



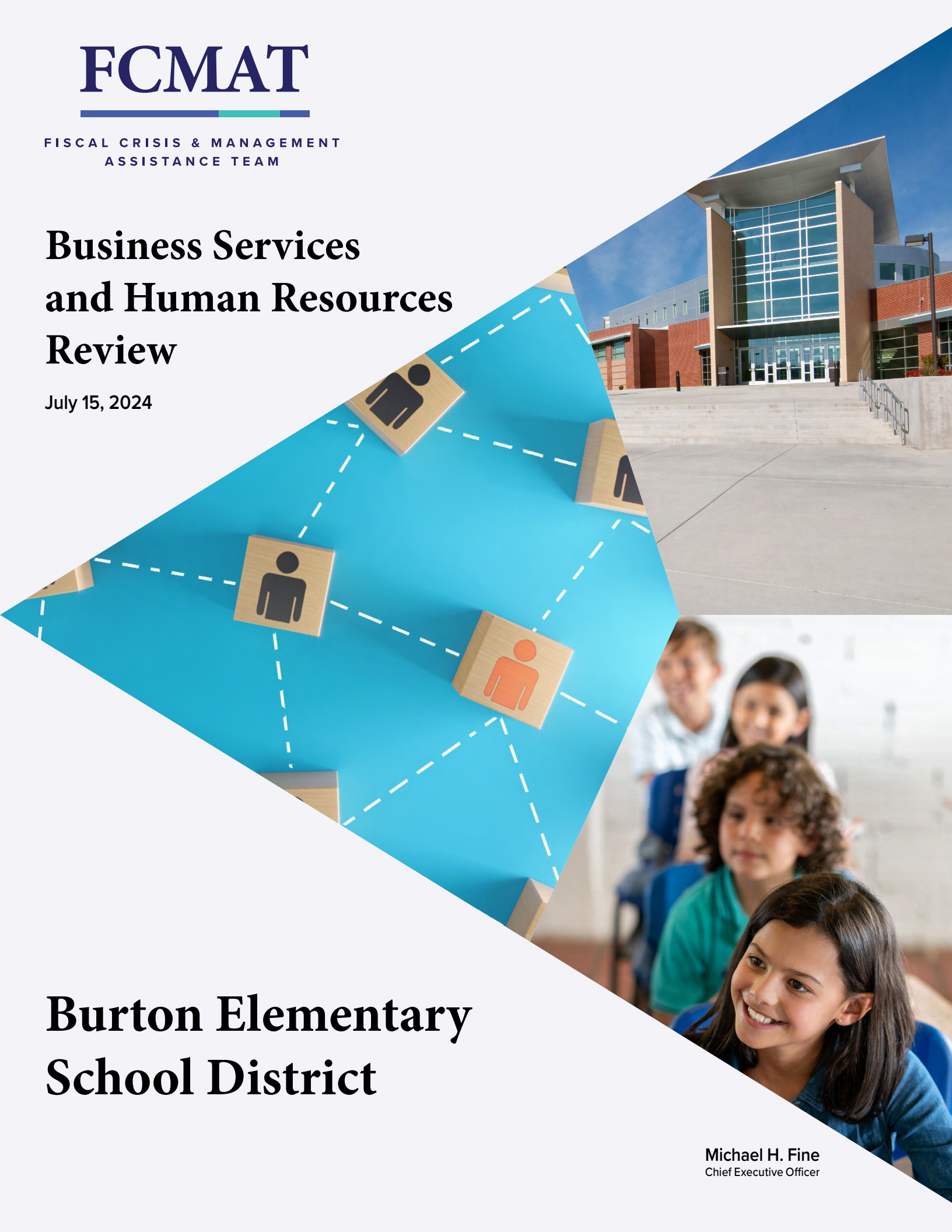
FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Business Services and Human Resources Review

July 15, 2024

Burton Elementary School District

Michael H. Fine
Chief Executive Officer



July 15, 2024

David Shimer, Superintendent
Burton Elementary School District
264 N. Westwood St.
Porterville, CA 93257

Dear Superintendent Shimer:

In December 2023, the Burton Elementary 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. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
 - Budget development
 - Budget monitoring
 - Position control
 - Payroll
 - Accounts payable
 - Accounts receivable
2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any.
3. Evaluate the current workflow and distribution of functions within and between the above departments and make recommendations for improved efficiencies, if any.
4. Conduct an organizational and staffing review of the above departments and make recommendations for staffing improvements and organizational restructuring, if any.

This final report contains the study team's findings and recommendations. FCMAT appreciates the opportunity to serve the Burton Elementary 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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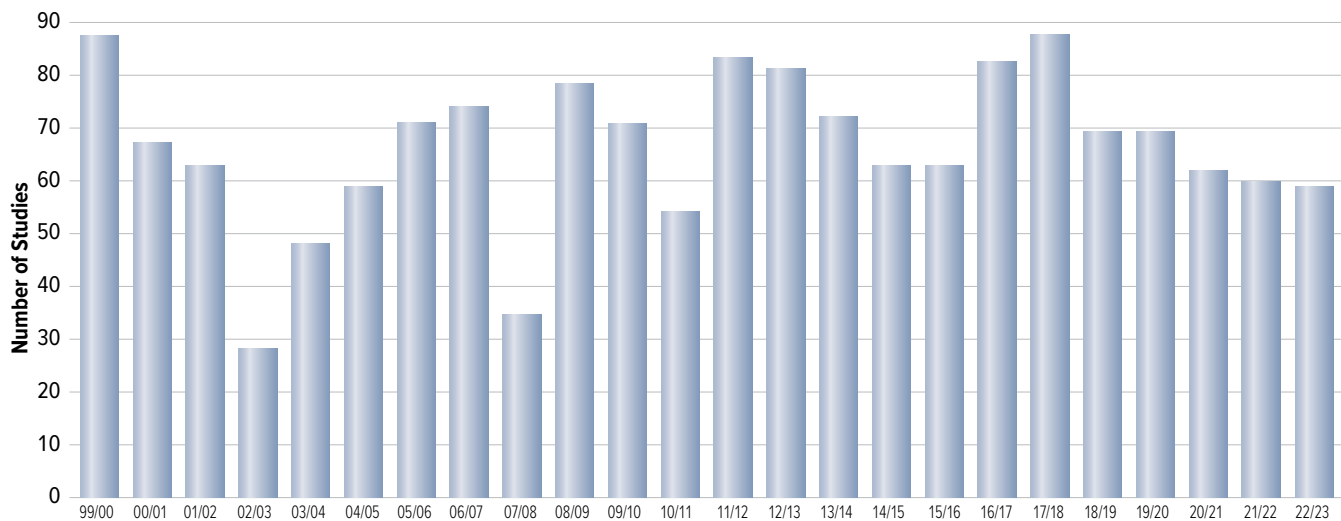
About FCMAT

FCMAT's primary mission is to assist California's local TK-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 TK-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 1991 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 1,400 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

The Burton Elementary School District is in the city of Porterville, in Tulare County, CA and serves approximately 4,784 students at nine schools. The district serves 2,406 students in five traditional schools for grades TK-6 and 2,384 students in a charter school for grades TK-12 at nine school sites, including one comprehensive high school and one homeschool program.

According to the Educational Data Partnership (Ed-Data), since 2018-19, enrollment in the district's traditional schools has declined by 11.41% while enrollment in its charter school has increased by 9.53%. The district's overall enrollment decreased by 2.1% from 2018-19 through 2022-23. Certified 2023-24 enrollment figures were not available at the time of this report.

The district's human resources (HR) team is made up of approximately six staff members who serve more than 671 classified and certificated employees in approximately 592 full-time equivalents (FTE) positions. The district's business services team is made up of 10 staff members who manage a general fund budget of approximately \$83 million, including approximately \$64 million in salaries and benefits.

Study and Report Guidelines

In December 2023, the Burton 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. FCMAT visited the district on April 15-18, 2024 to conduct interviews with district and school staff, collect data and review documents. 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:

Robbie Montalbano, CFE
FCMAT Intervention Specialist

LuAnn Lantsberger
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

The district's student enrollment peaked at 4,920 in 2017-18 and has declined overall since, with some years remaining stable. Although the overall decline since 2017-18 is approximately 2.7%, the district has experienced an increase of approximately 12% in its charter school enrollment and a decline of 14% in its noncharter enrollment. This is important because charter schools cannot use a prior-year or three-year average ADA calculation for funding if enrollment declines in the current year, so if enrollment declines the financial loss will be immediate. In addition, although noncharter enrollment is cushioned to a certain extent by the ability to use a three-year average or prior-year ADA calculation for funding, if enrollment stabilizes at a lower level, the decline in finances will eventually be felt. The district operates the charter as schools within the district, known as a dependent charter; the charter board is advisory only, and all charter expenses are accounted for in the district's general fund.

The district has many processes that use paper documents, which increases both the amount of time it takes to complete tasks and the risk of error. Some tasks are duplicated because they are performed on paper and then entered manually into an electronic system.

The district lacks a position control system. Although staff have worked diligently to document all positions and transactions, the district needs a comprehensive system; ideally, one that integrates with its financial system. The district uses the financial system provided by the Tulare County Office of Education, called SACS¹, which does not have an integrated position control module.

School districts should be staffed according to the basic theories of organizational structure and the standards used by other local educational agencies (LEAs) of similar size and type. A review of comparable LEAs and interviews with staff indicate that the district's Business Services and Human Resources departments are adequately staffed. However, efficiencies can and should be achieved in both departments. The district lacks or has incorrect job descriptions for both its Business Services and Human Resources departments.

There is tension between upper-level management in both departments that is felt in the district office as well as throughout the larger organization. Despite this, the business services and human resources staff work well together on the day-to-day tasks that intersect.

A large amount of employee turnover in the district and a lack of clear communication have left employees with a high level of frustration. Interviews with staff throughout the district revealed that most do not know the correct person to call about particular questions or issues, so they call whoever they know who may be able to get them what they need. Although it takes time to produce, a directory for each department and site in the district and their general duties could help direct inquiries from new employees and in emergencies when memory may not work as well. Such a directory should be updated as often as necessary when staff or duties change. Although changes in departments have been communicated districtwide via email, this method of communication is not working effectively.

Processes in both the Business Services and Human Resources departments are antiquated, labor-intensive, and rely heavily on paper. Staff described processes that rely on paper documents and then double entry in various systems and multiple checkpoints with other paper processes to verify accuracy in payroll as well as for employee leaves.

¹The system was named after but is separate and distinct from the state's system, the Standardized Account Code Structure. The county office of education refers to it by the acronym SACS.

Findings and Recommendations

Organization and Staffing

Span of Control

Span of control refers to the number of subordinates who report directly to a supervisor. Although there is no agreed-upon ideal number of subordinates for span of control, the span can be larger at lower levels of an organization than at higher levels because subordinates at lower levels typically perform routine duties that are easier to supervise.

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, in which a subordinate is accountable to only one supervisor, thus eliminating the potential for conflicting direction from multiple supervisors; and the scalar principle, in which authority and responsibility flow in a direct vertical line from top management to the lower levels. The result is a hierarchical division of labor.

Line and Staff Authority

A school district's organizational structure has both line and staff authority. Line authority is the relationship between supervisors and subordinates and refers to the direct line in the chain of command.² For example, in the Burton Elementary School District, the superintendent has direct line authority over the executive director, human resources, and the executive director has direct line authority over the director of human resources.

In contrast, staff authority is advisory. Staff personnel do not have the authority to make and implement decisions, but act in support of supervisors who have line authority. Management positions are responsible for supervising employees and the work of their respective departments. They must ensure that staff members understand all district policies and procedures and perform duties in a timely and accurate manner. A manager also serves as the liaison between their department and others to identify and resolve problems and design and modify processes and procedures as needed. Management positions are typically not responsible for routine daily functions; these are best assigned to department staff.

Organizational Charts

Organizational charts are useful graphic representations of the roles, responsibilities, and relationships between positions within an organization. They can depict the structure of an organization as a whole or broken down by departments or units. Organizational charts typically show the organization's chain of command, which benefits an organization by increasing efficiency, supporting all employees, simplifying delegation, creating and clarifying accountability, and standardizing communication.

²Daft, R. L. (2001). *Organization Theory and Design*. South-Western College Publishing.

Job Descriptions

Job descriptions should be updated regularly to reflect the changing requirements of each position. The Society for Human Resource Management recommends updating job descriptions annually or when there is a meaningful change in job responsibilities. As job descriptions are updated, including the date of board approval can ensure the most current descriptions are posted on the website and are used for recruiting and as a reference for current employees and managers. Many positions in the district's Business Services and Human Resources (HR) departments either lack job descriptions or have incorrect ones. Specific job descriptions are discussed in the Business Services and Human Resources sections of this report.

Staffing Comparison

FCMAT compared the district's HR and business staffing with that of three districts of similar size and structure. Although comparative information is useful, it should not be 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. When choosing comparison districts, FCMAT considered district type, student enrollment, unduplicated pupil percentage³, and general and charter fund expenditures. Data for the following comparison was taken from the [Education Data Partnership \(Ed-Data\)](#) website, and department staffing was obtained directly from the comparison districts.

Data for the comparison of the Business Services and HR departments' staffing was obtained from the Windsor Unified, Orcutt Elementary, and Encinitas Elementary school districts, all of which have enrollments similar to that of Burton Elementary. Because Burton Elementary has approximately half of its enrollment in a TK-12 charter school, the study team included unified school districts in the comparison. The team also reviewed neighboring districts in Tulare County. However, the most similarly-sized districts are Lindsay Unified, which is much smaller at 3,976 students, and Tulare Joint Union High School District, which is much larger at 5,745 students.

Based on these comparisons and on staff interviews, Burton Elementary appears to be adequately staffed for its size and its operations. Efficiencies and shifting some duties in various areas would benefit the district by alleviating workflow inefficiencies. Specific staffing comparisons are discussed in the Business Services and Human Resources sections of this report.

Business Services and Human Resources Staffing in Selected California School Districts

District (County)	Burton (Tulare)	Windsor (Sonoma)	Orcutt (Santa Barbara)	Encinitas Union (San Diego)
District type	Elementary (K-12 charter)	Unified	Elementary	Elementary
Enrollment (2022-23)	4,772	4,685	4,758	4,813
Expenditures (Funds 01 and 09) (2022-23)	\$82,969,790	\$72,635,223	\$66,276,456	\$79,037,717
Business Services FTE	10.0*	10.0	7.0	9.0
Human Resources FTE	6.0	4.0	3.0	7.0

*Includes 1.0 FTE accounting technician located in the Expanded Learning Opportunities Program (ELOP).

³This is the percentage of students who are English learners and/or foster youth and/or who qualify for free or reduced-price meals. No student is counted twice, even if they meet more than one of these criteria.

Business Services Department Processes and Procedures

Budget Development

A school district is required to adopt its annual budget within the statutory timelines established by Education Code (EC) 42127. School district budgets are not static: the estimated revenues, expenses and ending balance of each fund can change throughout the year because of items such as the state budget, enrollment and attendance, changes in personnel, and negotiated agreements with employee bargaining groups.

Budget development is a detailed process that typically begins during or before January of the preceding fiscal year. During budget development, position control is revised and updated, revenues and expenses are estimated, and a district aligns its budget with its local control and accountability plan (LCAP), which prioritizes a district's goals and the actions needed to achieve those goals. Effective budget development includes using a budget calendar so all who participate in budget development are aware of and meet deadlines. The budget cycles for multiple years typically overlap. For example, the unaudited actuals and the audit for the prior year occur while the first interim for the current year is prepared.

The district provided copies of budget calendars for 2022-23, 2023-24 and 2024-25. Although the calendars list major milestones such as first interim and reviewing school allocations, they lack enough detail to be useful. Deadlines are listed as "month – year" for most items, with a few specific dates for purchase order cutoff and budget adoption in June 2024. Responsible individuals and departments are generic, such as "cabinet" or "business." The district would benefit from a calendar that includes tasks such as those listed below, deadline dates for completion, and the staff member(s) responsible for each:

- Position control updates.
- Student enrollment and attendance projections.
- Local control funding formula (LCFF) calculations.
- Staffing projections.
- Distribution and return of school and department budget development worksheets or packets.
- LCAP preparation, review and update timelines for the year.
- Interim reporting tasks and deadlines.
- Purchasing cutoff dates.

The director of fiscal services has primary responsibility for managing and performing budget development, including calculating non-LCFF revenue, preparing budget and interim forms, financial reporting for the LCAP, calculating salary and benefit expenditures, and projecting cash flow. The chief business official (CBO) is responsible for the LCFF calculations, enrollment projections, multiyear projections, and board presentations. The district has experienced significant turnover of staff, and duties are slowly being transitioned to new staff members. The district maintains a comprehensive list of duties by position and updates it as duties are transitioned to new staff members. The district will need to continue transitioning duties to new staff and provide the necessary training and cross-training. This will help with budget development and strengthen the district's internal controls.

Unrestricted general fund allocations to schools follow a formula based on enrollment. Categorical fund estimates are allocated by school, according to program-specific requirements or enrollment and are revised in the fall when final enrollment is known.

In interviews, department and school managers consistently reported having access to their budget information in the district's financial system. The process described in interviews was that department and school managers are given a draft budget in April and then true-up budget figures in the fall.

The Business Services Department did not provide documents outlining its budgeting procedures.

Recommendations

The district should:

1. Develop a detailed budget calendar that lists tasks, deadlines, and the name or position of each individual responsible for completing each task.
2. Distribute the budget calendar to all who are responsible for completing the listed tasks.
3. Create written procedures for budget development that align with the budget calendar.

Budget Monitoring

A school district's budget is dynamic; it fluctuates daily because revenues, expenses and ending balance for each fund can change with changes in state budget projections, personnel, and negotiated agreements with employee bargaining units. Budgets require regular monitoring and adjusting throughout the fiscal year to ensure appropriations are not overspent, revenues remain appropriately projected, and actual expenditures are not materially different from those budgeted. With regular monitoring by both program and fiscal staff, revisions can be made. Conditions for budget adjustment and budget transfers are addressed in EC 42600–42603 and 42610. EC 42600 states, in part:

The total amount budgeted as the proposed expenditure of the school district for each major classification of school district expenditures listed in the school district budget forms prescribed by the Superintendent of Public Instruction shall be the maximum amount which may be expended for that classification of expenditures for the school year.

EC 42600 also states the following:

Transfers may be made from the designated fund balance or the unappropriated fund balance to any expenditure classification or between expenditure classifications at any time by written resolution of the board of education of any school district governed by a board of education, when filed with the county superintendent of schools and the county auditor, or by written resolution of the board of trustees of any school district not governed by a board of education, when approved by the county superintendent of schools and filed with the county auditor. A resolution providing for the transfers specified in this section shall be approved by a majority vote of the members of the governing board.

In addition, monitoring the budget is important to ensure that financial, operational, and capital plans approved as part of budget adoption are implemented. Budget monitoring is also crucial to an organization's ability to enforce accountability for spending. Comparing the budget to actual expenditures is the starting point for budget monitoring and should also include how well the organization is delivering programs and initiatives. If conducted consistently, thoroughly and clearly during the year, budget monitoring

will provide information that leads to effective implementation of programs and collaborative partnerships between business and program staff.

Budget revisions usually fall into the following three main categories:

- Material increases and decreases to estimated income and expenditure appropriations resulting from the receipt of new grant awards, donations, or changes in average daily attendance that affect the local control funding formula (LCFF) projection.
- Budgeted carryover balances from prior years.
- Adjustments to expenditure appropriations to prevent budget overruns.

The best practice is to make budget revisions as additional information develops, as district needs change, and as often as is necessary to maintain an up-to-date budget. However, at minimum, budget revisions should be made by the deadlines set in EC 42130 for the first and second interim financial reports.

Interviews with staff indicated that budgets are monitored at both the department and school level and at the district level. Department and school managers manage their respective budgets throughout the year and initiate budget transfers through the Laserfiche software. When transfers are approved, the director of fiscal services updates the budget in the financial system (SACS). The director of fiscal services monitors the remainder of the budget mainly at the first and second interim reporting periods. No documents showing the budget transfer process were provided.

Recommendations

The district should:

1. Create detailed written procedures for budget transfers in Laserfiche for school and department administrators.
2. Create detailed written procedures for budget transfers in SACS for responsible district-level staff.

Position Control

One of the most critical elements in budgeting for expenditures is accurately projecting employee salary and benefit costs. These costs are the largest part of school district budgets, averaging approximately 86% of unrestricted general fund expenditures in school districts throughout California (based on the latest data available in Ed-Data from 2021-22).

Accurately projecting these costs requires reliable data. Position control is a system of tracking this information based on positions rather than employees; it includes creating, maintaining and monitoring positions and their associated budgets. Position control is the best way to keep track of all positions in an organization, regardless of whether they are filled or vacant. In school districts, the HR and business departments need to manage position control collaboratively.

To be effective, the position control system must integrate with the financial system, including payroll. If these functions do not integrate automatically, a district must have procedures for manually reconciling position control to budget and payroll.

A reliable position control system requires internal controls, including separation of duties, to ensure that only board-authorized positions are entered into the system, HR hires only for authorized positions, and

payroll pays only employees in authorized positions. The following table shows a suggested distribution of labor between the Business Services and HR departments to help ensure the necessary internal control structure for position control.

Suggested Distribution of Labor to Ensure Internal Controls for Position Control

Task	Responsibility
Approve or authorize position	Governing board or designee
Input approved position into position control, with estimated salary/budget. Every position is given a unique number.	Human Resources Department
Review salary/account codes.	Business Services Department
Enter demographic data, including the following: Employee name Employee address Social security number Credential Classification Salary schedule placement Annual review of employee assignments	Human Resources Department
Update employee benefits. Update salary schedules.	Human Resources or Business Services
Review and update employee work calendars. Update employee step and/or column placement.	Human Resources Department
Account codes Budget development Budget projections Multiyear projections Salary projections	Business Services Department

The district uses the financial software provided through the Tulare County Office of Education, a web-based system called SACS. According to the district, it lacks a fully functional and integrated position control module. The district has been using an outdated system of managing position control through multiple spreadsheets in both the business and HR departments. This is an antiquated approach and lacks the automated integration that a fully functional system would provide. In the past few months, the district has made a concerted effort to condense the information into one spreadsheet workbook that contains a list of positions separated into certificated, classified and management/confidential categories. Position numbers are assigned with a prefix of 1- for certificated, 2- for classified and 3- for management/confidential. The main position numbers are not unique, which means different positions in the district can and do have the same main number, including the following:

- 1-23001 TK Teacher at Burton Elementary School
- 2-23001 Instructional aide funded through 2025-26
- 3-23001 Superintendent

The workbook does not include essential information such as board approval date, workdays or calendar, pay cycle, account code(s), or rate of pay. The end date for 2-23001 is noted only in the position description and could easily be overlooked when budgeting for 2026-27. A notes column includes references to a position that is temporary or that is reduced as of a certain date. The workbook does include fields for the start and end dates for each position, but only some data for classified staff is populated. Vacant positions are tracked on a separate tab in the workbook that combines certificated, classified, management and confidential vacancies. Inconsistencies in the data could result in errors both in hiring and in paying employees. For example, position number 2-23003 is listed as vacant; however, it is still listed on the classified position

control tab with the previous employee's name and no end date. It is unclear whether the former employee is still working for the district in that position while the district is recruiting. It is clear from the inconsistencies in the spreadsheet that the district lacks a process for verifying completion. The district is at high risk for errors in this area.

The district has designed an approval process for position control using Laserfiche. Staff described this process; however, there is no detailed documentation for it. A personnel control form is generated in Laserfiche and then routed through levels of approval before advertising and hiring. Because the Laserfiche and spreadsheet systems do not integrate, district staff must enter much of the same data into both systems.

Human resources, payroll, and fiscal functions are inextricably linked, and efforts to understand each department's work and jointly solve problems as they arise should be a priority. Without notification from HR that an employee exists, payroll cannot be processed for that employee. Similarly, without timely notification from HR that an employee has resigned or has no accrued leave remaining, payroll could overpay that employee. The Business Services and HR departments need to meet regularly to maintain an effective position control system. Although staff indicated that meetings were scheduled in the past, they were frequently canceled. In addition, the district lacks written procedures with step-by-step instructions for establishing each department's respective role and ensuring a proper separation of duties.

Recommendations

The district should:

1. Create written procedures with step-by-step instructions that establish each department's respective role and ensure a proper separation of duties.
2. Create written procedures with step-by-step instructions for completing the position control spreadsheet workbook, including a method for verifying the completion of each task.
3. Update its position control spreadsheet to include board approval date, workdays or calendar, pay cycle, account code(s), and rate of pay.

Payroll

The process of compensating employees for their work is one of a district's essential functions. It requires absolute collaboration between departments and schools as well as continual training. The standard payroll process is extremely detailed and highly technical. The time between payroll cycles is short, and a successful process depends on a commitment to established calendars and deadlines. The degree of technical complexity involved when new positions are created, employee assignments are revised, salary increases are negotiated, or unusual compensation agreements are reached is significant and is highly vulnerable to error. Having key staff with proper training helps ensure accuracy and a seamless workflow. Such payroll activities include but are not limited to the following:

- Establishing a payroll calendar and related deadlines for processing.
- Reviewing personnel action forms from HR to ensure that everyone who is employed is paid and that termination of employees is timely.
- Processing wage garnishments and other employee deductions.
- Tracking absences, sick leave, and vacation accruals

Payroll involves accurate and sometimes complex calculations of total earnings, retirement, taxes, and other withholdings. Although any of these steps can be performed manually, an automated process is more efficient and reduces the potential for error.

The district's payroll functions are performed by two full-time accounting technicians: one processes certificated payroll and the other classified payroll. In addition, the specialist fiscal services position processes payroll for confidential and management staff. Even with this staffing level, both accounting technicians work considerable overtime. Dividing payroll alphabetically by employee last name would be more effective. This method ensures that both accounting technicians are trained in payroll for all types of employee positions. Two accounting technicians should be sufficient to process payroll for the district without large amounts of overtime. Efficiencies described in this section need to be implemented to reduce the amount of overtime worked.

Regular employees are not required to complete a time sheet for assigned hours. The only time sheets processed are for substitutes, overtime, extra time and stipends. Given the number of additional programs the district operates, this can be a significant number at any given midmonth payroll. The payroll process described to FCMAT is that schools submit time sheets and sign-in/sign-out sheets by the due date noted on the payroll calendar. The accounting technician – payroll reviews and compares substitute time sheets meticulously against sign-in/sign-out sheets, does the same for regular employee assignments, double-checks every calculation on every paper time sheet, and checks for approval signatures and corresponding absences in *Frontline* (the district's absence and substitute management system). Because all time sheets are in paper form, this process is labor-intensive, and that intensity is magnified by the extremely short timeline for ensuring employees are paid. Automating the process for substitutes and employees to record additional time would reduce the administrative burden and time spent verifying. If the time recorded exceeds the hours of an employee's position, extra time needs to be coded to a school budget. If the hours worked are the same but the time is shifted, no further investigation is required because principals have the latitude to move staff when filling vacancies.

The district has both an end-of-month regular payroll and a midmonth payroll. The end-of-month payroll is paid on the last working day of the month and is best reserved for regular employees' main pay and any prior month pay docks. The midmonth payroll is generally for substitutes, extra duty, and overtime; these payments are best made at midmonth whenever possible, leaving the end-of-month pay for regular pay and docks.

Efficiencies could be increased by automating the current paper process. The district needs to investigate automating time sheet completion and approvals to reduce the amount of time it takes to process them. Unsigned time sheets or time sheets with errors are frequently returned to the schools for correction, which takes additional time during an already short processing timeline. An electronic process could include formulas to calculate the time recorded and would require approval before routing to payroll.

Recommendations

The district should:

1. Consider dividing payroll among the technician positions alphabetically by employee last name rather than by employee classification to ensure cross-training and redundancy in the process.
2. Automate the current time sheet process to reduce the need for manual processing and the potential for errors.

Accounts Payable

Accounts payable (AP) is the function responsible for accurately tracking amounts owed to vendors, ensuring payments to vendors are properly approved, and processing those payments. The AP process starts when a purchase is made to obtain supplies, materials or services from a vendor. AP work includes accurately tracking amounts owed to vendors, ensuring vendor payments are properly approved, and processing timely payments to vendors.

The district has a purchasing AP handbook that details the entire process, complete with screenshots, sample requisitions, and purchase orders. This document is undated, so it is not known when it was created. The handbook alternately refers to both a paper and an electronic process, which is confusing. Interviews indicated that the district requires a process that uses Laserfiche to index and file the information for future use; however, that process is not included in the handbook.

Recommendations

The district should:

1. Date the purchasing AP handbook each time it is revised.
2. Update the handbook to accurately reflect the processes in AP, and include the process that uses Laserfiche for indexing and filing.

Internal Controls

The accounting industry uses the term “internal control” to refer to the procedures and protocols used by an organization to protect its assets and ensure efficient operations.

Internal control is the primary mechanism for preventing and/or deterring illegal acts, misappropriation of assets, or other fraudulent activities, which can include an assortment of irregularities characterized by intentional deception and misrepresentation of material facts. Effective internal control provides reasonable assurance that operations are effective and efficient, that the financial information produced is reliable, and that the organization complies with all applicable laws and regulations.

Internal control provides the framework for an effective fraud prevention program. An effective internal control structure includes the policies and administrative regulations established by the board and operational procedures used by staff, adequate accounting and information systems, the work environment, and the professionalism of employees.

Control activities are a fundamental component of internal control and a direct result of policies and procedures designed to prevent and detect any misuse of an organization’s assets, including preventing any employee from overriding system controls. They are instrumental in both deterring and detecting instances of fraud, as well as in mitigating the impact of both financial and nonfinancial errors that could have adverse consequences. Establishing an effective internal control system requires vigilance from the school district governing board, management and staff in identifying potential weaknesses. As mentioned earlier, one such internal control is the separation of duties

The Federal Deposit Insurance Corporation (FDIC), an independent agency established by Congress “to maintain stability and public confidence in the nation's financial system,” makes available to the public various educational resources pertaining to fiscal oversight.⁴ Among these publications is one titled, *Risk Management Manual of Examination Policies*, which helps FDIC examiners conduct thorough examinations

⁴Federal Deposit Insurance Corporation (n.d.). *About the Federal Deposit Insurance Corporation (FDIC)*, at <https://www.fdic.gov/about/>.

of financial institutions and ensure they are operating safely and soundly. Among other topics, the manual details several crucial controls essential for establishing an effective internal control framework. FCMAT has summarized some of these controls below:

- **Recordkeeping** – Procedures should be implemented to initiate, approve, execute, record and reconcile transactions in a timely manner. These procedures should identify the employee responsible for each step and the time needed for completion. Key areas of recordkeeping include purchasing, accounts payable, cash receipts and payroll.
- **Segregation of duties** – Procedures should be implemented to prevent any one employee from managing a transaction from start to finish. Similarly, avoid assigning one individual both the custody of an asset (such as cash or inventory) and the responsibility for recording related transactions. The best practice is to ensure at least two employees are involved in completing a transaction.
- **Staff cross-training and coverage** – More than one employee should be able to perform each job. Not only will this ensure coverage during staff absences, but it will enable the detection and reporting of fraud and errors. Inadequate cross-training is a frequent problem, even in larger organizations.
- **Use of prenumbered documents** – Checks, sales and cash receipts, purchase orders, receiving reports, and event tickets should be preprinted. A log of the documents and numbers should also be maintained, and reconciliations should be performed periodically.
- **Asset security** – Cash should be deposited at least weekly and in accordance with adopted procedures; computer equipment should be secured; and access to check stock, receipt books, tickets, supplies, food stores, tools, and gasoline should be limited to designated employees.

The district lacks several of these elements. Information from interviews revealed that the accounting technician II – accounts payable can add and modify vendors. This is inconsistent with the separation of duties and good internal controls. Adding, modifying or deactivating vendors needs to be part of the purchasing functions, which in the district's case are performed by the accounting technician II – purchasing. If this individual is unavailable, another employee needs to perform these duties to maintain a separation of duties.

District-provided documents indicate that the district has an excessive number of signatories who can authorize expenditures of district funds. EC 42633 states:

The governing board of each school district shall be responsible for filing or causing to be filed with the county superintendent of schools the verified signature of each person, including members of the governing board, authorized to sign orders in its name. Except for districts determined to be fiscally accountable pursuant to Section 42650, no order on the funds of any school district shall be approved by the county superintendent of schools unless the signatures are on file in his office and he is satisfied that the signatures on the order are those of persons authorized to sign the order.

The number of authorized signatories needs to be limited to safeguard the district's assets. Designating authorized signatories needs to be part of a broader delegation of authority. Typical signatories are the superintendent, the CBO, and the director of fiscal services.

FCMAT has created a comprehensive list of management standards for school districts that focuses on key functional areas in personnel and financial management, including the following:

- Internal control.
- Leadership and organizational capacity.
- Planning.
- Employee recruitment and selection.
- Induction and professional learning.
- Operating procedures.
- Compliance practices.
- Employee valuations.
- Employee services.
- Employer and employee relations.
- Budget policy and procedures.
- Financial management.
- Bell schedules and attendance accounting.
- Financial projections.
- Technology and information systems.
- Associated student body.
- Charter schools.

Recommendations

The district should:

1. Limit the ability to add or change a vendor in the financial system to the accounting technician – purchasing, the director of fiscal services, and possibly the specialist – fiscal services.
2. Ensure that the only signatories who can authorize the expenditure of district funds are the superintendent, the CBO, and the director of fiscal services.
3. Review thoroughly the FCMAT standards listed in this section, and develop and support best practices to meet them.

Job Descriptions

Up-to-date job descriptions that accurately describe position responsibilities are crucial to 1) develop job postings and support recruiting, 2) support employee wage and hour classifications (i.e., salaried or hourly, full-time or part-time or temporary, exempt or nonexempt, minimum wage, and overtime), 3) manage employee performance, 4) provide Americans with Disabilities Act accommodations, and 5) provide workers' compensation and light duty accommodations. In collaboration with other department managers, the HR Department is responsible for ensuring that job descriptions are accurate and that job classifications are adequate to support the district's operational needs.

The job descriptions for the Business Services Department's positions, the job titles stated on the organizational chart, and the duties shared by members of the department during interviews do not match. Almost all Business Services Department job descriptions are out of date, do not match current duties and titles, and need revisions. Because the job descriptions lack creation and revision dates, it is impossible to tell how long they have been out of date. These deficiencies are indicative of a lack of direction from department management.

Based on the organizational charts provided and interviews with staff, the Business Services Department is staffed as indicated in the following paragraphs.

Chief Business Official (1.0 FTE)

The CBO reports to the superintendent and oversees a director of accounting, accounting technicians, account clerks and payroll technicians. The district provided a job description for this position that is dated 2017. The district needs to review this job description to ensure it is up to date.

Director of Fiscal Services (1.0 FTE)

The director of fiscal services reports to the CBO. The job description for the position, which is not dated, appears to be up to date.

Specialist, Fiscal Services (1.0 FTE)

Based on the organizational chart and interviews with staff, this position reports to the director of fiscal services. No job description was submitted for this position; however, interviewees indicated that its duties include maintaining spreadsheets for payroll and updating these four times a year to SACS, reconciling health insurance invoices, processing budget transfers in SACS, processing journal entries in SACS, cash management, helping with midmonth payrolls, and processing all management and confidential payroll as well as various financial reports. The position was described as new, and the individual has not yet been given all duties.

Accounting Technicians II and III (4.0 FTE)

Based on the organizational chart and interviews with staff, these positions report to the director of fiscal services. No job descriptions were submitted for these positions; however, interviewees indicated that their duties include purchasing, accounts payable and receivable, payroll, tax reports, attendance, meal counts, and employment verifications. A job description was provided to FCMAT for an account clerk II position that includes some of the duties listed above. There is no account clerk II on the organizational chart.

Recommendations

The district should:

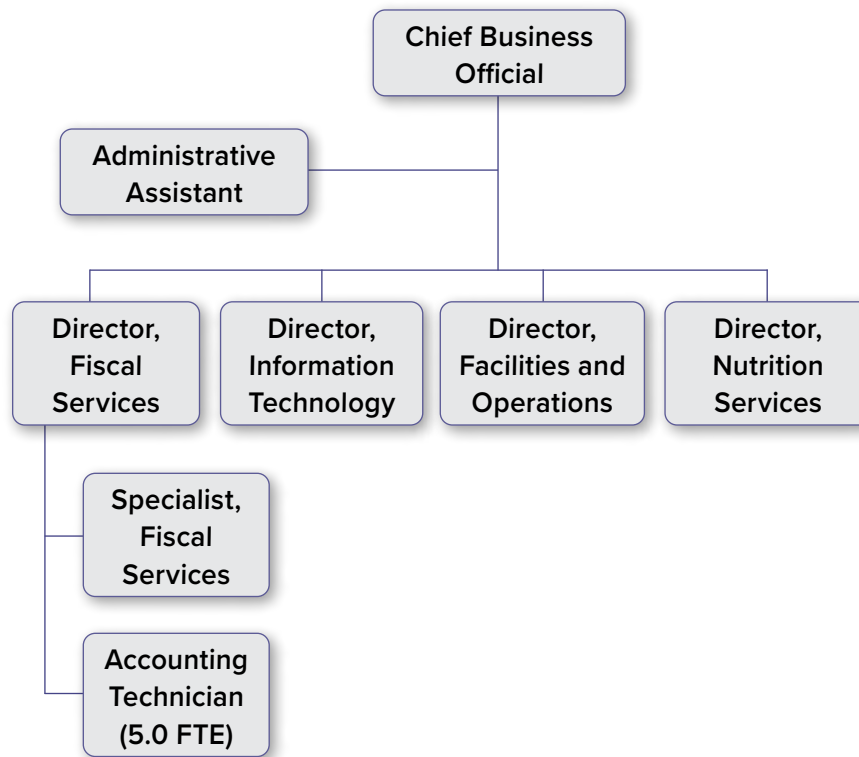
1. Review and update all Business Services Department job descriptions, and include the date of revision in the final version of each.
2. Ensure that its organizational chart, job descriptions and website directories are all aligned with one another.

Structure and Staffing

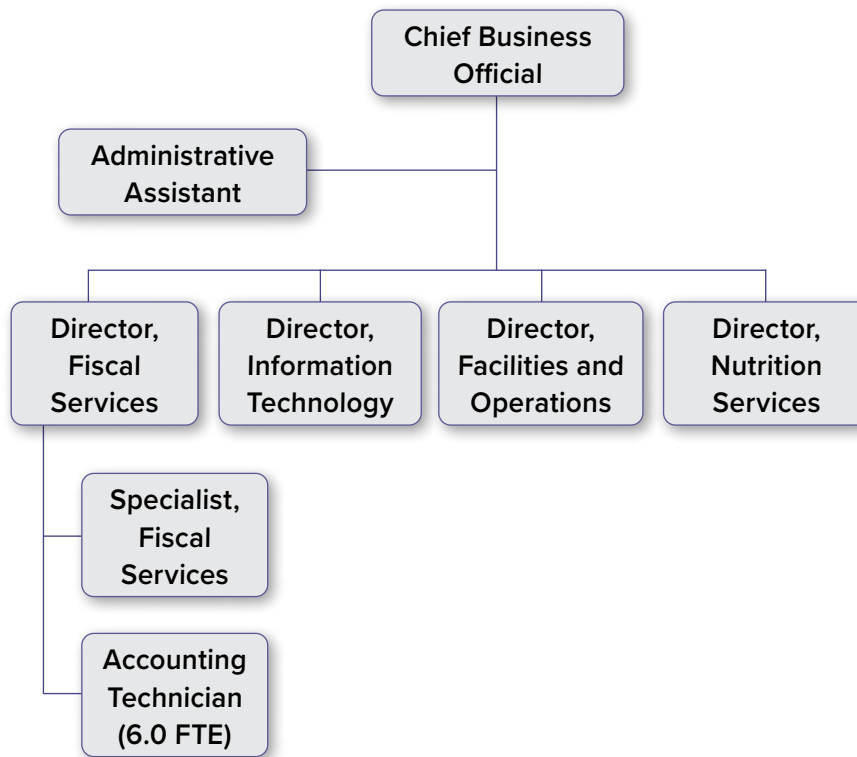
The district provided FCMAT with an organizational chart for its Business Services Department; however, it was not dated, and position titles differed from those in the job descriptions. A business department's

organizational chart and structure need to provide clear reporting relationships so that all staff are held accountable through supervision and evaluation. FCMAT learned during interviews that the district has an additional 1.0 FTE accounting technician in the Expanded Learning Opportunities Program (ELOP). It would be better to locate this position with its like positions in the Business Services Department to ensure the employee receives the same training and direction as other employees in like positions. Having a business department position report to another department is contrary to best practice and disrupts line and staff authority.

Current Organizational Chart, Business Services



Proposed Organizational Chart, Business Services



Recommendation

The district should:

1. Relocate the accounting technician from ELOP to the Business Services Department.

Human Resources Department Processes and Procedures

Handbooks and Desk Manuals

The HR Department lacks a comprehensive department handbook that contains policies and procedures. Effective handbooks communicate important policies and expectations and are provided to employees when they begin employment. A handbook typically includes items such as the district's mission statement, core values and goals, contact information for employee resources, guidelines on attendance and leaves, a work calendar, information about the evaluation process, and union information. FCMAT found that some of this information is shared with employees when they are hired, but the district has no official handbook.

Having such a document would help departments and schools understand how they relate to the HR Department and help employees understand HR processes. It would also be a beneficial reference for new employees.

Hiring Process

Recruiting, hiring and onboarding staff are the main functions of any HR department and must be done in a legal, timely and efficient manner. The district lacks written processes and procedures for the entire hiring process. It needs clear, well-written procedures so staff can know their roles in the process.

Screening

Screening is the first review of an applicant's qualifications. HR Department staff indicated that preliminary screening is done by the director of HR and the relevant school or department manager, then forwarded to the HR secretary. Staff stated that sometimes an applicant is screened and cleared by the HR director and/or school or department manager even though the applicant does not meet the minimum qualifications such as the proper credential or the required amount of experience.

Because HR staff are most familiar with the minimum qualifications for each position, the best practice is for these staff to conduct an initial screening of applicants to ensure they meet those qualifications. For example, the HR secretary – certificated could screen applications to ensure applicants hold the proper credentials, and the HR secretary – classified could screen applications to ensure the applicant holds the minimum qualifications. This would help ensure that managers do not spend time screening applicants who do not meet the minimum qualifications.

The HR director and the school or department manager need to perform the second level of screening. Having at least two managers review the applications is a best practice because one manager may see something the other misses.

Interviews

Employees stated that interview panel members do not sign a confidentiality agreement, nor does the HR administrator conducting the interview discuss the need for confidentiality or the best practices for what to include in and exclude from interview documents.

To create a transparent, unbiased and fair interview process, a standard interview process form that includes a confidentiality statement needs to be used. Although the district provided FCMAT with a copy of

the confidentiality agreement employees sign when hired, the best practice is to have all interview panel members sign a confidentiality agreement before each interview as a reminder of the importance of confidentiality and interview procedures. It is also the best practice for such a document to outline the interview process and contain statements informing panel members that they should not discuss anything about the interview and that interviews should be conducted consistently by ensuring all interviewees are asked the same questions. Additionally, interviewers should be informed what is appropriate and inappropriate to note during interviews so that they do not make notes that are potentially discriminatory or not relevant to the position and its duties. Ideally, such a document also needs a line for each panel member's signature and the date it was signed, and needs to be completed for every interview.

The district uses the same interview questions for all certificated positions. For example, the questions for multiple-subject and single-subject teaching positions are the same. The best practice is to review and revise questions to meet the needs of specific positions.

Timelines

During FCMAT interviews, staff expressed concerns about the length of time it takes to fill positions and the lack of communication from HR staff about hiring and onboarding. Although those interviewed understood that specific timelines are required for a job posting, there were concerns about interviews not being scheduled promptly and the length of time an applicant is allowed to take to consider a job offer before the district moves on to the next candidate. Managers expressed concern that HR staff do not understand or feel a sense of urgency when a school or department is short staffed. Managers also stated that they feel the need to contact HR staff to remind them to schedule interviews or to get updates on the onboarding of new hires. The lack of updates from HR staff to hiring departments can cause confusion and undue stress; this could be alleviated by updates from HR staff on the timeline for a new hire. Similarly, the lack of timely communication with applicants can lead to an applicant believing they were not chosen for a position and moving on to another job.

Recommendations

The district should:

1. Consider allowing the HR Department's certificated and classified secretaries to screen applications for minimum qualifications before final screening by HR and school or department managers.
2. Develop and require each panel member at each interview to review, adhere to and sign a document that outlines the interview process, including confidentiality requirements, instructions for consistency and appropriateness, and signature and date lines.
3. Review and update certificated, classified and management interview questions to ensure they meet the needs of each position.
4. Ensure that HR staff communicate with school and department managers often about timelines for employee hires.

Training

Interviewees stated that the Tulare County Office of Education provides approximately four professional development opportunities per year for the HR staff and that the training consists mainly of legal updates

and current HR topics. District HR departments can also request specific training. Other than these trainings, professional development is lacking for HR department staff.

Responses during interviews indicated a willingness to attend training but a perceived lack of time to attend. This is concerning because HR is highly technical, and relevant laws change often. Mistakes in the HR Department can be costly. Annual training needs to be made available, especially training regarding employee leaves and credentialing, to ensure HR staff have up-to-date information.

Interviewees indicated that administrators, especially those newly hired, do not receive training in discipline, evaluation, employee leaves, or the hiring process. Not knowing the fundamentals of the district's discipline and evaluation processes can have a negative effect on an administrator's views about these processes, on the employees they supervise, and on the district as a whole.

Administrators who have been trained in employee discipline will be more aware when a situation arises and will be proactive in contacting the HR Department to apprise them of the situation. Administrators who receive training, guidelines and timelines regarding the employee evaluation process will feel more comfortable and confident with evaluations and will view them as a tool to identify effective performance and provide feedback for ongoing improvement and job satisfaction.

Understanding the basics of employee leaves and where to locate leave information in both the certified and classified bargaining agreements will help administrators, especially those new to administration, when staff have requests or questions. It will also help administrators understand when to contact the HR Department for guidance and will ultimately help prevent errors and the sometimes high costs that result from them.

Training new administrators regarding the hiring process ensures they know whom to contact when a vacancy arises and the correct steps needed to begin the hiring process. This ensures there are no delays or inefficiencies in the process. Administrators who are new to the district, especially those who are new to administration, may have little or no experience in hiring, managing, disciplining, or evaluating employees and would greatly benefit from training in these areas. Current administrators can also benefit from updates or refresher training.

Having a comprehensive new administrator orientation and training can ensure that new administrators are trained about employee leaves, discipline, the hiring process, and evaluations. Materials specific to each topic should be provided, including but not limited to collective bargaining agreements; discipline and evaluation timelines and documents; a flowchart of the recruitment, hiring and onboarding process; an HR Department staff list that includes each employee's name, phone number, email address and job duties to help administrators direct their questions and requests to the correct person. Current administrators would also benefit from attending this training because rules, regulations and collective bargaining agreements are frequently updated.

Recommendations

The district should:

1. Ensure that HR Department staff attend HR training offered by the Tulare County Office of Education.
2. Find opportunities for HR Department staff to receive training about customer service, leaves, credentialing, and specific software systems used to ensure all HR staff are knowledgeable about the duties assigned to them.

3. Create a comprehensive new administrator orientation to ensure new administrators are trained regarding employee leaves, discipline (including FRISK training), the hiring process, and evaluations.

Job Descriptions

In collaboration with other department managers, the HR Department is responsible for ensuring that job descriptions are accurate and board-approved and that job classifications are adequate to support the district's operational needs.

The job descriptions for the HR Department staff, the job duties stated on the HR Department organizational chart, and those shared by members of the department during interviews do not match. Except for the clerk typist/receptionist/substitute caller job description, all HR Department job descriptions are out of date, do not match current duties, and need to be revised. Because the job descriptions lack dates of creation and/or revision, it is impossible to tell how long they have been out of date. These deficiencies are an indicator of a lack of direction from department management.

The HR Department includes the full-time management and confidential staff positions detailed below.

Executive Director of Human Resources (1.0 FTE)

The executive director of HR reports to the superintendent. During FCMAT's fieldwork, the executive director was on leave and not available for an interview. In addition to overall supervision and management of the department, the position's duties include employee/employer relations and negotiations, credential assignment reporting, policies and procedures, grievances, and employee discipline.

The district did not provide a job description for this position. The organizational chart shows that this position directly supervises the director of human resources, the dean of Burton Institute, the personnel analyst, the HR secretary-certificated, the HR secretary – classified, and the district receptionist. Interviewees stated that the executive director of human resources was promoted to the position approximately 10 years ago. The lack of a job description for this position can create the impression that the district promotes management employees without a corresponding change in the job description. A sample job description for this position is included in Appendix A.

Director of Human Resources (1.0 FTE)

The director of HR reports to the executive director and has been with the district for nine years and in the director of HR position since March 2023. In addition to helping supervise and manage the department, the position's duties include certificated staffing, assignment monitoring, classified staffing, evaluations, and investigations.

The job description for the position is not dated, and the position title it lists is "Director of Personnel." It lists duties including providing new employee orientation, coaching new school administrators, coordinating with district administrators for appropriate supervision, overseeing evaluation and discipline of certificated and classified personnel, overseeing personnel releases and terminations, and serving as the district's chief negotiator for certificated and classified collective bargaining. Based on interviews, a number of these duties are performed by the executive director of human resources. As stated above, up-to-date and accurate job descriptions are a necessity. This job description needs to be updated with the position's current duties.

The HR Department organizational chart shows this position entirely as the director of human resources; however, the district website shows this position as director of human resources/federal and state pro-

grams, which can be confusing for the public and district employees. During interviews, the director of HR indicated that oversight of the district's state and federal programs was removed as a duty in July 2023.

A review of salary schedules revealed that the director of human resources position is on the certificated management salary schedule. Both the California Public Employees Retirement system (CalPERS) and the California State Teachers Retirement System (CalSTRS) consider this a classified position. Classifying this position as certificated is incorrect and will affect the employee's retirement. A member of the CalSTRS defined benefit program who is employed by a school district to perform service that requires membership in a different public retirement system may choose to receive credit under the CalSTRS defined benefit program for such service by completing a retirement system election form (ES 0372) within 60 days after being hired into a position that requires membership in CalPERS, and CalSTRS must receive the completed form with 60 days of the signature date. If the CalSTRS member does not choose to continue as a member of CalSTRS, all service subject to coverage by CalPERS will be reported to that retirement system (EC 22508, 22508.5 and 22509). This position needs to be moved to the classified management salary schedule.

Human Resources Analyst (1.0 FTE)

The HR Department organizational chart and the job description indicate that this position reports to the executive director of human resources. However, the director of personnel job description indicates that it supervises this position. This position's duties include managing staff leaves, workers' compensation, state disability claims, health benefits, unemployment claims, and Affordable Care Act (ACA) compliance, as well as helping prepare materials to be used in the collective bargaining process with both certificated and classified staff.

The job description is not dated and includes responsibilities the current employee did not report as duties, such as accounting, preparing documents (e.g., payroll, purchasing), verifying budget coding and availability of funds, and helping prepare and monitor budgets.

HR Secretary – Certificated (1.0 FTE)

HR Secretary – Classified (1.0 FTE)

The HR Department organizational chart indicates that the HR secretaries report to the executive director of human resources. At the time of fieldwork, the certificated secretary position was vacant because the employee in the position recently moved to a payroll position, and the new person hired for the position had not yet started. The certificated secretary position's duties include certificated staff support, certificated employee recruitment, onboarding, placement on the salary schedule, and credentials. The classified secretary position's duties include supporting classified staff and classified managers, classified employee recruitment, onboarding, and paraprofessional testing.

The job description provided for these positions was titled "Secretary (confidential)." The job description is not dated, and the essential functions of the position are generic and do not include many of the current duties or functions of either position. This one job description appears to be used for both positions; FCMAT was not provided with separate, distinct job descriptions for each position.

The job description is labeled as a confidential position, and the pay for both positions is determined using the confidential salary schedule. However, the current job description does not include any functions that would warrant categorizing this position as confidential (see more detail below).

District Receptionist (1.0 FTE)

The employee has been in this position since 2016. The HR organizational chart indicates that the district receptionist reports to the executive director of human resources. The position's duties include substitute requests, substitute recruitment, absence reporting and monitoring, and Frontline management.

The job description is not dated, and the title of the position does not match the organizational chart. The essential functions listed correspond to the duties of the position.

The position is listed as confidential, and the pay for this position is determined using the confidential salary schedule. However, like the secretary positions above, the district receptionist job description does not include any functions that would warrant it being categorized as confidential.

The confidential designation exists only under the Ralph C. Dills Act, Government Code (GC) 3513 (f). According to the Dills Act, a "confidential employee" means any employee who is required to develop or present management positions with information about employer-employee relations or whose duties normally require access to substantive confidential information that management will use in negotiations with represented labor organizations.

The definition of "confidential" under the Dills Act does not include work with information that must be kept confidential because of privacy statutes, regulations, or department policies, such as personnel records, investigative data, or other privileged information that may not be released to others or the public but that is not related to employer-employee relations. These duties may be confidential but do not fall within the Dills Act definition of a confidential employee.

Recommendations

The district should:

1. Create a job description for the executive director of human resources that accurately lists duties, responsibilities, and the HR staff the position supervises.
2. Move the director of human resources position from the certificated management salary schedule to the classified management salary schedule.
3. Update all HR Department job descriptions to ensure they include correct job titles and current job duties and responsibilities.
4. Review and revise HR job descriptions to comply with the Government Code definitions for confidential employees.
5. Ensure that all new and revised job descriptions are taken to the governing board for approval and that the date of approval is included on all job descriptions.
6. Review and update the current HR Department organizational chart to ensure it includes all positions, the correct title and job duties of each position, and accurate lines of authority. After it is updated, submit it to the governing board for approval and add the date of approval to the document.

Potential Redistribution of Duties

Interviews and the HR Department organizational chart provided FCMAT with a list of duties assigned to each employee in the department at the time of fieldwork. Interviewees also shared that the department has been unsuccessful in filling an HR coordinator position. The director of human resources stated that this is a new position that would manage internal operations, provide investigation support, oversee staff onboarding and orientation, and perform higher-level secretarial duties. However, based on interviews and a review of district-provided documents, FCMAT believes the department could realize improved operational efficiencies simply by reorganizing its structure and reassigning certain duties, without any need for an additional position. For example, credential assignments and assignment monitoring tasks are responsibilities of the executive director of HR and the director of HR, respectively but could be performed by the HR analyst. In addition, the HR secretary positions' responsibilities could be divided alphabetically by employee last name rather than by employee certificated and classified status. This would ensure cross-training and eliminate any interruptions in service if one of the secretaries is not available.

Recommendations

The district should:

1. Consider moving credential assignment reporting from the executive director of HR to the human resources analyst position.
2. Consider moving assignment monitoring from the director of HR to the human resources analyst position.
3. Consider dividing the HR secretaries' responsibilities alphabetically by employee last name instead of by employee categories of certificated or classified.
4. Consider delaying the hiring of a human resources coordinator until new hires in the department have had time to learn their positions, any redistribution of duties has taken place, and staff have been given time and training to learn new duties.
5. Consider eliminating the coordinator position if the measures in recommendation 4 above result in an effective and efficient redistribution of duties.

Organizational Structure and Staffing

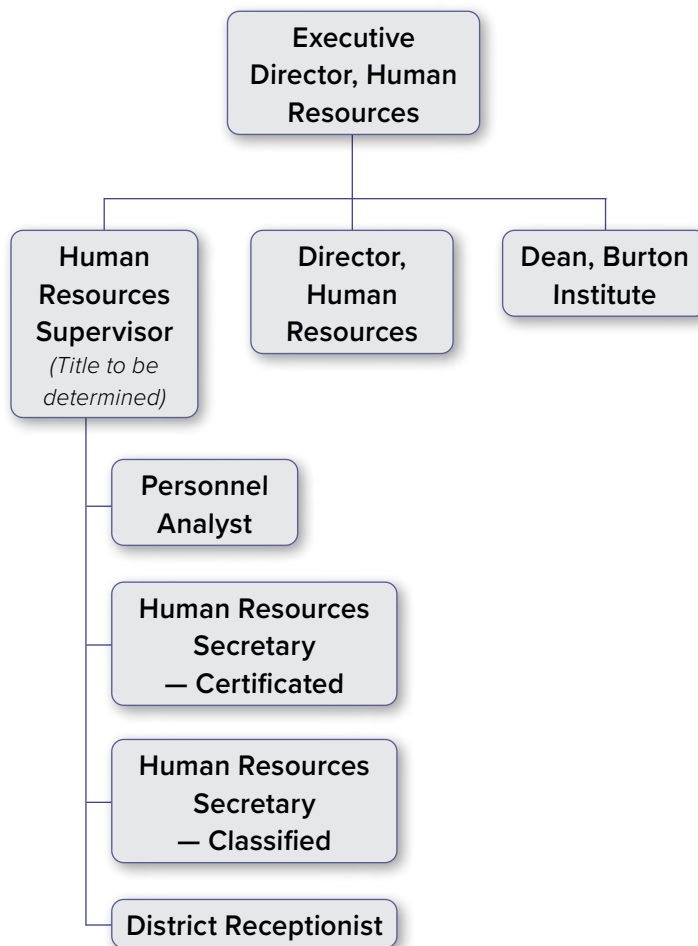
A department's organizational structure should provide clear reporting relationships so all staff are held accountable through supervision and evaluation. The district provided FCMAT with an organizational chart for the HR Department; however, it was not dated and did not match the one found on the district's website. The HR organizational chart provided to FCMAT shows all support staff reporting to the executive director. However, the HR director's job description indicates that the position oversees the district receptionist and the personnel technician. The district has no personnel technician position.

The district's HR Department is responsible for the legal requirements associated with HR management and for employee recruitment. The HR Department is overseen by the executive director of HR.

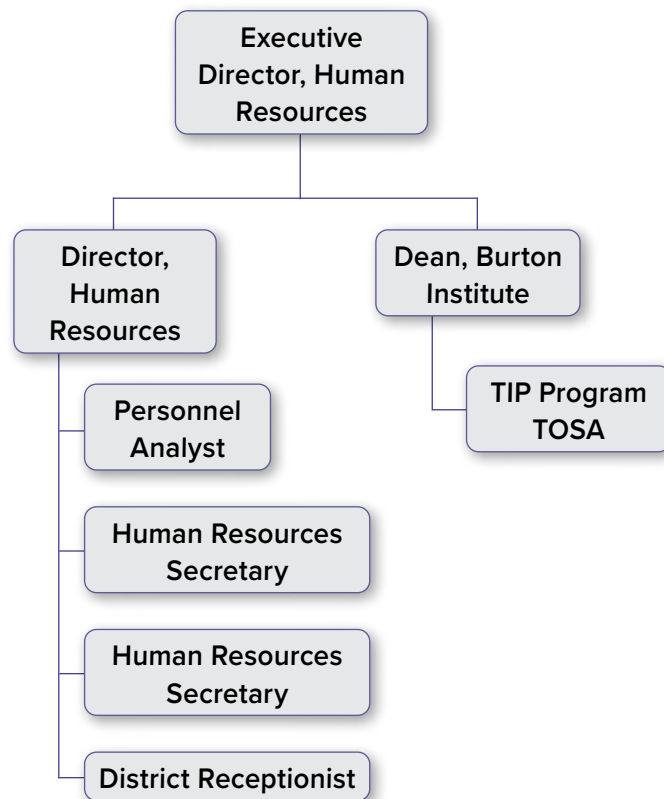
All HR departments need an adequate organizational structure and staffing to support their organization's personnel management needs. These functions work best when HR staff work with administrators and supervisors to conduct employee evaluations, maintain personnel records, and develop and implement personnel procedures.

Although the organizational chart shared with FCMAT shows a chain of command and current job duties, the organizational chart on the district's website is not up to date. In addition, the organization chart shows the executive director as responsible for overseeing all HR staff: however, the director of human resources job description states that this position is directly responsible for the performance of the district receptionist and the personnel technician. This can create confusion for these employees, the public, other departments, and schools.

Current Organizational Chart, Human Resources



Proposed Organizational Chart, Human Resources



Recommendations

The district should:

1. Review and update its HR Department organizational chart to ensure it includes all positions, the correct title and job duties of each position, and accurate lines of authority.
2. Ensure that the HR Department organizational chart and the information on the district's website are the same.
3. Ensure that all new and revised organizational charts and job descriptions are submitted to the governing board for approval and that the date of approval is included on all job descriptions.
4. Consider delaying the hiring of a human resources coordinator until new employees in the department have had time to learn their positions, any redistribution of duties has taken place, and staff have been given time and training to learn new duties.

Additional Considerations

During interviews, there was some confusion about who is the custodian of records for the Department of Justice (DOJ). The custodian of records is typically limited to one or two individuals who have been cleared by the DOJ to access information on applicants' fingerprint status. Interviewees stated that the executive director of human resources is the custodian of records, but it was unclear whether any other staff member is also cleared as a custodian of records and thus able to access the DOJ website in the executive director's absence. Having two individuals as custodians of records is a best practice because it ensures this work can be accomplished even if one individual is unavailable.

In addition, a spreadsheet was provided to FCMAT that lists each applicant's results, including detailed results of the DOJ fingerprint search. It appears that this information is shared with a number of individuals during the hiring process. This information is personal and confidential, and only a custodian of records should see it. Whether an applicant has been cleared or not should be the only information shared.

The district relies on paper absence reports for employee attendance and leaves. Everyone interviewed stated that this increases workload, leaves room for error, and is overwhelming because of the constant need to correct errors, obtain missing signatures, and clarify information. Interviewees indicated that an electronic process for this is needed and that training for staff and managers would be helpful. Some schools and departments have already moved to an electronic system by using Frontline for absence management.

The Nutrition Services and Maintenance and Operations departments do not use Frontline for substitute calling because of how they shift staff around when there are absences. The managers of these two departments review, reconcile and sign their respective department's absences and overtime, then forward paper absence reports to the district office.

Some district office staff enter their absences in Frontline, but others do not because they find it easier to use paper absence forms.

The clerk typist/receptionist/substitute caller (confidential) employee reviews all absence reports for accuracy. If errors or discrepancies are found, the school or department is contacted to clarify and make corrections. Once errors are corrected and the absence reports are reconciled using data the absent employee entered in Frontline, the clerk typist/receptionist/substitute caller (confidential) runs a report from Frontline using the report writer feature and uploads the data into SACS.

Recommendations

The district should:

1. Consider making both the executive director and director of HR custodians of records for DOJ purposes.
2. Consider using an automated electronic system for all absence reports.

Appendices

Appendix A: Sample job description – Executive Director Human Resources

Appendix B: Study Agreement

Appendix A

Sample Job Description — Executive Director Human Resources

Executive Director of Human Resources

Strategic Function

Under the direction of the Superintendent the Executive Director of Human Resources plans, organizes, and administers a comprehensive Human Resources program for the District, which includes all personnel transactions and procedures for classified and certificated employees; develops/administers the annual Human Resources Department budget; proposes personnel policies, rules, and procedures; researches and applies new legislation, coordinates personnel surveys and similar programs; and performs related work as required.

Essential Functions

- Participates in meetings, committees, workshops, seminars, etc. (e.g. presentations, personnel actions, financial procedures, regulatory requirements, community involvement, actions involving outside agencies, interdepartmental needs, etc.) for the purpose of identifying issues, developing recommendations, supporting other staff, and serving as a District representative.
- Works cooperatively with all district departments and site principals to align professional growth activities with district priorities.
- Communicates with other administrators, district personnel, state and federal agencies, outside organizations and contractors to coordinate activities and programs, resolve issues and conflicts, and exchange information.
- Prepares and presents a wide variety of written materials in both manual and electronic formats (e.g. presentations, reports, assessment results, correspondence, internal audits, etc.) for the purpose of documenting activities, providing written reference, and/or conveying information.
- Attends conferences, read journals and papers, takes courses and workshops to remain current concerning trends related to Human Resources.
- Supervises and coordinates the work of staff assigned to the Human Resources Department.
- Develops a culture of trust and responsibility among students, teachers, staff, administrators, and the community.
- Promotes high morale and a professional working relationship among the staff members.
- Performs personnel functions (e.g. interviewing, recruiting, hiring, evaluating, training, supervising, promoting, demoting, counseling, recommendations, etc.) for the purpose of enhancing student achievement, maintaining adequate staffing, enhancing productivity of personnel and achieving program and District objectives within budget.
- Plans, organizes, and administers a comprehensive Human Resources program.

- Selects, trains, supervises, and evaluates the performance of technical and clerical staff, recommending appropriate personnel transactions; provides work direction and guidance to assigned employees in the Human Resources -Classified Department; approves personnel time and absence records.
- Supervises recruitment program ensuring advertisement in appropriate media, posting in accordance with regulations and labor agreements, and establishing application procedures.
- Supervises the conduct of selection processes, including development of selection plan and selection instruments, establishment of weighing and scoring of examination parts, and selection of qualification appraisal panel members.
- Assists administrators with difficult employment decisions.
- Assures that the employment functions comply with EEO guidelines and the Education Code as well as the District rules and regulations; researches, develops, and proposes new and revised Human Resources policies and regulations.
- Supervises job analysis for selection and classification purposes and makes recommendations; reviews reclassification requests of classified positions; performs or oversees the performance of audits and position analyses to determine appropriateness of reclassification requests. Coordinates and implements the procedures for the administration of Human Resources policies, rules and regulations, and negotiation proposals.
- Proposes amendments to existing rules to ensure the selection and retention of employees are fair and based on objective criteria.
- Maintains and assures proper security and confidentiality of classified employee personnel files and records in a confidential manner.
- Confers with employee groups, employees, and District managers on interpretation of Board's policies, regulations and other matters such as promotion, discipline, transfer, layoff, evaluation, and grievance handling as needed.
- Maintains and develops seniority, and funding lists; prepares and administers layoff notices and lists.
- Assumes and performs related duties and responsibilities as required including compliance with the District's agreements as negotiated with recognized employee organizations.
- Reviews criminal records for all employees.
- Monitors credential applications and renewal requirements.
- Develops support plans for employees.
- Maintains responsibility for all aspects of worker compensation claims and records.
- Updates and maintains teacher handbooks, classified employee handbooks, and substitute teacher handbooks.
- Files annually the Declaration of Need for Qualified Educators with the California Commission on Teacher Credentialing.
- Attends job fairs as needed.

- Investigates and responds to complaints filed against employees.
- Performs other duties as assigned.

Demonstrated Knowledge of:

- Components of effective instructional and assessment processes and practices.
- Modern personnel practices and principles their application to District personnel practices.
- Job analysis, survey techniques, and salary administration.
- Modern office equipment, procedures, personal computer, and job-related software programs.
- Basic research techniques and questionnaire design.
- Principles of supervision and management.
- Appropriate safety precautions and procedures.
- Provisions of the California State Education Code governing classified and certificated employees in a school district.
- Effective public relations, interpersonal skills using tact, patience, diplomacy, and courtesy.
- Frisk procedures.
- Practices of public personnel administration and management including recruitment and selection, interviewing techniques, labors relations, and certification laws.
- Methods, procedures, and terminology pertaining to personnel record management.
- Involvement in workshops and legal consortiums related to personnel, such as ACSA Personnel Academy and Personnel Institute, CCAC Workshop.

Demonstrated Ability to:

- Self-reflect in order to improve personal practice, as well as to lead a parallel reflective process with staff.
- Analyze problems, develop sound problem solving models, and propose logical solutions to problems.
- Engage in collaborative leadership and team building, distribute leadership among administrators, teachers, staff, parents, students & community members.
- Build partnerships and community support.
- Self-motivate and ability to complete tasks as assigned and required of the position.
- Engage as an integral part of the District Administrative Team.
- Plan, organize, and direct a comprehensive personnel management program.
- Gather and analyze data using accepted statistical methods.
- Write policies, regulations, and contract language clearly and concisely.
- Research, evaluate data, and prepare comprehensive, concise reports, and recommendations.

- Read, interpret, and administer complex laws, and technical and general rules and regulations.
- Develop and present staff development programs.
- Make effective oral presentations.
- Supervise, train, and evaluate personnel.
- Chair meetings, lead discussions, and elicit individual and group cooperation.
- Provide indirect supervision or staff assistance for a complex organization.
- Establish and maintain effective relationships with those contacted in the course of work.

Education Required

Must hold a valid California administrative services credential and a master's degree.

Experience Required

Three years of site level or equivalent Human Resources administrative leadership experience required.

Working Conditions

Sample Environment:

Indoor office environment and regularly works near video display. The employee is occasionally exposed to outside weather conditions and uses personal vehicle, and occasionally works evenings and weekends.

Sample Physical Abilities:

While performing the duties of this job, the employee is regularly required speak and hear in order to exchange information and make presentations; able to sit and work at a desk, conference table, or in meetings of various configurations. The employee frequently is required to use hands and reach with hands and arms. The employee is occasionally required to stand and walk. The employee must regularly lift and/or move up to 10 pounds and occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, and ability to adjust focus in order to read a variety of printed matter and computer screens.

Board Approved:

Appendix B

Study Agreement



FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT November 29, 2023

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Burton 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. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
 - Budget development
 - Budget monitoring
 - Position control
 - Payroll
 - Accounts payable
 - Accounts receivable
2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any.
3. Evaluate the current workflow and distribution of functions within and between the above departments and make recommendations for improved efficiencies, if any.
4. Conduct an organizational and staffing review of the above departments and make recommendations for staffing improvements and organizational restructuring, 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:

To be determined

FCMAT Staff

To be determined

FCMAT Consultant

4. PROJECT COSTS

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

- A. \$1,100 per day for each staff member while on site, conducting fieldwork at other locations, preparing or presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- B. All out-of-pocket expenses, including travel, meals and lodging.

- C. The district will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon the district's acceptance of the final report.

Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be \$23,600.

- 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. Upon the request of the district and the receipt of the signed study agreement, FCMAT shall provide certificates of insurance, with Burton School District named as additional insured, indicating applicable insurance coverages.

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 FCMAT's 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 solely from negligent acts or omissions of the district's board, officers, agents and employees undertaken under this agreement.

11. **COVID-19 PANDEMIC**

Because of the existence of COVID-19 and the resulting shelter-at-home orders, local educational agency closures and other related considerations, at FCMAT's sole discretion, the Scope of Work, Project Costs, Responsibilities of the District (Sections I, IV and V herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:

- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, videoconferencing, etc. References to on-site work or fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as provided as if performed in the field (excluding out-of-pocket costs).
- C. The district may be relieved of its duty to provide conference and other work area facilities for the team.

12. **FORCE MAJEURE**

Neither party will be liable for any failure of or delay in the performance of this study agreement due to causes beyond the reasonable control of the party, except for payment obligations by the district.

13. **CONTACT PERSON**

Name: Danika Curlee, Director of Fiscal Services
 Telephone: (559) 781-8020
 E-mail: danika.curlee@burtonschools.org



David Shimer, Superintendent
 Burton School District

12/12/23

Date



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

12/13/23

Date