that when they are updated those updates are communicated to staff.

Status: Not implemented

Business services staff were unable to provide procedure manuals or other resources that may have been developed for staff.

5. Before the school year begins and before employees begin their regular duties, conduct mandatory annual training for school site administrators, department managers and applicable office personnel regarding district processes, procedures and timelines. Provide trainings for departments and school sites on new and updated business and related policies and procedures as needed.

Status: Not Implemented

No evidence was provided demonstrating that the types of training referenced in this recommendation have occurred.

6. Create a professional development plan to provide school site and department staff with training on procedures and internal controls throughout the year.

Status: Not implemented

No evidence was provided demonstrating that the types of training referenced in this recommendation have occurred.

7. Provide mandatory training on and regular oversight of payroll tax processing to ensure the district makes accurate and timely payroll tax payments.

Status: Implemented

The district contacted the Alameda County Office of Education , which provided training on payroll tax processing and how to ensure it makes timely payroll tax payments. The district is now adequately trained in this area.

Payroll

1. Ensure that communication between the HR and Business Services departments, especially payroll, increases and becomes cooperative. Consider instituting regular meetings between payroll and HR staff members.

Status: Not Implemented

Communication has improved somewhat, but there are still issues related to the processing of the Personnel/Position Action Form (PPAF). Also, interviews with staff indicated that monthly meetings between payroll and HR have not occurred.

2. Evaluate whether a payroll supervisor is needed to help complete payroll accurately and on time.

Status: Implemented

The district hired a payroll supervisor on February 1, 2022.

Absence Tracking

1. Audit employee absence data and leave balances in the Frontline and Escape systems, and make any corrections needed.

Status: Implemented

Interviews with staff indicated there is a monthly audit of employee leave balances in the Frontline and Escape systems.

2. Ensure all employees are able to access their own leave balances, and provide training on how to do so.

Status: Not implemented

Employees' access to their own leave balances has not yet been implemented in the Frontline system. The district plans to work with a consultant to provide this access for staff and will train them on the topic at that time.

Position Control

1. Ensure that position control is reconciled with budget and payroll regularly.

Status: Not Implemented

The district is working on an initial reconciliation of position control but has not completed it. Once the initial reconciliation is complete, the district can begin regular reconciliations of position control, budget and payroll.

2. Provide training for the Business Services, HR and other departments that use the Personnel/Position Action Form (PPAF) on how to accurately complete and route the PPAF.

Status: Not Implemented

Business services and HR staff indicated there are still issues with the PPAF. Errors are still being made, as was reported in the original study. The staff in the Business Services and HR departments report different routing procedures for the PPAF. Training has not been provided.

3. Use an electronic form routing function for the PPAF, and provide training for staff on the automated PPAF process.

Status: Not Implemented

Interviews indicated that a hard copy of the PPAF is still being moved through the workflow.

Board Policies

1. Ensure the board policy committee reviews California School Board Association (CSBA) board policies and develops a plan to update the district's business and noninstructional operations policies and administrative regulations (ARs) that are not current to ensure they are compliant with current law.

Status: Implemented

The district formed a committee to review board policies and ARs, and it meets monthly. Each district administrator has been assigned to review CSBA guidance and updates to policies and ARs within their area of expertise. Recommendations for any updates to the district's policies or ARs are discussed at committee. Once a final decision has been made about which revisions to include, the board policy or AR is taken to the board for a first read and then brought back for approval at the next board meeting unless there is an urgent need for approval immediately following the first read by the board.

2. Implement a plan to keep board policies and administrative regulations current by reviewing and updating board policies and administrative regulations as the CSBA releases updates.

Status: Implemented

Staff are bringing revised policies to the board regularly for approval to bring all the policies up to date. See the status of recommendation 1 above for more information.

3. Develop new board policies and administrative regulations as needed.

Status: Implemented

The district is using CSBA's Gamut services to develop and implement new board policies and administrative regulations as needed.

Human resources

Organizational Structure and Staffing

1. Consider sharing staff between the HR Department and the personnel commission to achieve greater efficacy and efficiency.

Status: Not Implemented

The district is unable to consider this recommendation at this time. No progress has been made to share staff between the HR department and the personnel commission.

2. Consider reducing HR Department and/or personnel commission staff by three FTE.

Status: Not Implemented

Although there are three unfilled positions in the HR Department, the district has every intention to fill them. This recommendation is not being considered currently.

3. Assign each HR Department staff member to complete a time analysis of daily job duties for one month, and then reallocate staffing and duties if necessary.

Status: Not Implemented

The staff in the HR Department have not performed the time analysis of daily job duties as recommended in the original study.

4. Update its district and HR Department organizational charts to include the titles shown on the approved job descriptions.

Status: In Progress

Although the superintendent's office updated the organizational charts, the district did not provide all of the job descriptions to FCMAT, so FCMAT could not cross-reference these with the organizational charts.

5. Review and update job descriptions to ensure they include the appropriate supervisor title, job title, and date of first approval and/or revision approval by the governing board and/or the personnel commission (if applicable).

Status: Not implemented

The district did not provide FCMAT with job descriptions for the HR Department, so FCMAT was unable to determine whether they have been updated.

Departmental Operations (HR)

1. Ensure that all managers and staff in the department understand the importance of providing good customer service to others.

Status: Implemented

Interviews with staff indicated that providing good customer service is a priority for the new leaders in the HR Department.

2. Ensure that staff are properly and continually trained, and empower them to perform their job duties.

Status: Implemented

Interviews with staff indicated that training is being provided to staff in the HR Department and that morale has improved, empowering staff to perform their job duties.

3. Eliminate the steps that duplicate the personnel commission's work when hiring for classified management positions.

Status: Implemented

Interviews with staff indicated that there are no duplicate steps when hiring for classified management positions.

4. Direct the assistant superintendent of human resources not to offer salaries, fringe benefits or working conditions beyond those approved by the district, collective bargaining groups, and/or the personnel commission.

Status: Implemented

Staff reported that the district's administration no longer offers salaries, fringe benefits or working conditions beyond those approved by the district, collective bargaining groups and/or the personnel commission.

5. Review FCMAT's list of standards for personnel management functions and ensure they are being met.

Status: Not Implemented

The HR Department was not aware of the FCMAT standards for personnel management. This document was shared with district staff during follow-up interviews.

Internal Controls (HR)

1. Ensure that effective internal control processes have been implemented and that employees are cross trained in all key areas of responsibility.

Status: Not Implemented

Interviews with staff indicated internal control processes have not been implemented. In addition, when asked about cross-training in the HR Department, staff

mentioned that it would be impossible because it would cause employees to work outside of their job classification.

2. Develop and document operating policies and procedures for each HR function and/or activity. Ensure that standard operating procedures for each major task or designated responsibility of each administrative position in the HR Department provide a step-by-step guide for performing required tasks.

Status: In Progress

There is some evidence that this is occurring for some procedures in the HR Department, but it has not been done for all major tasks yet.

3. Develop individual desk manuals for each position, and ensure that each employee includes in his or her manual the step-by-step procedure for all assigned duties.

Status: In Progress

Two employees mentioned that desk manuals have been developed for their position/job title. Several other positions need to have desk manuals created.

4. Ensure that training and professional development are provided as needed to HR staff for their assigned areas of responsibility.

Status: Implemented

Staff indicated in interviews that training was being provided.

5. Create workflow diagrams to help employees better understand and coordinate with other departments and positions.

Status: Not Implemented

Workflow diagrams were not provided to FCMAT to demonstrate completion of this recommendation.

Organizational Culture (HR)

1. Ensure district leaders set the example for and encourage a climate of collaboration, teamwork and open communication among all departments and school sites.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area. With the changes in upper management staff, there has been a great deal of teamwork, collaboration and open communication among all departments and schools.

2. Ensure that all staff in the district office understand the importance of providing customer service to others.

Status: Implemented

Interviews with staff indicated there has been great improvement in this area. The staff in the district office understand the importance of providing quality customer service.

3. Convene regular meetings of HR and payroll staff to discuss ongoing issues, develop solutions to common problems, and improve communication between the departments.

Status: Not implemented

Regular meetings of the HR and payroll staff have not been occurring.

4. In conjunction with the Business Services Department, create a timeline for completing each step in the PPAF process. Jointly train all staff, including administrators, on the process and timeline.

Status: Not Implemented

Business services and HR staff indicated there are still issues with the PPAF. Errors are still being made, as was reported in the original study. The staff in HR and business services report different routing procedures for the PPAF. Training has not been provided.

Summary

The 2020 report contained 55 recommendations for improvement in the Business Services and HR departments. Before the follow-up study, the district prepared a spreadsheet that shows a self-analysis of progress on the 55 recommendations. FCMAT reviewed the spreadsheet and supporting documents and conducted interviews to determine the progress made since the November 2020 report. The district has implemented 20 recommendations, made progress implementing seven recommendations, and has not implemented 28 recommendations. FCMAT found instances in which the district's spreadsheet indicated recommendations were in progress or complete but could not confirm this through document review or interviews. FCMAT recommends that the district ensure its cabinet members work to prioritize implementation of recommendations based on FCMAT's implementation ratings provided in this management letter.

FCMAT appreciates the opportunity to serve you and extends thanks to all the staff of the San Lorenzo Unified School District for their assistance and cooperation during this follow-up review.

Sincerely,



Tami Montero, CFE
FCMAT Intervention Specialist