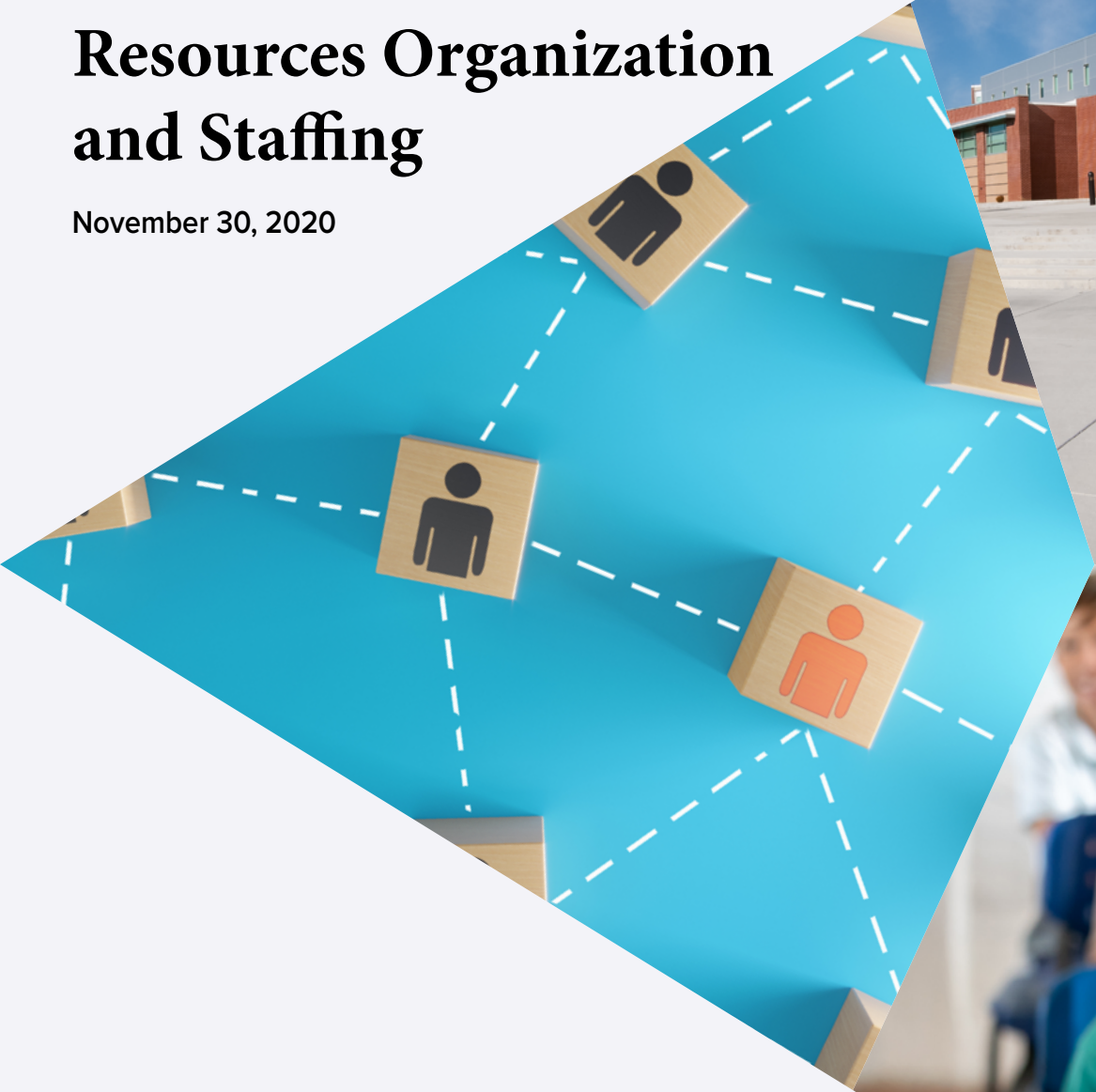


FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Business and Human Resources Organization and Staffing

November 30, 2020



San Lorenzo Unified School District

Michael H. Fine
Chief Executive Officer

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

November 30, 2020

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

Dear Superintendent Camp,

In April 2020, the San Lorenzo Unified School District and the Fiscal Crisis and Management Assistance Team (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.

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

FCMAT appreciates the opportunity to serve the San Lorenzo Unified School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,



Michael H. Fine
Chief Executive Officer

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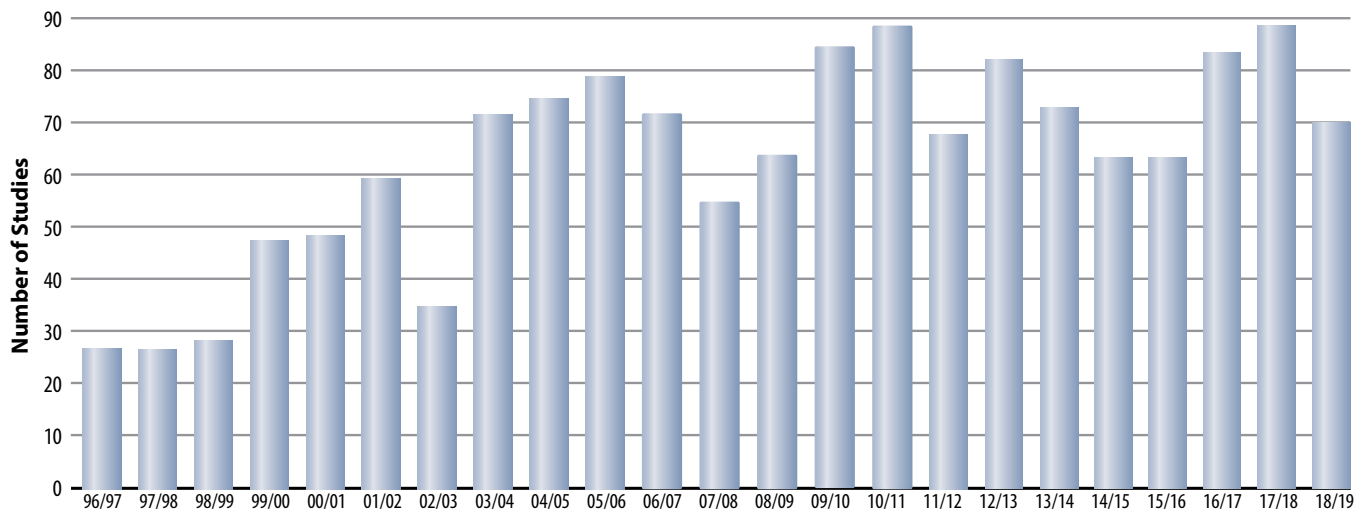
About FCMAT

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.

Studies by Fiscal Year



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. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning 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) 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 statewide 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 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 Alameda County, the San Lorenzo Unified School District has a five-member governing board and serves approximately 9,500 students at nine elementary schools, three intermediate schools and four high schools. The district has an independent study offering, called the District Independent Contracted Education (DICE) program. According to data from the California Department of Education (CDE), student enrollment peaked at 12,288 in 2013-14 and has decreased every year since that time.

The district's California Longitudinal Pupil Achievement Data System (CALPADS) records indicate that its 2019-20 unduplicated pupil count (that is, students who are English learners, foster youth, or qualify for free or reduced price meals) is 7,546, or 69.38% of enrollment.

Study and Report Guidelines

In April 2020, the San Lorenzo Unified School District and FCMAT entered into an agreement for FCMAT to review the district's staffing, workflow and processes and procedures in its Human Resources and Business Services departments. The district also requested a review of the implementation status of recommendations from a 2012 FCMAT study of the Human Resources Department.

FCMAT conducted virtual interviews, collected data and began reviewing documents in June 2020, and concluded interviews in early August 2020. Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities.

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:

Tami Ethier, CFE
Intervention Specialist

Robbie Montalbano, CFE
Intervention Specialist

Dr. Carolynne Beno
FCMAT Consultant

John Lotze
FCMAT Technical Writer

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

Executive Summary

A school district should be staffed according to the basic theories of organizational structure used in other school agencies of similar size and type, and its structure should reflect generally accepted theories, which include span of control, chain of command, and line and staff authority. A review and comparison with comparable districts indicates that the district's Business Services Department is understaffed and its Human Resources (HR) Department is overstaffed. The district should consider moving its two risk and benefits positions to the business department and reducing other HR positions by three full-time equivalents (FTE). The district should also add a middle management position to business services to support payroll.

An organizational chart shows an organization's structure and the relationship of all positions to one another and is needed to identify the chain of command and the functional areas of each staff member. On the district's 2019-20 organizational chart, many positions in both departments have different titles than what is stated in the job descriptions.

Job descriptions for both departments should be reviewed and updated to ensure they are current and include minimum lifting and repetitive duty requirements, essential functions, and date the new and/or revised job description was approved by the governing board.

The structure of the Business Services Department at the time of FCMAT's visit does not include an appropriate chain of command under the direction of the chief business official. For business services, the district should consider a new organizational structure consisting of one director of finance position that is responsible for all business functions (not segregated by accounting and budget), and two managers, one for payroll/benefits risk management and one for business services. In addition, FCMAT recommends adding a payroll supervisor position. This will allow for greater accountability and efficiency.

There is a lack of collaboration, teamwork, and effective communication between the assistant superintendent positions in both business and HR. This in turn has caused a significant amount of internal strife due to a lack of cohesive guidance between the two departments, limited managerial support for staff when interdepartmental assistance is needed, and a lack of customer service. Staff interactions should be more collaborative and easily adaptable to changing workloads; staff need to work together to create an effective team.

A focus on customer service is important for a successful district office, and leadership is needed to facilitate better communication among staff members. The district does not conduct regular meetings of both business and HR support staff to help ensure better communication, resolve issues, and promote a sense of teamwork. The district should implement such meetings as well as workshops with the administrative staff at the schools to improve customer service and communication. Ongoing information and training should be provided at the administrators'/principals' meeting and/or at separate training sessions to improve communication and discuss any changes in processes and procedures. Pertinent information from these meetings should be provided to the support staff in both the business and HR departments.

The district does not plan for staff development or for appropriate training for leaders in the organization. The district has a history of hiring employees into positions for which they are not qualified, without proper training. This has led to reliance on outside vendors and excessive overtime or compensatory time to complete tasks.

Findings and Recommendations: Business Services Department

Organizational Structure and Staffing

A school district's organizational structure should establish the framework for leadership and the delegation of specific duties and responsibilities for all staff members. This structure should be managed to maximize resources and reach identified goals, and it should adapt as the district's enrollment increases or declines. A district should be staffed according to generally accepted 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 reporting directly to a supervisor. Although there is no agreed upon ideal number of subordinates for span of control, it is generally agreed that 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 effectively supervised, according to *Principles of School Business Management* by Craig R. Wood, David C. Thompson and Lawrence O. Picus.

Chain of Command

Chain of command refers to the flow of authority in an organization and is characterized by two significant principles: unity of command suggests 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 suggests that authority and responsibility should flow in a direct vertical line from top management to the lowest level so subordinates at every level in the organization follow the chain of command and communicate only through their immediate supervisor. The result is a hierarchical division of labor as described in *Principles of School Business Management*.

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, the normal structure FCMAT finds in school districts, including at San Lorenzo Unified School District, is that the superintendent has direct line authority over the assistant superintendent of business services, who has direct line authority over directors in the Business Services Department. Conversely, staff authority is advisory in nature. Staff personnel do not have the authority to make and implement decisions; rather, they act in support roles to line personnel (managers). The organizational structure of local educational agencies includes both line and staff authority.

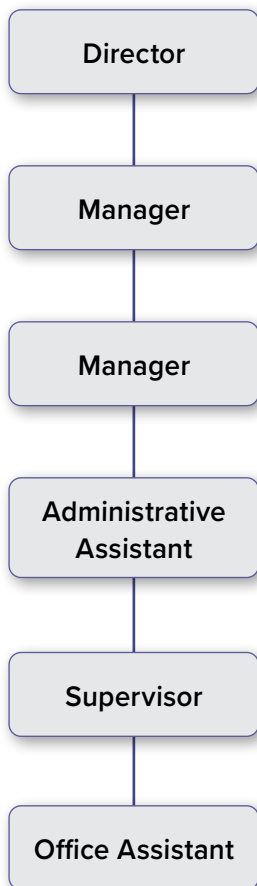
As indicated above, the purpose of any organizational structure is to establish the framework for leadership and the delegation of specific duties and responsibilities for all staff members. In addition, the structure should help guide district managers as they make key decisions to facilitate student learning while balancing financial resources. As a district's enrollment increases or declines, the organizational structure should adapt as needed. The organizational structure should outline the management process and its specific links to the formal system of communication, authority and responsibility needed 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 administrators and staff.

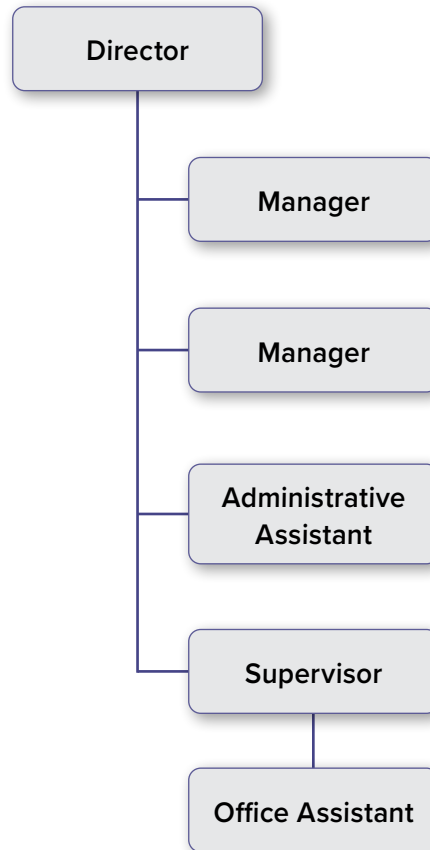
Management positions typically supervise employees and oversee the work of the department for which they are responsible. They must ensure that staff members understand all district policies and procedures and perform their duties in a timely and accurate manner. Managers must also serve as a liaison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

An organizational chart is important because it shows the organizational structure and the relationship of all positions to one another and identifies the chain of command and the functional areas for which each staff member is responsible. The district documented and provided to FCMAT its Business Services Department organizational structure for 2019-20, which does not accurately distinguish the chain of command. For example, the organizational chart indicates the director of maintenance and operations oversees the maintenance and grounds manager, who oversees the operations, custodian and safety manager. In reality, the director of maintenance and operations supervises the maintenance and grounds manager and the operations, custodian and safety manager. FCMAT recommends revising the department’s organizational chart to accurately display the chain of command as shown below.

Current Business Services Department Organizational Chart



Suggested Revised Business Services Department Structure and Organization



FCMAT also reviewed district job descriptions, which were available on the district’s website. Overall, the current business services job descriptions are well written, and most included the personnel commission approval date (if applicable); however, job descriptions lack the governing board approval date, and some do not indicate who supervises the position. For clarity, job descriptions need to be updated with this information. In addition, some of the supervisors’ titles on the organizational chart do not match those on the approved job descriptions. The supervisory positions on the Business Services Department organizational chart, displayed in the chart below, will need to be updated so the position title matches the job description. FCMAT also observed other discrepancies between position titles in the organizational chart and those in the job descriptions for nonsupervisory positions in the Business Services Department.

Job Description Title	Organizational Chart Title	Suggested Organization Chart Title
Director of Business – Budget, Purchasing and Position Control	Director, Purchasing	Director of Business – Budget, Purchasing and Position Control
Director of Business – Fiscal and Accounting	Director, Fiscal Services	Director of Business – Fiscal and Accounting
Director – Facilities and Construction	Construction Director	Director – Facilities and Construction
Director – Maintenance, Operations, and Transportation	Director of Maintenance and Operations	Director – Maintenance, Operations, and Transportation
Maintenance Manager	Maintenance and Grounds Manager	Maintenance Manager
Operations Manager*	Operations, Custodian and Safety Manager	Operations Manager
Warehouse Supervisor	Warehouse and Stores Supervisor	Warehouse Supervisor

* The Business Services Department organizational chart indicates there is an “operations, custodian and safety manager,” who works under maintenance and operations, and an “operations manager,” who works under child nutrition. The job description for the operations manager states this position works under the general direction of the director of maintenance, operations and transportation, and lists job duties related to maintenance and operations. It would benefit the district to evaluate and revise the job description, and/or the job title in the organizational chart for the operations manager under child nutrition to reflect the correct supervisor and job duties.

Business Services Department

A well-functioning business services department is essential to ensuring appropriate supervision over a district’s assets. This involves establishing and maintaining proper controls over accounting transactions, including segregation of duties, management authorization of transactions, financial reporting, checks and balances, proper training, and supervision of staff. The district’s Business Services Department includes the staff positions in the table below, which are under the direction of the assistant superintendent of business services (because of the scope of this study, maintenance and operations, construction, purchasing, child nutrition, graphic arts and warehouse positions are not included):

Current Business Services Department Staff Positions	
Position	Full Time Equivalent (FTE)
Assistant Superintendent, Business Services	1.0
Executive Assistant I, Confidential	1.0
Director of Budget, Purchasing and Position Control	1.0
Program/Project Assistants	2.0
Director of Business — Fiscal and accounting	1.0
Payroll Technician	3.0
Senior Account Technician	1.0
Accounts Technician	2.0
Total FTE	12.0

The district’s Business Services Department is led by the assistant superintendent of business services, who directly supervises an executive assistant. The assistant superintendent also oversees five supervisory

positions. Two of those positions are included in this study and discussed below: the director of budget, purchasing and position control; and the director of business — fiscal and accounting. The three not included in the scope of this study are the director of maintenance, operations, and transportation; the director of child nutrition; and the director of construction.

The director of budget, purchasing and position control supervises two program/project assistants, a buyer, a purchasing technician, and a graphic arts team composed of a designer and two technicians. All of these positions are filled. The director of business — fiscal and accounting supervises three payroll analysts, two accounts technicians, one senior account technician, and a warehouse team that includes one supervisor and four warehouse workers. The director of business — fiscal and accounting position was vacant at the time of FCMAT’s fieldwork, but all other positions under the supervision of the director of business — fiscal and accounting are filled. The tasks and responsibilities assigned to the warehouse and graphic arts teams were not within the scope of this study.

In addition to the aforementioned positions in the Business Services Department, documents provided to FCMAT indicated the district contracted with four consultants during the 2018-19 school year, two of whom continued their work during the 2019-20 school year. While some of the work performed by the consultants met a need created because the director of business — fiscal and accounting position was not filled, other work they were contracted to perform — including payroll, position control, budget and accounting — may indicate a need for increased staffing in the Business Services Department. Below is a summary of the job duties and costs associated with the consultant positions.

	Services Performed	2018-19 Expenses	2019-20 Expenses
Consultant 1	Assisted with fiscal, budget, payroll and accounting during absence of the director of business — fiscal and accounting.	\$90,184	\$0.00
Consultant 2	Federal program monitoring coordination and fact-finding. Assisted with fiscal, payroll and accounting during the absence of the director of business — fiscal and accounting.	\$49,040	\$32,132
Consultant 3	Position control, Local Control and Accountability Plan (LCAP), year-end closing, and special projects related to HR, including negotiations, salary calculations and other items.	\$17,070	\$0.00
Consultant 4	Payroll, position control, and special projects related to HR, including negotiations, salary calculations and other items.	\$55,830	\$32,700
Totals		\$212,124	\$64,832

FCMAT’s analysis of staffing improvements for the Business Services Department can be reviewed in the Business Office Comparisons section of this report below. FCMAT also reviewed the job descriptions and tasks performed by the various positions within the Business Services Department. Overall, FCMAT found that these job descriptions matched the tasks assigned to them; however, FCMAT did not find a job description for the program/project assistants. According to interviews with Business Services Department staff, the job duties assigned to the two program/project assistants involve budget and position control. The program/project assistant job title needs to be updated to reflect the actual job function, and a job description for this position will need to be created and adopted by the personnel commission and governing board. “Accounting/budget analyst” is one possible job title that could be used to more accurately describe the duties of this position.

Business Office Comparisons

FCMAT conducted an informal survey of several California unified school districts with student enrollments similar to that of San Lorenzo Unified and which also use a personnel commission structure. Although not all districts replied to FCMAT’s survey, three provided information about the number of positions, hierarchy

of managers and subordinates, and number of FTE positions so FCMAT could better understand the structure of business departments in like-sized districts.

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 taken into account. FCMAT took into account district type, student enrollment and general fund revenues per student when choosing the comparison districts. Data for the comparison was taken from the California Department of Education’s (CDE’s) DataQuest and Education Data Partnership (Ed-Data) websites.

A summary of the comparison information FCMAT received is as follows:

District Name	County of District	FTE*	2019-20 Enrollment**
Carlsbad Unified	San Diego	15.63	11,481
Lompoc Unified	Santa Barbara	15	9,626
Santa Monica-Malibu Unified	Los Angeles	16	10,055
San Lorenzo Unified	Alameda	12	10,876

* For purposes of comparison, these FTE are for the assistant superintendent of business services and other management positions, and for business functions such as payroll, benefits, accounts payable, accounts receivable, and other accounting/budget tasks. For those districts that include warehouse, delivery, attendance, reprographics, purchasing, nutrition services or other positions in the business departments, FCMAT has excluded those positions from this analysis. Any variances in FTE are due to FCMAT’s interpretation of information shared in the informal survey.

** Enrollment Data is from the California Basic Educational Data System.

Based on this comparison and FCMAT’s review of the district, FCMAT suggests the following staffing would be appropriate for the district’s Business Services Department:

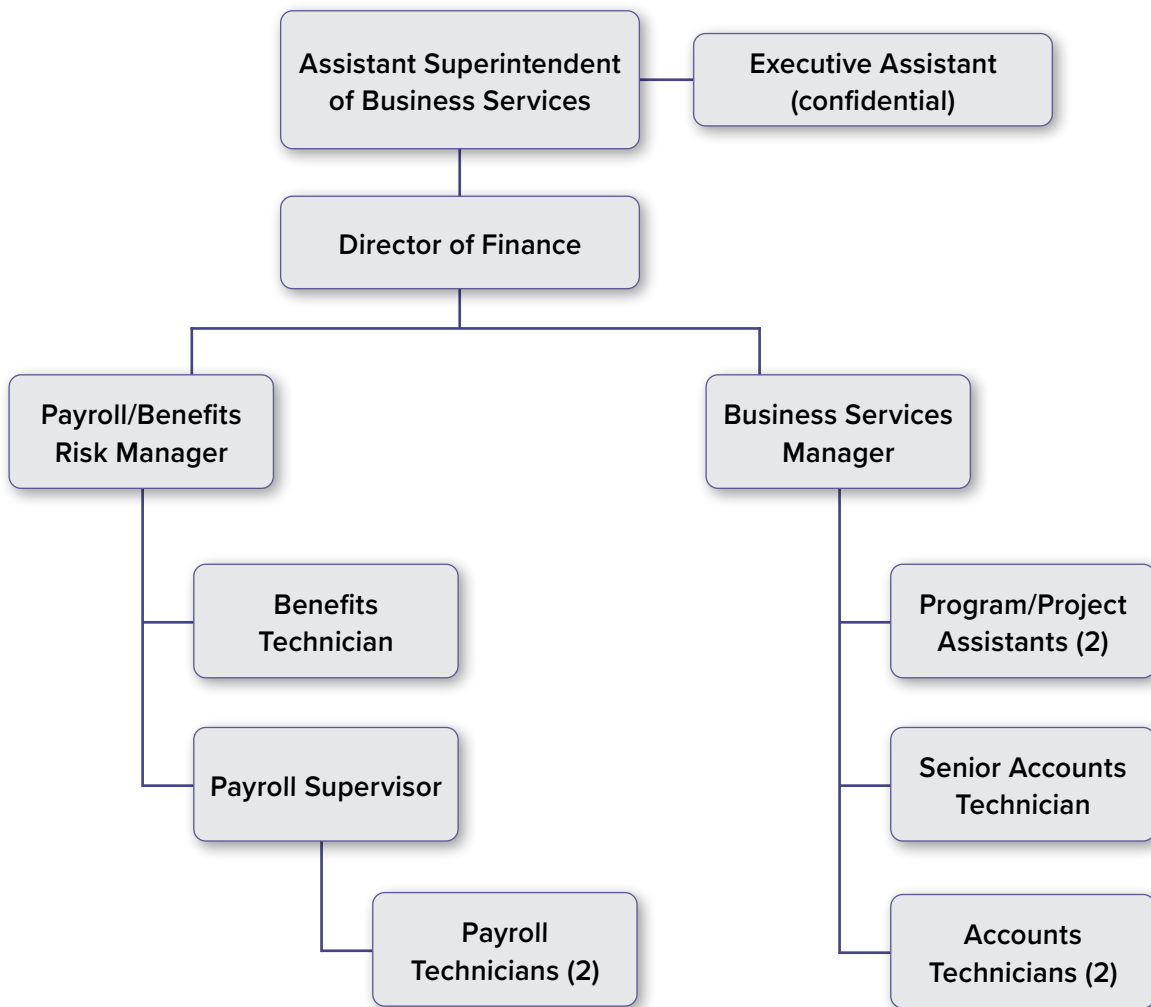
Position	FTE
Assistant Superintendent, Business Services	1.0
Executive Assistant I, Confidential	1.0
Director of Finance	1.0
Risk, Safety & Benefits Manager (Suggested Job Title - Payroll/Benefits Risk Manager)	1.0
Benefits Technician	1.0
Payroll Supervisor	1.0
Payroll Technician	3.0
Business Services Manager	1.0
Program/Project Assistants (Suggested Job Title - Accounting and Budget Analysts)	2.0
Senior Accounts Technician	1.0
Accounts Technician	2.0
Total FTE	15.0

The proposed staffing recommendations displayed in the table above include restructuring the current management/supervisory positions in the Business Services Department and increasing Business Services Department staffing by 3.0 FTE (adding 1.0 FTE and moving 2.0 FTE from the HR Department). FCMAT recommends merging the director of business — fiscal and accounting (unfilled at the time of FCMAT’s fieldwork) and director of budget, position control and purchasing (currently filled) positions into a single 1.0 FTE director of finance position, which would report to the assistant superintendent of business services. FCMAT proposes creating two middle management positions under the director of finance: a 1.0 FTE payroll/benefits risk manager and a 1.0 FTE business services manager. FCMAT recommends moving the 1.0

FTE risk, safety, and benefits manager from the HR Department to the Business Services Department to fill a new payroll/benefits risk manager position, which would assume the additional responsibility of overseeing payroll. FCMAT also recommends adding a 1.0 FTE payroll supervisor, who would report to the payroll/benefits risk manager and support the three payroll technicians. Accordingly, FCMAT suggests moving the 1.0 FTE benefits technician from the HR Department into the Business Services Department to remain under the supervision of the payroll/benefits risk manager. The new business services manager position would supervise and support the program/project assistants, senior accounts technician, and accounts technicians.

Based on the above comparisons, FCMAT believes it would benefit the district to organize the department as shown in the following organizational chart (for simplicity, the chart does not include maintenance and operations, construction, purchasing, child nutrition, graphic arts, or warehouse positions).

Suggested Finance Functions Structure and Organization



Recommendations

The district should:

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.
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).
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.
4. Increase business office staffing by 3.0 FTE by hiring one new full-time payroll supervisor and transferring 2.0 FTE from the HR Department (the 1.0 FTE risk, safety, and benefits manager and the 1.0 FTE benefits technician).
5. Reorganize the management/supervisory structure of the Business Services Department to align with the suggested organizational chart in this report.

Collaboration

There is a lack of collaboration, teamwork and effective communication between the Business Services and HR departments. Staff reported significant tension, resulting in a lack of cooperation and effective communication, between the assistant superintendents of the Business Services and HR departments. This negatively affects staff morale and the operations of these two departments. Staff members focus on their duties independently, without meeting regularly, communicating effectively or operating as a team. Staff relationships affect office efficacy; the district's office support staff positions are interdependent in nature, and employees need to work together to create an effective team. The district needs to encourage and foster a work climate in which mutual support takes place so that ongoing questions and information sharing are the norm.

Information from interviews indicates the Business Services Department is not responsive to customers' needs. For example, customers of the Business Services Department indicated that email messages, phone calls and inquiries regarding payroll are not always responded to in a timely manner. Customers of the Business Services Department need to feel comfortable asking questions and confident they will receive answers in a timely manner so that communication is kept open, positive and cooperative.

The district lacks a functions chart for each support position in the district office that includes each major area of responsibility. This is needed so customers understand who can directly help them. Such a chart should delineate each position, all the responsibilities assigned to it, and the position that acts as a back-up for each function. This would help provide efficient operation and customer service. It is best practice to also distribute a list of district office staff at the beginning of each school year, make it available on the website, and revise it when changes occur. This helps school sites and departments know whom to contact for routine issues involving payroll, accounts payable, budget questions and purchase requisitions.

To facilitate this change, the district will need to consider scheduling regular meetings of district office and business office support staff with their customers to better communicate, resolve issues, and promote a sense of teamwork. An emphasis should be placed on understanding issues and solving problems jointly.

Staff reported the Business Services, HR and Educational Services departments currently lack processes and structures for formal communication and collaboration. Regular staff meetings can help address and resolve issues as they arise and before they compromise relationships. If well-facilitated, this can eventually improve verbal and written communication between personnel, provide a consistent avenue of reliable information, promote openness regarding decisions, and improve the flow of information and relationships throughout the district. Meeting agendas should include input from each department and should be developed to ensure that everyone's concerns are addressed.

In addition to internal district office meetings, training for administrators and school site support staff will be important so that expectations are known and followed consistently. It would benefit the district to establish an annual mandatory workshop for school site and department personnel that includes applicable HR, fiscal services and payroll processes, procedures and timelines, and hold administrators, managers and staff accountable for following them. During interviews, staff specifically requested that the Business Services Department provide annual training on Escape (the district's business software system) and managing budgets. Administrative meetings need to also include ongoing training that helps managers understand their role in working with district office staff. It is best practice to schedule meetings to address and resolve issues as they arise to help facilitate more effective communication between the district office and school sites. The district should ensure that principals, department heads and the assistant superintendent of business services are included, and administrators should be assigned to provide their support staff with pertinent information from these meetings.

Staff also indicated a need for a budget planning calendar to be created jointly by the Business Services, HR and Educational Services departments. Creating a budget calendar helps ensure that shared processes, such as developing the Local Control and Accountability Plan (LCAP), can be completed collaboratively, accurately and in a timely manner.

Internal Controls

Internal control systems are the foundation of sound financial management and allow districts to fulfill their educational mission while helping ensure efficient operations, reliable financial information and legal compliance. Internal controls are also the principal mechanism for preventing and/or deterring fraud or illegal acts and protecting the district from material weaknesses and serious errors.

Effective internal control processes are designed to provide the governing board with reasonable assurances that a district will achieve its objectives and goals, that its operations, processes and procedures are effective and efficient, that the financial information produced is reliable, and that the organization operates in compliance with all applicable laws and regulations. Internal control elements provide the framework for an effective fraud prevention program. An effective internal control structure includes the policies and procedures used by staff, adequate accounting and information systems, the work environment, and the professionalism of employees.

Organizational structure is a critical element of any internal control system. An organization establishes control over its operations by setting goals, objectives, budgets and performance expectations. Several factors influence the effectiveness of internal controls, including the social environment and how it affects employees' behavior, the availability and quality of information used to monitor the organization's operations, and the policies and procedures that guide the organization. Internal controls help an organization obtain timely feedback on its progress in meeting its operational goals, adhering to its guiding principles, producing reliable financial reports, and ensuring compliance with applicable laws and regulations. Internal controls provide the means to direct, monitor and measure an organization's assets and resources, and they play an important role in protecting it from fraud, abuse, and misappropriation.

The following is a partial list of common deficiencies and omissions that can cause internal control failures:

- Failure to adequately segregate duties and responsibilities related to authorization.
- Failure to limit access to assets or sensitive data (e.g., cash, fixed assets, personnel records).
- Failure to record transactions, resulting in lack of accountability and the possibility of theft.
- Failure to reconcile fixed assets and records.
- Making unauthorized transactions, resulting in skimming, embezzlement or larceny.
- A lack of monitoring or implementation of internal controls by the governing board and management, or because personnel are not qualified.
- Collusion among employees where little or no supervision exists.

The procedures that can directly prevent these deficiencies from occurring are traditionally referred to as hard controls. Other types of internal controls, typically referred to as soft controls, include management tone, performance evaluations, training programs, and maintaining established policies, procedures and standards of conduct.

The internal control environment establishes an organization's moral tone. Though intangible, it begins with the leadership and consists of employees' perception of the ethical conduct displayed by the governing board, superintendent and executive management. The control environment is a prerequisite that enables other components of internal control to be effective in preventing and/ or deterring fraud and illegal acts. It sets the tone for the organization, provides discipline and control, and includes factors such as integrity, ethical values and employee competence.

Control activities are a fundamental element of internal control and are a direct result of policies and procedures designed to prevent and identify misuse of a district's assets, including preventing any employee, including management, from overriding controls in the system. To help build an effective internal control structure, districts should apply basic control measures and procedures to their transaction and reporting processes, including, but not limited to, the following:

- Staff cross training, which means that more than one employee should be able to perform each job. All staff members should be required to use accrued vacation time, and another staff member should be able to perform their duties in their absence. Inadequate cross training is often a problem even in the largest central offices. To effectively cross train, employees should develop and document by means of a desk manual the standard operating procedures they follow for each major task and designated responsibility, providing a step-by-step guide for others to perform their required tasks when they are absent and/or when additional support is needed to ensure timely completion of tasks.
- Financial reviews and monitoring, which involve comparing actual data with expectations. In accounting and business offices, this usually occurs when budgeted amounts are compared with actual expenditures to identify variances, followed by budget transfers if needed to prevent overspending.
- Information processing workflows, which include the approvals, authorizations, verifications and reconciliations needed by each department to ensure transactions are valid, complete and accurate. This will also clarify responsibilities of each department for better coordination of tasks.
- Physical controls, which are the processes and procedures designed to safeguard and secure assets and records.
- Segregation of duties, which consists of processes and procedures to ensure that no one employee or group is placed in a position to be able to commit and conceal errors or fraud in the normal course of duties. In general, segregation of duties includes separating the custody of assets, the authorization or approval of transactions affecting those assets, the recording or reporting of related transactions, and the execution of the transactions. Adequate segregation of duties reduces the likelihood that errors will remain undetected by providing for separate processing by different individuals at various stages of a transaction, and for independent review of the work.
- A system of checks and balances, which consists of formal procedures for initiating, approving, executing, recording and reconciling transactions. The procedures should identify the employee responsible for each step and the timeline for completion. Areas that require checks and balances include payroll, purchasing, accounts payable and cash receipts.
- Use of prenumbered documents for checks, sales and cash receipts, purchase orders, receiving reports, and tickets that are preprinted by an outside printer. It is not sufficient simply to use prenumbered documents. Physical controls should be maintained over the

check stock, cash receipt books and tickets. A log of the documents and numbers should be maintained, and reconciliation performed periodically.

- Monthly reconciliations by an employee who was not involved in the original transaction and recording process for bank statements and account balances. For example, the employee who reconciles the revolving checking account should not maintain the check stock.

It is imperative that employees be aware of internal control expectations. Each person in an organization is responsible for internal controls in some capacity, because nearly everyone either produces information used by the internal control system or acts to implement organizational control. Further, everyone should take responsibility for appropriately communicating problems in operations, noncompliance with policies, or illegal actions. Ultimately, internal control should pervade every level of an organization; however, administrators, program managers, governing board members, the superintendent and auditors have particular roles to play.

FCMAT reviewed the Business Services Department's operational processes and procedures and found a lack of some of the internal control elements listed above in significant areas. FCMAT did not conduct an internal control audit, but the review team's findings were developed from staff interviews and a review of documents provided by the district. FCMAT has developed an extensive list of management standards for public school agencies, which includes standards for financial and personnel management. These standards address general functions such as policies and procedures; job descriptions; internal and external communication; internal control; employee recruitment, selection, orientation and training; and accounting, payroll and purchasing. The district would benefit from reviewing all the standards to ensure it meets them and to help develop best practices for its financial and HR operations. The FCMAT standards are [available on FCMAT's website](#).

Recommendations

The district should:

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.
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.
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.
4. Ensure that training and professional development are provided as needed to business office support staff for their assigned areas of responsibility.
5. Create workflow diagrams to help employees in the Business Services and HR departments better understand and coordinate with other departments and positions.
6. Review the FCMAT standards for internal controls and for annual independent audit reports to ensure it is following them.
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.

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.

Organizational Culture and Communications

Organizational culture is broadly defined as a system of shared assumptions, values and beliefs that govern how people behave in an organization. These shared values strongly influence the people in the organization and affect how they dress, act, and perform their jobs. Every school district has a unique culture that is usually informal but is shaped by the actions of leaders over time. The district superintendent sets the tone of the district and should ensure through their administration that staff receive the resources, training, direction and communication needed to perform their duties.

Effective communication is essential to providing a sense of stability and leadership. Without it, inaccurate information may circulate and be assumed accurate. During interviews, employees commented on a lack of collaboration and effective communication between the Business Services and HR departments. Many interviewees pointed out the tension between the assistant superintendents of the Business Services and HR departments, and a majority described the relationship between these two individuals and their departments as unhealthy and the environment as uncomfortable. Staff within and outside of both departments described what they believe to be unprofessional behavior on the part of two employees in high ranking positions. In addition, the Business Services Department does not meet regularly with other departments. Monthly meetings of the Business Services, HR, and Educational Services departments with one another would benefit the district.

To ensure monthly meetings are effective, agendas need to be prepared in advance. To promote collaboration, a draft agenda should be distributed a week before a meeting with a request for topics. This allows attendees to be prepared to discuss the items that may be their responsibility. The agenda should also relate in some manner to the district's vision, mission and goals statements to emphasize their importance and demonstrate how the work performed at the district office is related to student learning and outcomes. Meetings can be used to communicate essential information and answer questions from staff. This is also an efficient and effective way to train new staff and build trust between and among leaders and staff.

The HR Department and payroll do not have a formal process and structure for communication and do not meet regularly to discuss issues and develop solutions to common problems. Ongoing regular meetings are needed, as are meetings between individual staff members. The purpose of the meetings should be to improve communication between the departments and increase understanding of the responsibilities of each staff member and how their work affects the work of other employees. Regular meetings between HR and payroll staff members could be held to discuss procedures related to employee leave, resignations, salary placement, differential pay, and other related subjects. These meetings would be a forum for discussing specific employee situations that may involve more than one department, addressing any issues with inter-departmental procedures, learning about potential effects of interdepartmental issues, and helping both departments ensure that employees are served properly and that deadlines and statutory requirements are met. The staff members who attend the meetings should be able to add items to the agenda, with other departments included as appropriate. This proactive approach should result in increased efficiencies and better outcomes in the long run.

Recommendations

The district should:

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.

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.
3. Ensure that the managers understand they must be professional and respectful when communicating with fellow employees, regardless of level.
4. Ensure that all staff in the district office understand the importance of providing customer service to others.
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.
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.

Staff Development, Turnover and Training

One important way for an organization to improve efficiency and outcomes is to invest in a structured staff development program based on organizational goals and focused on the needs of individual departments and staff members. Training can improve employees' skills, knowledge and abilities related to the functions they perform.

The Business Services Department has many dedicated employees, many of whom were not formally trained when they were hired or have not received sufficient training to keep abreast of legal requirements and modern practices for their jobs. All staff members can benefit from formal training to ensure that they completely understand the expectations and responsibilities of their positions. Keeping up to date with best practices and changes in laws and regulations is essential. Appropriate training will also provide staff members with the resources to develop the skills and knowledge needed to be successful in their positions and prepare for potential advancement.

Procedure manuals are needed to communicate responsibilities. Although the district has some procedure manuals and process maps, many interviewees indicated that district policies and procedures are confusing and need to be written down. It is best practice for manuals or other guides for business and business-related items to explain in detail the processes and procedures that are expected and needed to comply with rules and regulations, including any board and district policies and procedures. All such documents need to be updated at least annually. Completed procedure manuals also should be used to train staff. These types of manuals help ensure duties are carried out accurately and appropriately, and they provide continuity in the event of staff turnover. The district needs to conduct trainings on policies and procedures for employees in departments that work with the Business Services Department. Training should be provided when these types of guiding documents are developed so site staff can be more knowledgeable and feel supported by district office personnel. Conducting training as new or revised policies and procedures are approved is a best practice that helps ensure staff understand them and can be held accountable for following them. When training is not provided, a system is needed to ensure staff are aware of the new policies or procedures. One option is sending a cover sheet that requires each staff member to certify that they have received the policy, procedure, or other such document and understand their responsibility to follow it. This both ensures information about responsibilities is communicated to staff and enables the district to hold staff accountable.

The Business Services Department needs to plan and conduct trainings throughout the year that include office managers, principals and other positions that need to understand business and related information. As discussed above, any manuals completed should be clear and detailed enough to help employees follow regulations, policies and procedures, and help improve organizational continuity.

The Business Services Department needs to provide training on and oversight of payroll tax payment processing. Inaccurate payments, or delays in processing payroll tax payments, cost the district at least \$2,179,690.68 in penalties to the Internal Revenue Service during the 2018-19 and 2019-20 school years. District documents provided to FCMAT indicated the district was charged penalties and interest for unpaid and/or underpaid payroll taxes in 2018 and 2019 as indicated in the table below:

Tax Period	Reason for Penalty	Amount of Penalty
June 30, 2018	Underpaid taxes – failure-to-file penalty	\$558,014.62
June 30, 2018	Underpaid taxes – failure-to-pay penalty	\$155,004.06
June 30, 2018	Underpaid taxes – interest charges	\$164,432.33
September 30, 2018	Penalty increase - failure to make a proper tax deposit	\$1,012,072.58*
September 30, 2018	Penalty increase – failure-to-pay penalty	\$95,060.35*
September 30, 2018	Interest charges	\$120,225.04*
March 31, 2019	Failure to deposit	\$74,881.70
	TOTAL	\$2,179,690.68

* Penalties reported based on the June 17, 2019 notice.

The district lacks professional development and training for business services staff and management; this exacerbates a number of deficiencies found in this report and likely contributed to the district's inability to make timely and accurate payroll tax payments. The district needs to create a plan for Business Services Department staff to provide in-service training for school site and department staff on relevant business procedures and internal controls. The plan should outline what trainings will be offered throughout the year and where they will be held so managers can work with assigned staff to decide which trainings will benefit which employees. Professional development plans should include trainings related to internal controls, budget, financial systems, student body, student attendance, purchasing, nutrition services and other operational areas, as well as a review of any procedural changes made in the last year.

The district will need to communicate changes in business services policies and procedures by providing mandatory in-service training before each school year begins and before employees begin their regular duties. These training should be provided for administrators and for school site and department personnel who regularly handle business tasks. Separate trainings may need to be developed based on job level (e.g., administrators may need less detailed training than office managers). New administrators and other team members who begin working earlier than August or who start working during the school year should be provided with one-on-one training.

Recommendations

The district should:

1. Prepare a staff development plan for all business services staff members 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.
3. Ensure the Business Services Department communicates regularly with internal staff and all departments about their responsibilities for accounting procedures and internal controls.
4. Ensure that procedure manuals or other resources it develops are used, and that when they are updated those updates are communicated to 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.

6. Create a professional development plan to provide school site and department staff with training on procedures and internal controls throughout the year.
7. Provide mandatory training on and regular oversight of payroll tax processing to ensure the district makes accurate and timely payroll tax payments.

Payroll

The district employs three full-time payroll technicians, who appear adequately trained based on FCMAT's review. Staff interviews indicated the payroll technicians often work overtime to complete their job responsibilities. Classified compensatory time certificates provided to FCMAT indicate the payroll technicians accrued at least 1,926 compensatory hours during the 2017-18 and 2018-19 school years. There may be a need for an additional full-time employee, such as a payroll supervisor, who can act as a conduit between the Business Services and HR departments as well as help the payroll technicians process payroll in a timely and accurate manner.

Communication between the HR and Business Services departments, especially payroll, is minimal and not cooperative in nature. Staff reported the payroll analysts and human resources analysts are not allowed to communicate directly with one another, which hinders their ability to process items accurately and on time. Significant work is needed to improve communication and teamwork. Every effort should be made to improve communication and cooperation, including holding monthly meetings as mentioned earlier in this report.

Recommendations

The district should:

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

Absence Tracking

The district has implemented Aesop, now known as Frontline, a time and attendance system designed for school districts. The district uses this system for certificated and classified employees, with the expectation that all employees input absences into Frontline. The district has instituted an automated upload of data directly from Aesop to Escape; however, staff reported that many employees' leave time balances in Aesop are not accurate. When initially implemented, staff explained, the Aesop system was not aligned with school schedules, so absences and leaves were not associated with the correct number of hours. The district needs to evaluate the integrity of the data in Aesop and Escape to determine whether this new automated process is resulting in correct leave balances. Once the district has ensured that the leave balances are correct, employees should be trained on how to access their own leave balances.

Recommendations

The district should:

1. Audit employee absence data and leave balances in the Frontline and Escape systems, and make any corrections needed.
2. Ensure all employees are able to access their own leave balances, and provide training on how to do so.

Position Control

Position control consists of the processes and procedures to help ensure employees are hired and paid only for positions that are authorized and funded in the budget. Position control manages the largest part of a district's expenditure budget: employee salaries and benefits. Therefore, an integrated, automated position control system and strong policies and procedures are essential. Position control is primarily the responsibility of the HR and Business Services departments, but all school site and department leaders have a responsibility to ensure they implement the policies and procedures needed to support position control.

A strong position control system provides for the establishment of positions by site and/or department and is meant to prevent overbudgeting or underbudgeting of salaries and benefits for board-authorized positions. An effective position control system also prevents omission of other annual expenses tied to district positions, such as stipends, vacation pay, step-and-column changes, and other salary- and benefit-related items that may be in the district's collective bargaining agreements. The position control system should be integrated with other financial system modules such as budget and payroll.

Position control functions also need to be segregated to ensure proper internal controls. Effective internal controls will ensure that only board-authorized positions are entered into the system, that the HR Department hires only for authorized positions, and that payroll pays only employees hired for authorized positions. The proper segregation of duties is a key factor in creating strong internal controls and a reliable position control system. A fully functioning position control system helps districts maintain accurate budget projections, employee demographic data, and salary and benefit information.

An effective position control system also helps a district manage the costs of salaries and benefits, but it can do so adequately only if those expenditures are shown in a district's budget. Budgets need to be compared against summary payroll data periodically to ensure that budgeted amounts are sufficient and align with position control records.

Standard and best practice is for position control to drive the contracted salary and benefits amounts in the adopted budget. Once position control information is entered and validated during budget development, it is moved into the adopted budget. When contracted positions are added or changed, position control is updated.

The district's position control system does not include or account for noncontracted positions and work, such as extra duty, overtime or substitutes. As a result, the data in position control cannot be used directly to update the budget once the fiscal year begins because doing so would override all the manual revisions that are typically made in the budget to capture the information that the position control system does not include.

The district has developed and is using an employee change form that includes all information needed to authorize a new position or change an existing position. This form, which staff refer to as the PPAF (Personnel/Position Action Form), includes the requester's information, approvals from the HR and Business Services departments, and budget review. The form is completed before action is taken on a position. There is a flowchart detailing how a PPAF is originated, sent to the HR Department to verify data, sent to the Business Services Department to verify budget availability and position control numbers, and then returned to the HR Department to process changes in assignments, posting, hiring and other items, and complete the payroll information for new hires.

There are inefficiencies in the process used for the PPAF. Employees stated the PPAF is often incorrect and/or incomplete and so must be returned to the HR Department, which slows the processing time significantly. In addition, employees reported the PPAF form is writable but cannot be saved, so employees must print

it, sign it, and scan it before providing it to the HR Department. If there is an error on the PPAF, the entire form must be retyped before it can be resubmitted. Employees also reported difficulty finding the correct version of the form to use. Although a version of the PPAF form is available in the HR section of the district website, FCMAT found that the form does not include the revision date.

It would benefit the district to use an electronic form routing function for the PPAF. Ideally, the electronic routing would not allow the form to proceed to payroll without correct information, including correct calendars based on the type of position being filled. Staff would need training on how to use the automated routing process. Given the challenges with the accuracy of leave balances the district faced when transitioning to an automated upload of data directly from Aesop to Escape, it is understandable that the district may be concerned about transitioning to an electronic form routing function for the PPAF. However, FCMAT believes that with proper planning, development, testing and training, an electronic routing function for forms such as the PPAF would be a great benefit to the district by improving the accuracy of data and providing the ability to track where it is in the process.

Recommendations

The district should:

1. Ensure that position control is reconciled with budget and payroll regularly.
2. Provide training for the Business Services, HR and other departments that use the PPAF on how to accurately complete and route the PPAF.
3. Use an electronic form routing function for the PPAF, and provide training for staff on the automated PPAF process.

Board Policies

Governing boards create and adopt written board policies (BP) that communicate the guidelines and limits under which the superintendent and staff may act. Administrative regulations (AR) provide detailed instructions for how staff are to implement the policies. Board policies and administrative regulations are based on numerous legal codes, including the Education Code, Government Code and Public Contract Code, as well as federal regulations, case law and individual district practice. Board policies and the accompanying administrative regulations help a district provide direction, comply with and implement laws and regulations, create stability and continuity, define responsibilities and ensure accountability, inform the community, parents, employees and students, and protect itself in case of a legal challenge.

To be effective, policies must include all requirements imposed by law or regulation, should not contain any provision outside of the district's legal authority, and should include language the district is fully capable of implementing. School district board policies have standardized numbering, and wording for many standard policies is available from the California School Boards Association's GAMUT online system. The district currently lacks a Board Policy 9310 regarding how policies should be adopted and implemented. Standard wording for a BP 9310 is as follows:

The Governing Board shall adopt written policies to convey its expectations for actions that will be taken in the district, clarify roles and responsibilities of the Board and Superintendent, and communicate Board philosophy and positions to the students, staff, parents/guardians and the community. Board policies are binding on the district to the extent that they do not conflict with federal or state law and are consistent with the district's collective bargaining agreements.

Best practice is to revise board policies and administrative regulations quarterly as updates are received from the California School Boards Association (CSBA) policy service. District staff reported that the district has a board policy committee, composed of the superintendent and members of the governing board, to revise board policies and administrative regulations. Additional staff attend board policy committee meetings based on the type of policy being reviewed or considered.

Based on information available on the district's website, many of the district's 3000 series board policies and administrative regulations, which are related to business and noninstructional operations, are not current and need to be updated. In addition, the district has not adopted several of CSBA's suggested board policies and administrative regulations in the 3000 series. It would be beneficial for the district's board policy committee to review these policies to determine which should be considered for adoption. The table below lists of the district's 3000 series board policies and administrative regulations (as shown on its website), as well as the date each was last updated by both CSBA and by the district.

BP or AR Number		Name of Board Policy / Administrative Regulation	CSBA Updated	District Updated
3100	BP/AR	Budget	March 2019	Oct. 2008
3110	AR	Transfer of Funds	Oct. 2013	Oct. 2008
3111	BP	Deferred Maintenance Funds	Not on CSBA list	Oct 2008
3260	BP/AR	Fees and Charges	March 2019	BP-Oct. 2008 AR-Sept. 2010-
3290	BP	Gifts, Grants and Bequests	Oct. 2018	Oct. 2017
3300	BP	Expenditures and Purchases	July 2006	Oct. 2008
3301	BP	Payroll Authorization	Not on CSBA list	Oct. 2008
3311	BP/AR	Bids	Dec. 2016	Oct. 2008
3312	BP	Contracts	April 2015	Oct. 2008

BP or AR Number		Name of Board Policy / Administrative Regulation	CSBA Updated	District Updated
3314	BP/AR	Payment for Good and Services	BP-July 2007 AR-May 2016	BP-Oct. 2008 AR-Oct. 2008
3314.2	BP	Revolving Funds	July 2010	Oct. 2008
3320	BP/AR	Tort Claims and Action Against the District	BP-July 2018 AR-July 2019	April 2003
3350	BP	Travel Expenses	Aug. 2013	Policy not on district website
3350	AR	Attendance at Conferences, Workshops and Travel	Aug. 2013	Sept. 2015
3400	BP/AR	Management of District Assets/Accounts & Inventories	BP-July 2007 AR-July 2003	Oct. 2008
3430	BP	Investing	March 2005	Oct. 2008
3452	BP	Student Activity Fund	July 2007	Nov. 2009
3460	BP/AR	Financial Reports and Accountability	BP-April 2013 AR-Oct. 2018	BP-June 2011 AR-Oct. 2008
3511.1	BP/AR	Integrated Waste Management	July 2012	Oct. 2008
3512	AR	Equipment	Sept. 2016	Oct. 2008
3514	BP/AR	Environmental Safety	BP-May 2018 AR-May 2019	BP-Oct. 2008 AR-Oct. 2008
3514.1	BP/AR	Hazardous Substances	BP-May 2018 AR-April 2013	Oct. 2008
3515.6	AR	Criminal Background Checks for Contractors	Oct. 2017	Oct. 2008
3516	BP/AR	Emergency Operations & Disaster Preparedness	May 2018	Feb 2009
3516.1	AR	Fire Drills and Fires	Nov. 2001	Feb. 2009
3516.2	AR	Bomb Threats	July 2010	Feb. 2009
3516.3	AR	Earthquake Emergency Procedure System	July 2016	Feb. 2009
3516.5	BP	Emergency Schedules	July 2010	Feb. 2009
3517	BP	Facilities Inspection	Dec. 2017	Oct. 2008
3530	BP/AR	Risk Management/Insurance	Oct. 1995	Aug. 2008
3540	BP/AR	Transportation	May 2019	Oct. 2008
3541	AR	Transportation Routes and Services	May 2018	Nov. 2019
3541.1	AR	Transportation for School-Related Trips	Nov. 2011	Oct. 2008
3541.2	AR	Transportation for Students with Disabilities	May 2016	Oct. 2019
3542	AR	School Bus Drivers	Aug. 2013	Oct. 2008
3543	AR	Transportation Safety and Emergencies	Dec. 2018	Oct. 2019
3550	BP/AR	Food Services/Child Nutrition Program	BP-March 2011 AR-March 2016	BP-Oct. 2008 AR-Oct. 2008
3551	BP/AR	Food Services Operations/Cafeteria Fund	March 2020	Oct. 2008
3553	BP/AR	Free and Reduced Price Meals	March 2018	Oct. 2008
3554	BP/AR	Other Food Sales	BP-Nov. 2007 AR-Dec. 2013	Oct. 2008
3600	BP	Consultants	Dec. 2019	Oct. 2008

The district's board policy committee needs to immediately conduct a review of all CSBA policies and administrative regulations in the 3000 series and present a plan to the governing board for reading and adoption at future meetings.

Recommendations

The district should:

1. Ensure the board policy committee reviews CSBA board policies and develops a plan to update the district's business and noninstructional operations policies and administrative regulations that are not current to ensure they are compliant with current law.
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.
3. Develop new board policies and administrative regulations as needed.

Findings and Recommendations: Human Resources Department

Organizational Structure

FCMAT also conducted a review of the HR Department’s organization and staffing, operational processes and procedures, and workflow and distribution of functions. The team interviewed both certificated and classified management and nonmanagement staff from multiple departments.

The FCMAT team reviewed job descriptions available on the district’s website. Overall, the current human resources job descriptions are well written, and most included the personnel commission approval date (if applicable); however, many state that positions are under the “direction of the assigned administrator.” Including the title of the supervisory position would be more clear and specific. In addition, some job titles on both the district’s and the HR Department’s organizational charts do not match those on the approved job descriptions. The positions on the district’s organizational chart and the HR Department’s organizational chart displayed in the table below should be updated so the position title matches that in the respective job descriptions.

Job Description Title	Organizational Chart Title	Suggested Organizational Chart Title
Risk, Safety and Benefits Manager	Coordinator, Safety/Risk	Risk, Safety and Benefits Manager
Human Resources Analyst-Classified	Classified Human Resources Analysis	Human Resources Analyst-Classified
No existing job description	Human Resources Analyst	Human Resources Analyst*

* The organizational chart for 2019-20 has a vacant human resource analyst position with no corresponding job description available. The district needs to create a job description for this position and submit it to the personnel commission for approval.

The district’s HR Department is responsible for coordinating all aspects of personnel services. The district operates under a merit system, which is, according to the personnel commission’s 2018-19 annual report:

. . . intended to provide fairness, due process rights, and merit-based employment opportunities to classified employees. Its primary function is to ensure, to the greatest extent possible, that the District hires and promotes qualified employees through a consistent, lawful and job relevant testing and hiring process. This is accomplished through a set of rules and regulations adopted by the Personnel Commission of the San Lorenzo Unified School District. The Merit System rules and regulations are authorized pursuant to Article 6 of the Education Code, commencing with code section §45240 and concluding with code section §45320.

One of the duties of the personnel commission is to employ, supervise and evaluate a personnel director and any other employees paid from the commission’s budget (E.C. 45264). The district’s personnel commission currently employs 1.0 FTE director of classified personnel, 2.0 FTE human resource analyst-classified, and 1.0 FTE human resource technician (currently vacant).

There are two methods of staffing a personnel commission:

1. Sharing a full-time director of personnel and any needed technical staff with the district.
2. Employing its own full-time director of personnel and any needed technical staff.

Staffing at individual districts may vary but usually uses one of these two methods. In 2012, at the time of FCMAT’s previous study of the district, the district and the personnel commission jointly employed the assistant superintendent of human resources and shared the cost, supervision and evaluation of this position

(using method one above). If possible, this is the preferred method because it prevents duplication of work and promotes efficacy and efficiency in the department. Although it is not a merit system requirement, it is not uncommon for a separate director or supervisor of classified personnel to serve the personnel commission (method two above, and the district’s current arrangement). However, greater efficiency and a natural mitigation of potential conflict may be achieved if a district can function without two managers overseeing personnel functions.

FCMAT’s previous report on the district stated:

The district’s decision to have one assistant superintendent over all personnel functions is a prudent use of resources. Indications are that the governing board and the PC work well together and have worked with district administration to develop mutual respect for the duties and powers of each respective body.

In the spring of 2013, the district’s personnel commission hired a dedicated, full-time director of classified personnel. It was at this time that the district’s HR functions were divided into classified and certificated functions, and between the personnel commission staff and the HR department. This division of duties between classified and certificated employee functions effectively creates two human resources departments. Decisions about employing staff of the personnel commission is solely at its discretion. FCMAT believes that the personnel commission is overstaffed for the duties that fall within its scope. Duties that are specific to the personnel commission could be accomplished with two fewer FTE positions. Reorganizing the HR Department and reassigning job duties would reduce the separation between certificated and classified personnel duties that are not specific to the personnel commission and increase overall efficiency. While the personnel commission employees report to the commission, they are members of the larger HR Department and serve all employees. The separation has led to duplication of duties and a divided staff that cannot cross train or support one another.

FCMAT reviewed the HR Department’s organizational structure for 2019-20 as well as the structure from FCMAT’s May 1, 2012 study of the district. The current department staffing has 14.0 FTE positions, two of which are currently vacant.

Current Human Resources Department Staff Positions (Including Personnel Commission Employees, Excluding Teacher on Special Assignment)	
Position	FTE
Assistant Superintendent, Human Resources	1.0
Executive Assistant I	1.0
Director Classified Personnel ¹	1.0
Human Resources Coordinator (certificated staff only)	1.0
Risk, Safety and Benefits Manager	1.0
Human Resources Analyst (classified Only) ¹	2.0
Human Resources Technician (classified only) ¹	1.0
Human Resources Analyst (certificated only)	1.0
Human Resources Technician (certificated only)	2.0
Office Assistant (front desk)	1.0
Absence control specialist	1.0
Benefit Technician	1.0
Total FTE	14.0

1. Paid by the personnel commission

In the previous FCMAT study, the team found the workload to be imbalanced; however, there was a general determination that there was adequate staffing in the department. The district's enrollment has declined by approximately 1,200 students since then; however, overall staffing in the HR Department, including staff employed by the personnel commission, has increased by 6.0 FTE, or 75%, compared to the 2011-12 fiscal year. This is due in part to the change from the assistant superintendent of HR serving as both an employee under the district's governing board and as the chief officer for the personnel commission to employing a director of classified personnel and additional staff to serve only the personnel commission.

Human Resources Staffing Comparison

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 and merit system when choosing the comparison districts. Data for the comparison was taken from the CDE's DataQuest and Ed-Data websites, and department staffing information was obtained directly from the comparison districts.

Data for a comparison of HR department staffing levels was obtained from three California unified districts with student enrollment levels similar to that of San Lorenzo Unified School District that also have a merit system for classified employees. The comparable unified districts surveyed were Carlsbad, Lompoc, and Santa Monica Malibu. The data below indicates that the three comparison districts have an average of 11.5 FTE positions in their HR departments. The San Lorenzo Unified School District's HR Department has 14.0 FTE positions. Because the district is still in declining enrollment, FCMAT's opinion is that it is overstaffed by approximately 3.0 FTE. Once staff are trained, the district could achieve greater efficiency and further reduce staffing through attrition.

District Name	County	FTE*	2019-20 Enrollment**
Carlsbad Unified	San Diego	8.60	11,481
Lompoc Unified	Santa Barbara	8.50	9,626
Santa Monica Malibu Unified	Los Angeles	17.5	10,055
San Lorenzo Unified	Alameda	14.0	10,876

* For purposes of comparison, these FTE are for the assistant superintendent of human resources and supporting roles in core human resource functions. The table does not include teachers on special assignment as the positions do not perform core functions for the department. Any errors in FTE are due to FCMAT's interpretations of information shared in the informal survey.

** Enrollment data is from the California Basic Educational Data System

To help reduce staffing and to get a better understanding of the amount of time required for the tasks assigned to each position, the district should consider assigning the staff members in the department to complete a one-month time analysis of daily job duties. This often is referred to as a desk audit and can be completed in a few minutes at the end of each day, during which staff members write down the tasks worked on that day and the time spent on each major responsibility. This creates the information needed to analyze workloads, determine the efficiency of tasks, and prioritize work as needed.

Recommended Staffing

If the personnel commission and the district's governing board are amenable to sharing a common chief officer, returning to a structure similar to what the district had in the 2011-12 fiscal year would be efficient and could be as follows:

Option 1 Human Resources Department Staff Positions ¹	
Position	Full Time Equivalent (FTE)
Assistant Superintendent	1.0
Executive Assistant I	1.0
Director ²	1.0
Human Resources Analyst ²	2.0
Human Resources Technician ²	2.0
Office Assistant (front desk)	1.0
Absence control specialist	1.0
Total FTE	9.0

1. Includes recommendation four from the Business Office Comparisons section of this letter.

2. Partially paid by Personnel Commission based on time study.

If the personnel commission prefers to have dedicated staff, the structure and staffing could be as follows:

Option 2 Human Resources Department Staff Positions ¹	
Position	Full Time Equivalent (FTE)
Assistant Superintendent	1.0
Executive Assistant I	1.0
Director Classified Personnel ²	1.0
Human Resources Technician (Classified Only) ²	1.0
Human Resources Analyst	1.0
Human Resources Technician	2.0
Office Assistant (front desk)	1.0
Absence control specialist	1.0
Total FTE	9.0

1. Includes recommendation four from the Business Office Comparisons section of this letter

2. Paid by the personnel commission.

Recommendations

The district should:

1. Consider sharing staff between the HR Department and the personnel commission to achieve greater efficacy and efficiency.
2. Consider reducing HR Department and/or personnel commission staff by three FTE.
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.
4. Update its district and HR Department organizational charts to include the titles shown on the approved job descriptions.
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).

Departmental Operations

Information from interviews suggests that the HR Department provides poor customer service. Most staff interviewed indicated that the department is not responsive to requests from other departments due to poor communication. Support staff indicated that there are often delays in information and decisions from the assistant superintendent and that department staff are not properly trained or empowered to do their work.

FCMAT heard multiple reports of delays in the hiring of certificated, classified and management staff. There is a common understanding that customers must closely monitor the HR Department to ensure requests are completed, and a belief that the district has lost good candidates because of the delays.

FCMAT reviewed the newly implemented hiring process for classified management, which occurs after the personnel commission has certified an eligibility list. The process calls for essentially repeating the personnel commission procedures except for any testing that may have occurred. This is excessive and inefficient. Once the personnel commission certifies the eligibility list, the district needs to conduct the selection interview. The selection interview could be a cabinet level interview, or it could be delegated to the individual cabinet member of the department filling the vacancy. Repeating the comprehensive process performed by the personnel commission unnecessarily prolongs an already lengthy process. When hiring a classified management position that is exempt from the merit system, following a process similar to that used to fill certificated management positions may be more efficient.

Staff interviewed also commented that a classified manager was hired with a promise from the assistant superintendent of human resources of a higher salary than was set for the position by the personnel commission. When the employee started working for the district, they were denied the promised salary and subsequently left the district shortly after.

All interviewees commented on the poor transition to the current electronic absence tracking system. In addition to a lack of training and communication, numerous errors were made in employee leave balances. It was made clear to the FCMAT team that there is widespread frustration and anxiety about the errors and about the delays in making corrections.

FCMAT has developed an extensive list of standards to evaluate the personnel management functions of public school agencies. These standards cover general functions such as policies and procedures, job descriptions, internal and external communication, employee recruitment, selection, orientation and training, state and federal compliance, use of technology, evaluation and due process procedures, employee services, and employer and employee relations. The district should review all the standards to ensure they are being met and to help develop best practices for its personnel operations. The standards may be accessed and downloaded via the [this link](#), and begin on page four of the document:

Recommendations:

The district should:

1. Ensure that all managers and staff in the department understand the importance of providing good customer service to others.
2. Ensure that staff are properly and continually trained, and empower them to perform their job duties.
3. Eliminate the steps that duplicate the personnel commission's work 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.
5. Review FCMAT's list of standards for personnel management functions and ensure they are being met.

Internal Controls

Proper internal controls require that more than one employee be able to perform each job. Internal controls are a means by which an organization's resources are directed, monitored and measured. They play a critical role in preventing and detecting fraud and protecting an organization's resources. Each staff member should be required to use accrued vacation time, and another staff member should be able to perform those duties and provide good customer service. Employees in the HR Department work near one another, which should provide many opportunities for cross training, thus helping to better manage workflow and provide for proper internal controls.

The HR Department lacks desk manuals. Such manuals typically include step-by-step procedures for all job duties, and workflow diagrams, to ensure proper internal controls and provide a better understanding of duties and their timelines. Having desk manuals would allow for cross training and a way to share routine procedures more easily when new employees join the department.

These manuals also do the following:

- Ensure consistent application of internal controls and designate the responsibilities each position has for that process.
- Help fill gaps in training that may remain after employee turnover, and are especially helpful to new staff.
- Provide guidelines for training, including cross training; help preserve institutional knowledge; and eliminate dependency on one person.
- Ensure staff members follow the latest and most efficient procedures and effectively document and monitor segregation of duties.

These documents become particularly important when employees leave the district, are on vacation, or are absent for a long time. Most of the employees interviewed indicated they did not have desk manuals, and only one outdated collection of documents was provided to FCMAT by the district.

Recommendations

The district should:

1. Ensure that effective internal control processes have been implemented and that employees are cross trained in all key areas of responsibility.
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.
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.
4. Ensure that training and professional development are provided as needed to HR staff for their assigned areas of responsibility.
5. Create workflow diagrams to help employees better understand and coordinate with other departments and positions.

Organizational Culture

Overwhelmingly, staff expressed frustration with and concern about accuracy and service from the HR Department. There is consensus that this stems from the poor personal and professional relationship between the assistant superintendent of human resources and the assistant superintendent of business services. Staff within and outside of both departments described frequent errors, a lack of customer service, and tension and animosity created by what they believe to be unprofessional behavior on the part of two employees in high ranking positions. Interviews indicated that shouting between the two individuals could be heard on several occasions. Unanimously, staff cited these two individuals' behavior toward one another as the chief influence on the culture in the organization. Leadership staff expressed frustration at the length of time it takes to fill a position, a lack of training on how to navigate the process, and inequities in how different departments are treated by the assistant superintendent of human resources.

To lessen the effect each of them has on the other's department, the two assistant superintendents decided, in cabinet, to have all departmental communication between HR, payroll and position control run through the assistant superintendent of human resources. This is at best impractical and inefficient and at worst damaging to the entire organization. Employees are no longer encouraged to work together to solve problems; this creates an environment in which employees do not feel appreciated, valued or empowered to do their jobs.

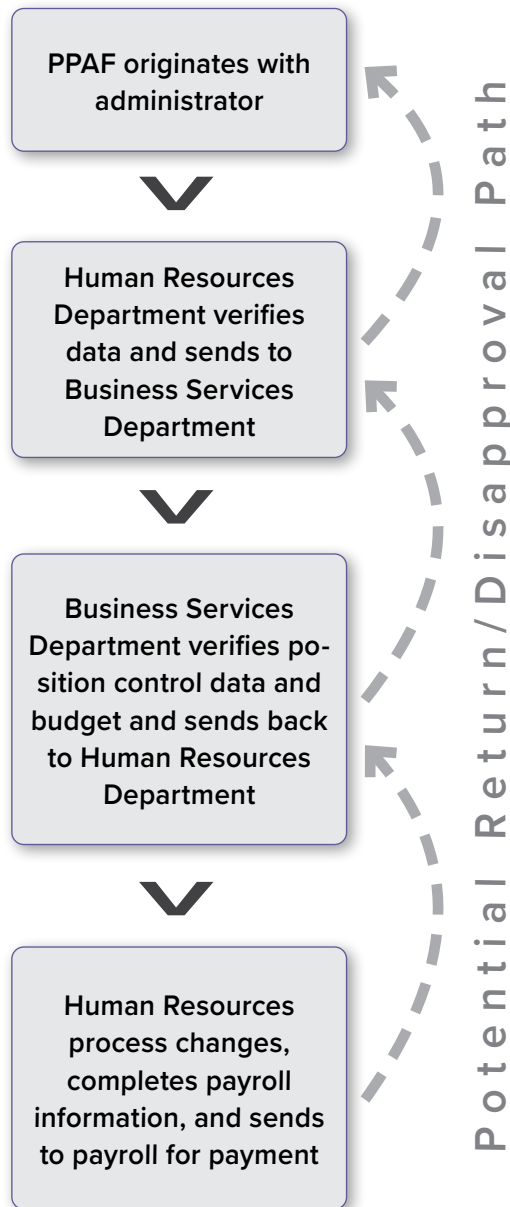
Every school district is a unique culture that is usually informal but is shaped by the actions of its leaders over time. Employees are the most valuable assets a district has, and the organizational culture in which they operate directly affects their performance. Although most employees were complimentary of each other and their working relationships, there is general anxiety because of the ongoing discord between the assistant superintendents. The district would benefit from a review of the comprehensive standards for personnel management.

The HR and Business Services departments are unavoidably interdependent, yet there is no collaboration between the HR Department staff and the personnel performing payroll functions or those responsible for position control. Without notification from HR that an employee exists, payroll cannot be processed for that employee, and the two areas are prevented from working together to create a sound position control system for budgeting purposes. It is vital for these departments to work closely with one another.

One example of the lack of collaboration is in the process for hiring new staff and the PPAF form. In interviews, staff indicated that hiring an employee is a mysterious process that must be monitored at every step. Managers have lost viable candidates because the process takes so long. The Business Services and HR departments are both deeply involved in processing positions and hiring employees for those positions.

The PPAF guides the process as shown in the diagram on the following page:

Current PPAF Form Workflow



The potential for delay in this process exists at every step and can cause both delayed hiring and delayed or incorrect payment to employees. According to staff, forms that are incomplete or incorrect are routinely returned to the previous step for correction, causing delays.

The HR and Business Services departments do not have regular meetings with one another. Human resources, payroll and position control personnel need to meet regularly to help ensure better communication, resolve current issues, plan for future events, and promote a sense of teamwork. No formal training is provided to school site personnel, administrators and support staff on HR processes, procedures and timelines. Staff stated in interviews that incorrect paperwork was sent back to the originator without follow up, creating delays in hiring and paying employees. The district needs to implement both meetings and training. In addition, ongoing information and training needs to be provided at the administrators’/principals’

meeting and/or at separate training sessions to improve communication and discuss changes in processes and procedures.

The district has a history of promoting employees into positions without providing ongoing training, leading to errors and delays. Employees new to the organization or to a position should receive regular, targeted training to help them perform their job duties. The district spends considerable funds on recruiting employees; it should invest in continued training and development to retain them.

Recommendations:

The district should:

1. Ensure district leaders set the example for and encourage a climate of collaboration, teamwork and open communication among all departments and school sites.
2. Ensure that all staff in the district office understand the importance of providing customer service to others.
3. Convene regular meetings of HR and payroll staff to discuss ongoing issues, develop solutions to common problems, and improve communication between the departments.
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.

Appendix A

Update on Items Identified in Prior FCMAT Study

In the fall of 2011, the district engaged in a similar study of the district's HR Department. Published May 1, 2012, much of the report focused on lack of written procedures, training, and out-of-date policies and regulations. FCMAT has included below a progress report on implementation of the recommendations from that report. Because the two reports are not identical in scope, not all recommendation from the previous study were reviewed.

Human Resources Department Operations

Recommendations

1. Consider negotiating with SLEA to eliminate the step of grievances being sent to the governing board for review and possible decision, prior to arbitration.

Not implemented. The district increased from 10 to 15 days the time allowed for a grievance to be sent to the governing board for review and possible decision prior to arbitration.
2. Consider assigning each HR Department staff member to complete a one-month time analysis of daily job duties, and then reallocate duties, as necessary.

Not implemented.
3. Ensure that effective internal control processes have been implemented and that employees are cross trained in all key areas of responsibility.

Not implemented. There is little cross training in the department.
4. 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.

Not implemented. One desk manual was provided with some step-by-step instructions for some processes, but it also included processes the district no longer uses. Desk manuals should have step-by-step procedures for all assigned duties. The manuals should be reviewed annually and updated when changes occur.
5. Implement a schedule for other employees in the HR Department to be responsible for phone and foot traffic when the absence control specialist's desk is impacted and during break periods.

Implemented. A reception area housing the switchboard was established at the main entrance at the district office. This change relieved the absence control specialist from having to route telephone and foot traffic.
6. Consider office space restructuring, such as installing partitions or desk shelves and clearly delineating a space for receptionist functions, to ensure confidentiality.

Implemented when the reception area was established at the main entrance to the district office.

7. Provide a more private space for conferencing with employees and/or discussing personnel topics of a sensitive nature.

Not implemented. Staff indicated that this issue continues.

8. Utilize the position control system to its fullest extent and ensure that employees are adequately trained in its use.

Implemented. Continued recommendation to ensure employees are trained in the use of the position control system.

9. Immediately update the board policies and administrative regulations relating to personnel and develop a plan to keep them current.

Partially implemented. Some policies and regulations have been updated but most have not. Policies are absent in some key operational functions, such as criminal record checks, employment of relatives, dress and grooming, unauthorized release of confidential information, and work-related injuries.

10. Consider providing positive communication regularly from the HR Department, such as an email newsletter or blog.

Not implemented.

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

FCMAT did not perform a full review of the items listed in the standards for personnel management functions. This is a repeated recommendation as it is best practice. The standards can be found in FCMAT's standards for comprehensive reviews on its website at <https://www.fcmat.org/fiscal-documents>.

Employee Recruitment and Selection

Recommendations

1. Be vigilant and consistent in all merit system procedures, including testing protocols.

In the research and interviews performed for the study, FCMAT found that the district follows merit system procedures.

2. Consider the use of HR Department employees, at least periodically, to oversee oral interview board procedures.

Partially implemented. Interviews with staff indicated that this has happened in the past, but the practice has been discontinued. This is a best practice and should be implemented.

3. Consider implementing a job classification study cycle.

Not implemented. The district performed a job classification and compensation study for classified personnel but did not establish an ongoing study cycle.

4. Consider taking the necessary steps to eliminate Section 6.4 A. from the Rules and Regulations for the Classified Service.
Not implemented.
5. Consider including in its hiring process the practice of instructing paper screeners and interviewers to inform the HR Department if a person they are related to is a candidate for the position.
Not implemented. The district did not submit documents indicating that paper screeners and interviewers should inform the HR department if a person they are related to is a candidate for the position.
6. Ensure that relatives of a candidate are not included in the hiring process for that position.
The district did not submit hiring procedures for review.
7. Centralize more of the hiring processes for certificated positions.
Not implemented.
8. Define a clear paper-screening protocol for certificated and administrative positions.
Implemented. The district created a paper screening protocol with different instructions for classified or certificated candidates.
The district did not submit hiring procedures for review.
9. Use different groups of individuals to paper screen and interview for administrative positions.
The district did not submit hiring procedures for review.
10. Ensure that site and department managers are provided with written procedures regarding the proper use of substitute employees and are held accountable to follow them.
Not implemented.
11. Ensure that the HR Department only authorizes the use of substitute employees for appropriate employee leaves/absences or for short-term vacancies while seeking applicant pools and developing eligibility lists.
Not implemented.
12. Determine if substitute employees are to be evaluated. If so, implement a consistent and clear process of evaluation.
The district did not submit information on evaluations.
13. Continue using employment eligibility lists as a source for classified substitutes.
Continued recommendation.
14. Develop and implement a substitute employee handbook and training program.
Not implemented. The district began outsourcing certificated substitutes and leaves all training to the company that employs the substitutes. District staff provide no training for either certificated or classified substitutes.

Appendix B

Study Agreement



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
March 5, 2020**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the San Lorenzo 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 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.

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 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, preparing or presenting reports and 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 \$28,000.

- 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 17th 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 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 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**

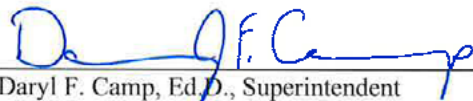
During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with San Lorenzo 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**

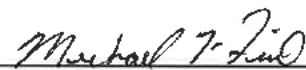
Name: Daryl Camp, Superintendent
 Telephone: (510) 317-4690
 E-mail: dcamp@slzusd.org



Daryl F. Camp, Ed.D., Superintendent
 San Lorenzo Unified School District

4/7/2020

Date



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

March 5, 2020

Date