FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Human Resources and Business Services Review

October 5, 2023

Sonoma County Office of Education

Michael H. Fine
Chief Executive Officer

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Amie R. Carter, Ed.D., Superintendent
Sonoma County Office of Education
5340 Skylane Blvd.
Santa Rosa, CA 95403

Dear Superintendent Carter:

In February 2023, the Sonoma County Office of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a review of the county office's operational processes and procedures in its 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:
    - Contracts
    - Donations and Scholarships
    - Credit Card Use
    - Travel Guidelines and Reimbursement
2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any, in the following areas:
    - Recruitment, selection and hiring practices
    - On-/Off-boarding
    - Employee absence reporting
    - Manager training
    - Comparison of benefit plans
    - PERS/STRS reporting
    - Credentialing

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

FCMAT appreciates the opportunity to serve the Sonoma County Office of Education and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

Michael H. Fine
Chief Executive Officer

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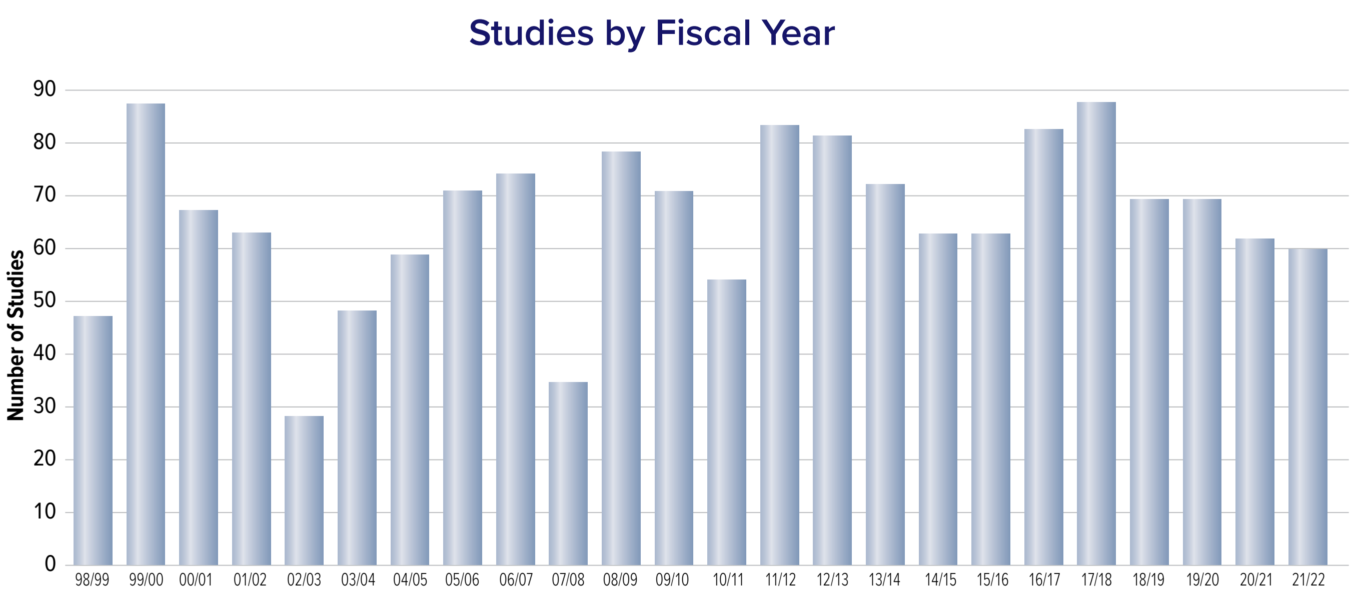
About FCMAT

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.



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 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS' mission.

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

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

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

Since 1992, FCMAT has been engaged to perform more than 1,400 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 Sonoma County Office of Education is in Santa Rosa, California and serves approximately 64,375 students in 40 districts, including students in transitional kindergarten through grade 12 (TK-12) and students enrolled in special education and alternative education programs. County enrollment has declined by more than 8.5% since 2017-18. The state Department of Finance projects continued statewide enrollment decreases through 2031, including in Sonoma County.

The county office operates the North Coast School of Education (NCSE). In partnership with the California Commission on Teacher Credentialing, the NCSE administers state-approved credential programs that support new and aspiring teachers and administrators.

In addition, the county office serves as the administrative unit (AU) for the Sonoma County Special Education Local Plan Area (SELPA), the Sonoma County Charter SELPA, and School & College Legal Services of California. The latter is a joint powers authority (JPA) formed to provide legal and labor relations services for community colleges, school districts, and county offices of education.

In January 2023, a new county superintendent was sworn in to lead the Sonoma County Office of Education. It is not uncommon for new leaders to review current policies, processes and procedures both to become familiar with them and to determine whether changes may be wanted or needed. The former county superintendent served from 2011 until his retirement in 2022. County superintendents have great latitude when making decisions about how to operate the organization. With enrollment continuing to decline, the new county superintendent requested that FCMAT review specific areas of the Business Services and Human Resources departments and make recommendations for improvement.

Study and Report Guidelines

FCMAT visited the county office on May 22-24, 2023 to conduct interviews with county office employees, collect data and review documents. Following fieldwork, FCMAT continued to review and analyze documents. This report is the result of those activities. Throughout the report FCMAT uses the term county office to signify both the organization and the elected county superintendent.

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

Marcus Wirowek, CFE
FCMAT Intervention Specialist

Tami Montero, CFE
FCMAT Intervention Specialist

Norma Gonzales
FCMAT Consultant

John Lotze
FCMAT Technical Writer

Those members of this study team who are otherwise employed by a local educational agency (LEA) were not representing their respective employers but were working solely as independent contractors for FCMAT.

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

Executive Summary

In this study, FCMAT found the policies and procedures in the following areas to be most in need of improvement: contracts, scholarships, credit cards, and travel policies.

In the case of contracts, most transactions with independent contractors lacked he necessary documents related to agreements for services. Also missing was a checklist to determine and document whether a contract should be issued or if the person should be hired as an employee.

For donations and sponsorships, the county office's practice of purchasing sponsorships at local fundraising events held by nonprofit agencies does not fall within the authority of the superintendent's or county office of education's policies. The county office also holds funds designated for scholarships in the ending balance of the general fund for the North Coast School of Education (NCSE). No documents were provided to indicate that the required committee has been established or that mandatory committee meetings have been held.

The issuance and use of credit cards is also an area of concern. The county office has too many cardholders, and controls are lacking in the areas of cardholder agreement, timely submission of receipts, and preauthorization of purchases. In addition, the number of meals being charged to county office credit cards is causing extra work for staff organizationwide. The practice of employees charging working meals to their county office cards is excessive.

The county office's travel policy needs significant updates. The per-diem rates for meals and lodging exceed the United States General Services Administration (GSA) amounts. The county office needs a new travel and conference form as well as significant updates to its travel policy, to meet Internal Revenue Service requirements and other generally accepted industry standards.

County office staff were cooperative, and the FCMAT team noted positive attitudes, high morale, and what appears to be a good working relationship between the Business Services and Human Resources departments.

The county office lacks a recruitment plan, and job postings go through a process that is neither well documented nor reviewed for its effectiveness in producing high quality candidates. Staff do not obtain approval from the county superintendent before creating or eliminating positions or before hiring a candidate.

Staff indicated that the county office has no clear and consistent process for internal candidates for jobs, and that the process changes frequently without explanation. For staff to effectively perform their duties, it is important to have documented processes and procedures. During fieldwork, FCMAT noted that most human resources and business positions lack desk manuals.

The county office has separate software for recording and processing employee absences and reporting leave balances to the employees through the payroll process. One employee transfers data manually from one system to another, with no oversight or approval process.

FCMAT reviewed operational processes and procedures in the Business Services and Human Resources departments and found that many could benefit from updates and improvements.

FCMAT also found instances of poor internal controls in both departments. These merit great attention because internal controls are the foundation of sound fiscal management: they ensure efficient operations, reliable financial information, and legal compliance. Internal controls also protect the organization from material weaknesses, serious errors and fraud.

Findings and Recommendations

Operational Processes and Procedures in the Business Services Department

Contracts

The county office does not have a central purchasing department. Individuals and departments procure their own services and supplies. Although full centralization of all purchasing functions is not necessary, detailed policies and procedures are needed to ensure compliance with laws and regulations. This includes reviewing and signing contracts.

Authorized Signers

Through interviews with staff, FCMAT learned that multiple individuals within the organization sign contracts. Contracts should have a limited number of authorized signers, one of whom should be the individual charged with assessing the contract language and whether all requirements are met before signing. This is typically the chief business official (CBO). If the county superintendent wishes to sign contracts, the CBO should sign off before the superintendent to indicate that all information in the contract is correct and all requirements have been met prior to final signature.

Having all contracts coordinated by one department would help ensure that all required documents are obtained before a contract is signed (e.g., insurance information, W-9, possible fingerprinting). It would also help ensure that consultants meet the requirements to be independent contractors rather than employees and are evaluated to determine whether written conflict of interest statements are required.

The county office's use of multiple signers does not ensure that contracts are reviewed for clear and accurate language, terms and conditions, or that a vendor has given the county office all the information needed to proceed. This exposes the county office to increased risk. For example, if multiple individuals or departments purchase the same materials or services and their combined purchases exceed the bid threshold, they have violated the law (see the Bidding and Requests for Quotes or Proposals section below).

Consultant Contracts

Superintendent's Policy (SP) 3600 authorizes the use of consultants and other independent contractors. The policy also references the requirements to be classified as an independent contractor and states that all consultant contracts shall be brought to the county superintendent or their designee for approval.

Significant tax consequences can result if a worker is misclassified and is subsequently reclassified (e.g., as the result of an audit). In September 2019, the governor signed AB 5, requiring the application of the ABC test to determine whether workers in California are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the Industrial Welfare Commission wage orders. Among other things, AB 5, and later AB 2257, added a new article to the Labor Code to address these issues (Sections 2775-2787) and established stricter rules for employers to ensure that employees are not misclassified as independent contractors and thus deprived of benefits to which employees are entitled.

The county office's Business Services Procedures Manual includes a section titled Independent Consultant/Presenter Agreements. This procedure requires completion of an Independent Consultant Checklist form to help determine whether to classify a consultant as an independent contractor or an employee. The form was last updated in July 2001. It needs to be updated to reflect the change in law, and the completed checklist needs to be part of the documentation reviewed by the contract signer.

The Business Services Procedures Manual also gives the following guidance about using consultants:

> Agreements should not be issued for any individual who routinely provides services for the County Office. These individuals should be hired through the Human Resources hiring process.
>
> - If a consultant / presenter is an employee of a District, a PO [purchase order] should be issued to that District for payment to pass through their payroll to their employee.
> - If a SCOE employee is providing a service, the SCOE employee will need prior authorization from a department head to complete a supplemental timecard and be paid on supplemental payroll.
> - If you contract with an individual whom you know has retired from the STRS or PERS systems, the individual must be hired through the Human Resources hiring process. Not doing so circumvents the reporting of wages and/or hours to the retirement systems. This creates a potential liability for SCOE.

The county office has three possible forms for use of a consultant: Agreement for Presenter Services, Agreement for Consulting Services Under $1,000, and Agreement for Consulting Services. It is unclear why the county office uses three separate forms. None of these forms include requirements for the consultant or presenter to disclose possible conflicts of interest.

Superintendent's Policy 3600 also states:

> Independent contractors shall submit a written conflict of interest statement disclosing financial interests as determined necessary by the County Superintendent or designee, depending on the range of duties to be performed by the consultant. The County Superintendent or designee shall consider this statement when deciding whether to recommend approval of the contract. Any consultant hired by the county office who is subject to the filing requirements in the county office's conflict of interest code shall file a Statement of Economic Interests within the time period required by law. (Government Code 87302)

Failure to follow established policies and procedures is indicative of weak internal controls. The county office needs to develop a process to evaluate consultants or independent contractors to determine whether they are required to file a written conflict of interest statement. If required, written statements will need to be obtained from a consultant or independent contractor before signing the contract and annually as applicable.

To review the county office's process for contracts, the FCMAT study team requested documents for 132 transactions spanning fiscal years 2020-21 through 2022-23. Staff uploaded documents for 85 of the requested transactions, or approximately 64%. In many cases the documents provided were not complete. In interviews, staff indicated that providing the requested documents was a considerable effort and took nearly one month. The reason stated was that not all documents were housed in the Business Services Department but in various departments that initiated the contracts or transactions. All documents related to expenditures, whether paper or electronic, need to be kept in the business department. These documents should be easily accessible because they are reviewed during the annual independent audit. Not keeping all documents with the transaction information is indicative of weak internal controls.

Another sign of weak internal controls is the fact that one transaction had all approvals in the financial system overridden, and the requisition process was started after the work was performed.

FCMAT analyzed and compared the provided documents to superintendent's policies, county office policies, regulations, operational procedures, and industry standards or best practices. Most transactions with independent contractors did not include the documents previously discussed, such as an agreement for services, a contract, or a checklist to determine whether they should be classified as an employee or an independent contractor.

Eight transactions were labeled as honoraria. The amounts of the honoraria ranged from $200 to $750. Merriam-Webster defines an honorarium as "a payment for a service (such as making a speech) on which custom or propriety forbids a price to be set." None of these transactions included a consultant or presenter agreement. Describing a payment as an honorarium does not change the fact that it was a payment for a service received and should follow standard purchasing guidelines.

Bidding and Requests for Quotes or Proposals

The Public Contract Code requires bidding for supplies that exceed a certain cost threshold and for contracts for professional services, facility repair, modernization, and construction.

The Business Services Procedures Manual details the process for bid and quote guidelines. The manual states, in part:

> In general, Departments should seek the lowest price. However, quality and service can take precedence over price.
>
> 1) Under $1,500 Normally these requisitions will not be bid out but will be sole-sourced to the vendor listed on the requisition. Purchasers should check prices with multiple vendors, when possible.
>
> 2) $1,501 to $20,999 (see exceptions below) Purchasers are required to solicit at least three (3) or more informal bids or quotes. Written bids or quotes are preferable, but telephone, faxed or E-mail bids are acceptable where time is a consideration.
>
> 3) $21,000 to $99,099 [Non-construction Services] Purchaser must obtain three (3) or more written formal bids. Bids must be reviewed and approved by the Deputy Superintendent of Business. These are treated exactly as formal bids; except they are not advertised in the newspaper.
>
> 4) Over $99,100 Bid must be advertised in the legal notices section of the Press Democrat at least once a week for two weeks.[1]

[1]The bid limit beginning January 1, 2023, is $109,300 as set by the Superintendent of Public Instruction.

It is unclear if the county office is following its own processes and procedures, because many relevant documents for transactions either did not exist or were not provided to FCMAT. FCMAT received no documents to substantiate that the county office follows its bid quote guidelines or its process for using consultants and presenters, or that it follows SP 3600 for classifying independent contractors and reviewing for possible disclosure of economic interests.

Internal controls are the protocols, procedures, and activities that protect organizations from financial, operational, strategic, and reputational risk. In May 2013, the Committee of Sponsoring Organizations of the Treadway Commission published an executive summary, Internal Control - Integrated Framework, that defines internal controls as "a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance." The reference to achievement of objectives refers to an organization's work of planning, organizing, directing, and performing routine tasks related to operations, and monitoring performance.

Weak internal controls can result in the loss of assets and resources, mismanagement, and inefficiency in operations.

Recommendations

The county office should:

1. Ensure that its Business Services Department coordinates the processing of all contracts and agreements.
2. Designate the CBO as the signer of all contracts, regardless of amount. If the county superintendent wishes to be the signer on all contracts or contracts over a certain dollar amount, ensure that the CBO signs first indicating that all required documents have been received and that the contract is accurate before final signature by the county superintendent.
3. Update its Independent Consultant Checklist form to align with Labor Code.
4. Develop a process to evaluate consultants and other independent contractors to determine whether they should be required to file a written conflict of interest statement. If required, ensure that written statements are obtained from designated consultants or independent contractors before signing the contract and annually as applicable.
5. Ensure that the Business Services Department maintains all documents related to expenditures with the corresponding transaction information.
6. Treat honoraria payments as payments for a service, the same as is done for consultants and independent contractors.
7. Consider conducting a complete review of its internal controls.

Donations, Sponsorships and Scholarships

FCMAT reviewed transactions and noted some that were for donations, scholarships, and sponsorships. Those labeled 'sponsorships' were all for local nonprofit fundraising events.

Gifts, awards, donations, scholarships and sponsorships to staff, students and other government or nonprofit entities may be considered gifts of public funds unless the county superintendent has an established policy defining the parameters of allowable gifts, awards, donations, scholarships and sponsorships.

Gifts of public funds are governed under Article 16, Section 6 of the California Constitution, which specifies that the state Legislature cannot authorize any county, city, or other political subdivision to make any gift of public funds to an individual or corporation. This constitutional provision prohibits making any gift of public money, including items of value, to any individual, including public employees, a corporation, or other government agency. This is designed to prevent the misuse of public money.

The primary factor in determining whether an expenditure is a gift of public funds is whether the funds expended have a direct and substantial public purpose, with only an incidental benefit to an individual or entity. To justify the expenditure of public funds, the county superintendent must determine that the expenditure will benefit the education of the local educational agency's (LEA's) students. Expenditures that most directly and tangibly benefit students' education are more likely justified, but expenditures driven by personal motives are not, even if they have been a longstanding local custom or are based on benevolent intentions. If the county superintendent has determined that a particular type of expenditure serves a public purpose, courts will almost always defer to that finding. Therefore, if the county superintendent has a policy stating that specific items are allowable, such as scholarships, sponsorships and awards, the expenditure will likely be considered allowable.

The county office has no superintendent's policy or county office regulation that addresses donations by the county office or scholarships. Two superintendent's policies reference gifts and partnerships with public agencies:

Superintendent's Policy 1150: Recognition and Awards states the following:

> The County Superintendent recognizes that acknowledgments made to employees may serve the purpose of improving or maintaining employee morale, thus supporting the County Office's ability to provide quality service to the public. The County Superintendent authorizes the expenditure of County Office funds to provide acknowledgments, such as flowers and cards, to employees or other significant members of the education community of Sonoma County only under the following circumstances:
>
> The expenditure does not exceed fifty dollars
>
> The occasion for the acknowledgment is limited to instances such as employee illness exceeding five consecutive workdays
>
> Prior approval for the expenditure is obtained from the County Superintendent or designee
>
> The County Superintendent assigns department directors the responsibility of ensuring that all expenditures for acknowledgments are made in adherence to this policy.

Superintendent's Policy 1400: Relations Between Other Governmental Agencies and the Schools states the following:

> The County Superintendent believes that county office efforts to provide a high-quality education for students in the community can be enhanced by collaboration with other government and public agencies that are responsible for the health, safety, and well-being of children and youth. The county office shall initiate and maintain good working relationships with representatives of local agencies to maximize student and family access to support services that will help students achieve to their highest potential. And,
>
> In order to identify priorities for services, the County Superintendent shall encourage a periodic assessment of children's needs within the community, which may include, but not be limited to, needs based on poverty, child abuse and neglect, poor physical or mental health, substance abuse, violence, homelessness, placement in foster care, or lack of access to childcare. The needs assessment should also examine the extent to which those needs are being met through existing services in the county office and in the community, the costs of providing those services, and any gaps, delay, or duplication of services.
>
> The County Superintendent shall approve the services to be offered by the county office, the resources that will be allocated to support collaboration, any use of school facilities for services, and any development or joint use of facilities with other jurisdictions. **All agreements with other agencies to coordinate services or share resources shall be in writing.** The

> County Superintendent may establish joint powers agreements or memorandums of understanding, when feasible, to formalize the responsibilities and liabilities of all parties in a collaborative activity. [emphasis added]

Purchasing sponsorships at local fundraising events held by nonprofit agencies does not fall under the authority granted by these policies, because a service is not being provided and there is no agreement for the service in writing as described in SP 1400. It is also not a recognition or award to an employee or related entity that would fall under SP 1150. Moreover, elected officials' or employees' attendance at such an event with admission purchased using public funds may be deemed a personal benefit to the attendee(s), and therefore a gift of public funds. The absence of a clear and specific policy regarding donations and sponsorships exposes the county office to risk that a transaction may be deemed a gift of public funds.

The county board of education has Policy 5126: Awards For Achievement, which details recognition and awards as well as scholarships. The policy states, in part:

> Scholarship Fund
>
> The County Board **shall** establish and maintain a scholarship fund which may be used to provide scholarship or grants-in-aid to bona fide organizations, students, or graduates of the County Office, or former students of the County Office Alternative Education program who have graduated from another Sonoma County school district.
>
> The County Board's scholarship fund **shall** be administered by a County Office committee composed of County Board members, the County Superintendent, and such other community, staff, administrative, and/or student representatives as determined by the County Superintendent. Members of this committee shall serve one-year terms with no term limits. The County Superintendent shall serve as chief executive officer of the scholarship fund and as chairperson of the County Office committee established to administer the fund. The committee shall meet at least once each fiscal year and at other such times as it may be called into session by the County Superintendent.
>
> The committee may accept gifts, donations, and bequests made for the purposes of the fund and may prescribe conditions or restrictions on these gifts and bequests. If the donor imposes any conditions, the committee shall review the conditions and make a recommendation to the County Board as to the compatibility of such conditions with the intent and purpose of the fund. The County Board may prohibit the committee from accepting any donation under conditions it finds incompatible with the fund's intents and purposes.
>
> The County Superintendent or designee **shall** report to the County Board at least annually regarding the status and activity of the fund.
>
> Scholarship funds shall be deposited, administered, and audited in accordance with Education Code 35314 and 35318.
>
> The County Superintendent or designee shall establish criteria, procedures, and deadlines for student applications for scholarships from the fund. As applicable, the County Superintendent or designee may require the student to submit letters of recommendation or other supplementary materials providing evidence of the student's accomplishments and/or need. [emphasis added]

The county office has funds in its ending fund balance (in its general fund) designated for a scholarship fund. In interviews, staff indicated that this is established for the North Coast School of Education. The county office does not maintain a separate scholarship fund as stated in the above policy. The county board gives scholarships to graduates of the county office alternative education program (Amarosa and Headwaters academies). No documents were provided to indicate that the required committee is established or that committee meetings were held. It would benefit the county superintendent and the county board to consult legal counsel and review and revise their respective policies to reflect current practice with regard to scholarships.

Recommendations

The county office should:

1. Work with legal counsel to evaluate and update its superintendent's policies regarding donations, scholarships and sponsorships, or create a separate policy that deals with the specifics of donations and sponsorships.
2. Work with legal counsel and the county board to evaluate and update its policies and procedures regarding student scholarships.

Credit Cards

Credit cards are typically used to enable LEAs to purchase from vendors who may not accept purchase orders or to expedite purchases such as registration fees for conferences. The county office uses the State of California Purchase Card Program, known as CAL-Card, offered by the state Department of General Services. This program provides eligible public agencies access to Visa purchase card services and is designed to minimize credit costs, including offering rebates on purchases. The program is widely used by public school districts in California. The county office's procedure for credit card use was last revised in March 2023 and is included in its Business Services Procedures Manual. The county office has no corresponding superintendent's policy. A review of the policies available on the county office's website confirmed that there is no credit card policy.

The county office's Business Services Procedures Manual (March 2023) states:

> The county superintendent authorizes the issuance of credit cards to specified employees to provide an alternative purchasing mechanism for use in instances when a purchase order is impractical, non-economical, or not an option……Whenever possible, purchases made by purchase order shall take precedence over purchases made by credit card, as the purchase order process allows for pre-authorization to take place.

The wording in the Business Services Procedures Manual is correct: purchase orders provide for preauthorization and should be required as preauthorization to use a credit card as payment. Making this change would strengthen the controls in the current credit card procedure.

Credit Card Policies and Procedures

Effective policies protect and guide employees as they perform their duties to fulfill an organization's mission. They are a reference tool for appropriate action and for dealing with potential or actual conflicts. Policies may paraphrase law, explain a procedure, clarify a principle, or express a desired goal. Like most policies and procedures, a credit card policy should be reviewed and revised annually for any needed changes.

The current credit card procedure states the following:

- CAL-Cards (county office issued credit cards) cannot be used to circumvent the purchasing process
    - Cannot be used for the following transactions: consultants, instructors, speakers, contractors, lease/purchase agreements, maintenance/rental agreements, services that require a contract, alcohol or tobacco, cash advances, art work, vendors outside of the USA, printing services, donations, personal items, service vendors (those who would receive a 1099)
- CAL-Cards can be used without prior approval for:
    - Travel costs
    - Workshop meals
    - Sole source supplier vendors who do not accept purchase orders
    - Items needed on an immediate basis (health and safety)
- CAL-Cards can be used with prior approval for:
    - Any single purchase over $500.
        - The expense must be approved in advance of the charge by the Director of Internal Fiscal Services or Deputy Superintendent of Business Services
        - Technology devices
- Original itemized receipts must be submitted to business services with the statement each month
    - Total purchase cost with detail must be provided
    - If purchasing meals, the employee must list the names of the individuals or business associates and the purpose of the meeting on the receipt and attach an agenda for the meeting
    - Packing slips should be submitted when applicable
- CAL-Cards statements are due to the Accounts Receivable/Accounts Payable Technician in the business services department by the 25th of the month
    - Statements must be signed and dated by the cardholder and approver
    - A CAL-Card cover sheet is required for each statement
        - Budget codes are required per line item on the statement
        - The cover sheet must be provided in Excel or Google Sheets

Meals on CAL-Cards

A review of several years' of credit card transactions revealed weaknesses in the credit card procedure. The main weakness is related to the use of CAL-cards to purchase meals while traveling on county office business. For most of the meal purchases, employees submit receipts, and when the amount spent on the meal exceeded the daily combined per diem, the employee was required to submit a payment back to the county office for the difference. The industry standard for travel is to choose one of two options for a travel and credit card policy: either allow employees to be reimbursed for the per diem amounts without requiring receipts, or allow them to use their credit card for meals.

The hybrid method the county office uses is creating extra work for both the employees who use a CAL-Card and the staff who collect the overage payments from the employees. The number of transactions related to food for travel averages more than half of all transactions on most CAL-Card statements. By disallowing travel meals on CAL-Cards, the county office could free the staff time used and redirect it to other tasks (this topic is discussed further in the section on travel and conference policies).

Timely Submission of Receipts from Cardholders

Another issue with CAL-Card administration is the county office's practice of paying the credit card company before receiving receipts from employees for the transactions. Evidence was provided showing several instances in which the business office requested supporting information for two months or more for purchases made with a CAL-Card. This practice could leave the county office exposed if an unauthorized purchase was made and a receipt was not provided. In addition, meals provided to employees are considered nontaxable if the employer has an accountable plan as defined by the Internal Revenue Service (IRS). One of the requirements of an IRS accountable plan is providing documentation for expenses in a timely fashion. Receipts outstanding for many months may result in the value of an employee's meals being taxable.

The county office needs a strong credit card policy, adopted by the superintendent, that requires employees to provide all receipts and backup documents by a certain date before the credit card payment due date. The credit card policy also needs to include a cardholder agreement that informs employees of and requires agreement with the terms of the superintendent's policies regarding credit cards.

Failure to provide receipts in a timely manner should result in an employee forfeiting their right to use a county office-issued CAL-Card. A sample superintendent's policy for credit cards and a cardholder agreement are included in appendices A and B at the end of this report.

Purchase Orders for Credit Card Expenditures

The CAL-Card policy also needs to require that funds to pay for credit card purchases be encumbered before the purchase is made. This would help the county office ensure proper authorizations and sufficient budget allocations for CAL-Card purchases.

One way to implement this requirement is to have the business department retain the physical CAL-Cards in the business office and give a card to an employee to use only when a purchase order is presented. If this practice is not desirable, management can rely on the CAL-Card user agreement employees sign and suspend or revoke card privileges if purchases are made without a purchase order on file. The county office has a form that is required to issue a credit card, but no agreement on the rules for and limits of the card's use.

Number of Cards Issued

A review of current practice and interviews with staff indicate that the deputy superintendent of business assigns the cards and sets the credit limits. There was no evidence that the county superintendent reviewed or approved the issuance of credit cards or credit limits.

The credit limits set by the associate superintendent of business are arbitrary; they are not based on the needs of the individual or department.

The business department can temporarily increase credit limits for individual cards when necessary. It is best to set limits based on the needs of the program, and for the program administrator or designee to review statements and card use to minimize the number of times credit card limits are temporarily increased. One of the features of the CAL-Card program is tailored controls over card use, including the type of expenditure allowed, excluded vendors, and maximum dollar limits by type of purchase and by user.

At the time of this report, the county office had issued 58 credit cards. This number could be reduced for efficiency. A list of all positions with active credit cards, with department and credit limit information at the time of this report, is shown below:

Job Titles by Department with Credit Limits

Job Title	Department	Credit Limit
Administrative Operations Specialist	Administration	$10,000.00
County Superintendent	Administration	$15,000.00
Administrative Operations Specialist	Business	$10,000.00
Administrative Operations Specialist	Business	$10,000.00
Chief Technology Officer	Business	$13,000.00
Deputy Superintendent	Business	$15,000.00
Director, External Fiscal Services	Business	$13,000.00
Director, Facilities, Maintenance and Operations	Business	$5,000.00
Administrative Operations Specialist	Educational Support Services (ESS)	$10,000.00
CCPC Coordinator	ESS	$4,000.00
Deputy Superintendent	ESS	$15,000.00
Director, Alternative Education	ESS	$13,000.00
Director, College and Career Readiness	ESS	$5,000.00
Director, Data and Engagement	ESS	$5,000.00
Director, Leadership Development	ESS	$5,000.00
Managing Director	ESS	$8,000.00
Administrative Operations Specialist	Human Resources	$3,000.00
Deputy Superintendent	Human Resources	$13,000.00
Assistant Superintendent	Human Resources/Administration	$13,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$1,000.00
Associate General Counsel	Legal	$4,000.00
General Counsel	Legal	$3,000.00
Legal Office Manager	Legal	$3,000.00
Senior Associate General Counsel	Legal	$1,000.00

Senior Associate General Counsel	Legal	$3,000.00
NCSOE Coordinator	NCSE	$2,000.00
NCSOE Superintendent	NCSE	$13,000.00
Project Director	NCSE	$2,000.00
Regional Director	NCSE	$2,000.00
Administrative Specialist	NCSE	$5,000.00
Administrative Support Secretary	SELPA	$5,000.00
Executive Director	SELPA	$15,000.00
Executive Director	SELPA	$15,000.00
Administrative Operations Specialist	Special Education	$3,000.00
Assistant Superintendent	Special Education	$8,000.00
Department Systems Coordinator	Special Education	$2,000.00
Director, Behavioral Health Services	Special Education	$2,000.00
Principal	Special Education	$2,000.00
Principal	Special Education	$2,000.00
Principal	Special Education	$2,000.00
Principal	Special Education	$4,000.00
School Office Coordinator	Special Education	$2,000.00
Special Education Fiscal & Admin Mgr.	Special Education	$10,000.00
Special Education Teacher	Special Education	$400.00
Special Education Teacher	Special Education	$500.00
Special Education Teacher	Special Education	$700.00
Special Education Teacher	Special Education	$400.00
Special Education Teacher	Special Education	$600.00
Special Education Teacher	Special Education	$600.00
Special Education Teacher	Special Education	$700.00
Special Education Teacher	Special Education	$700.00
Special Education Technician	Special Education	$2,000.00

To reduce the number of credit cards, the county office could provide cards only to the county superintendent and assistant and deputy superintendents. The administrative operations specialist positions could still have access to the card(s) issued to the administrators in the division.

Recommendations

The county office should:

1. Adopt a superintendent's policy for credit card use, including information about items that can be purchased with the credit card.
2. Require purchase orders (encumbrances) for credit card purchases.
3. Develop a comprehensive credit card user agreement for all users to sign before they are issued a credit card, and have cardholders sign the agreement annually. The agreement should include a statement that failure to provide receipts in a timely manner will result in an employee forfeiting their right to use a county office-issued CAL-Card.

4. Monitor credit card use to evaluate credit card limits.
5. Assign the credit card policy to the program administrator to implement, review, and recommend updates annually.
6. Disallow purchases of meals on employee CAL-Cards when traveling.
7. Consider reducing the number of active CAL-Cards.

Travel Guidelines and Reimbursement

Travel policies are essential because of the risk of duplicate reimbursements and fraud, and the ever-changing IRS guidelines regarding items that may be taxable to the employee. Keeping a travel policy up to date is imperative for any public entity. The current Superintendent's Policy 3350: Travel and Travel Expenses was last updated in 2017. Interviews with employees and a review of documents submitted to FCMAT indicate that substantial changes to the current policy are needed. The areas of concern are discussed below.

Travel Reimbursement Form

The process for employee reimbursement for travel uses two forms: a conference attendance request and an employee reimbursement request. The staff member requests authorization for travel in advance, using the conference attendance request form to record the location, approximate cost, budget code to be used, and purpose for travel. Once travel is complete, the employee submits the employee reimbursement request form for reimbursement of expenditures. Interviews with business office staff indicate that when the reimbursement request is made, the original conference attendance request form is not presented with it. This prevents accountability and control because the authorized expenditure cannot be compared to the actual expenditure.

FCMAT has prepared and included in Appendix D of this report a sample Travel Approval and Reimbursement Form that includes a preauthorization for travel and a post-travel expenditure request on one page.

Per Diem Issues

The county office's business services travel and conference procedure states that meal reimbursements are limited to the following amounts:

- Dinner $38
- Lunch $24
- Breakfast $18
- Total: $80

The GSA sets and publishes per diem rates annually. Allowances for per diem vary by geographic area. The per diem rate for Sonoma County for 2023 is $69 per day (excluding incidentals) combined for all meals and is shown below.

- Dinner $34
- Lunch $18

- Breakfast $17
- Total: $69

The lowest and highest total per diem allowances in California are $59 and $74, respectively.

As shown above, the county office's per diem allowance rate is too high. Using the GSA rates and updating them annually would give employees reasonable reimbursements while traveling for work. Using the GSA rates also prevents employees from having taxable compensation as happens when the per diem amounts are higher than the government stipulated rate.

Per IRS Revenue Ruling 2006-56, dated November 13, 2006, organizations are required to properly track and record employee per diem meal reimbursements. Per diem reimbursements higher than the federal per diem rates must be included as gross wages on an employee's W-2 form. To avoid these tax consequences, reimbursements for actual business expenses must be made in accordance with IRS requirements, specifically the rules for an accountable plan. An accountable plan limits reimbursement to business-related expenses substantiated by receipts or other verification. Any excess payments made to the employee must be returned to the employer in a timely manner. The district's $80 per day policy exceeds the GSA amount of $69 per day, and the $11 overage would need to be added to the W-2 of any employee who used the per diem allowance unless they provided receipts to substantiate the amount.

Rates for per diems need to match those published by the GSA and be updated annually to continue matching (the federal fiscal year begins in October). The rates used in the county office's travel and conference procedure were set in 2021 and have not been updated.

A typical travel policy stipulates a set amount of per diem, and each employee traveling for work is allowed that amount based on the times of day traveling. For example, if an employee leaves for an overnight trip at 6 a.m. and returns the following day at 10 p.m., that employee is eligible for two days' worth of per diem meal reimbursement. When submitting the reimbursement form, the employee simply requests reimbursement for the eligible meals and is reimbursed at that rate; no receipts are required.

Another common practice is to allow lodging only for travel that exceeds a certain time or distance. For example, a workshop or conference must be more than 50 miles or one hour away from the attendee's residence for them to be provided paid lodging. Lodging expenses also need to have maximum amounts, such as twice the all-locations rate established in the GSA rates. Policies need to include a process for exceeding the county office's limits, but these should be used rarely.

The county office's current travel policy is silent regarding departure and arrival times for travel. Guidelines for these times are set by the IRS and should be followed to ensure compliance with the law and to avoid IRS penalties for both the county office and the employees being reimbursed. More information concerning this and related topics can be found at https://www.irs.gov/publications/p15b.

Because its current practice differs significantly from what is proposed in this report, the county office will need to train staff and change its organizational culture if the superintendent decides to revise its travel and conference policy and procedures.

Appendices C and D contain a sample travel policy and a sample Travel Approval and Reimbursement Form, respectively. The travel request form requires two steps: one for authorization before traveling and another for reimbursement after travel. The sample form does not require receipts for meals, but instead allows the employee to request per diem reimbursements for meals.

Reimbursements for Meals

As mentioned in the section on credit cards, the county office's practice of reimbursing for meals is to provide an $80 daily maximum allowance and for employees to use a CAL-Card for meal purchases. Employees keep track of their expenditures and submit receipts with their CAL-Card statements. When employees exceed the $80 daily maximum, they are required to pay back the county office for the overage. This is neither standard practice nor the best use of employee resources, because tracking the expenditures and reimbursements is burdensome for the business office staff.

It would benefit the county office to have employees request reimbursement for eligible meals according to a travel policy that provides for reimbursement at the GSA per diem rate and bases eligibility on the times of departure and return. This requires no receipts or repayments to the county office, and it would reduce by approximately half the number of transactions on employees' CAL-Card statements.

Working Meal Meetings

FCMAT's review of employee reimbursements and CAL-Card statements revealed a large number of instances in which staff held working meal meetings – meetings at which a small group of staff met during mealtime to discuss a topic or plan an event, training or program.

The county office has been funding an excessive number of working meal meetings. The only requirements for such a meeting are that an agenda be provided and that the names of those in attendance be listed on the agenda. Evidence provided by the county office shows that sometimes these agendas have been prepared after the fact so the meal can be claimed as a working meal on a Cal Card Expense Meeting Agenda form. The existence of such a form reflects a disregard for policies and procedures, and it is indicative of weak internal controls. Such behavior may ultimately lead to fraud that the county office will have no way to detect. The travel and conference policy proposed in this report is meant to deter this type of behavior by requiring preapproval from the superintendent or deputy superintendent before a working meal meeting takes place.

Superintendent's Policy 3350: Travel and Travel Expenses states, in part:

> Meals may be reimbursed within the county only if necessary business was conducted during the mealtime as evidenced by an agenda, the meeting required business with associates who are not employees of the County Superintendent, and/or the required business is approved in advance. Staff should make every attempt to follow the meal allowance rates for this type of business meeting.

The policy goes on to state that the deputy superintendent of business is responsible for establishing meal reimbursement rates. The rates are listed in the 'Travel Claims' section of the Business Services Procedures Manual.

The county office's practice does not align with its SP 3350, which clearly states that a meal reimbursed within the county requires business with associates who are not employees of the county superintendent and must be approved in advance. FCMAT reviewed one month's credit card statements for three departments and found seven separate instances in which the charges on the credit card for meals were in direct conflict with SP 3350.

Recommendations

The county office should:

1. Adopt a superintendent's travel and conference policy that aligns with the IRS guidelines for per diem reimbursements and eligible meals based on time of departure and return.
2. Consult with its auditors to confirm that its policies comply with IRS regulations.
3. Discontinue allowing employee meals to be charged on CAL-Cards.
4. Ensure that approved reimbursements for employee meals follow the GSA per diem rates.
5. Update the per diem rates annually to align with GSA or IRS guidelines.
6. Strengthen rules for working meal meetings in accordance with the travel and conference policy proposed in this report.
7. Train staff on any new processes and procedures for preauthorization and post-travel reimbursement.

Operational Processes and Procedures in the Human Resources Department

Recruitment, Selection and Hiring Practices

Recruiting staff is a major function of any human resources (HR) department and must be done in a legal, timely, and efficient manner. There is a national and local teacher shortage, and this has affected the county office and the districts within the county. The county office acknowledges that it does not recruit and hire employees and substitutes quickly enough to fill its needs and those of the districts it serves. An organization must have clear, well-written procedures for staff so that they know their roles in the process; this reduces the amount of time it takes to process recruitments and hire employees.

Recruitment Plan

A recruitment plan is essential because it outlines a strategic approach for attracting, selecting, and hiring the best candidates to meet an organization's present and future workforce needs. By having a well-structured recruitment plan in place, the county office can ensure that it finds and hires the most suitable individuals for specific roles while also fostering diversity and inclusion, reducing the time it takes to fill vacancies, and optimizing recruitment costs. Based on interviews with staff and documents provided to FCMAT, the county office lacks a well-defined recruitment plan.

When designing a recruitment plan, timelines and processes as well as the staff responsible for them need to be clearly identified. Important dates and processes should be clearly outlined. The plan should include the recruitment sources that will be used for each type of recruitment. For example, the county office advertises all recruitments on EDJOIN; however, some are also advertised in the local newspaper, and others on Indeed and Craigslist or other websites. The county office needs to develop criteria for where it advertises various vacancies based on where it sees the best results finding applicants. This is discussed further below.

Program changes, including contraction, redesign, and expansion, need to be reviewed annually and added to the plan with target dates for hiring as well as any known or potential position vacancies.

Recruitment timelines may begin and end at different times throughout the year depending on the position type. For example, recruiting for staff who work directly with students, such as instructional assistants, principals and teachers, typically aligns with the school or fiscal year calendar. Other positions, such as maintenance workers, program directors, and clerical positions, may or may not follow the same schedule, depending on when the vacancy occurs. Unexpected recruitment efforts can occur at any time because of unforeseen circumstances such as leaves of absence or resignations. To maximize the effectiveness of the recruitment plan for employees who work directly with students, it is best to align it with the school or fiscal year. This practice is common among many LEAs as it allows HR and hiring managers to work within the allocated budget and resources for hiring and helps ensure adequate and qualified staffing for the start of the school year.

To increase the chances of a large pool of qualified applicants, it is important to determine the best recruitment sources to use, based on the position. These sources can be internal, such as job boards, emails to staff, and the county office website. External sources typically include local newspapers or other publications, social media platforms such as Facebook and LinkedIn, job fairs, recruitment publications, and dedicated recruitment websites such as Indeed. Understanding the effectiveness of each source is vital because it enables the HR department to focus its efforts on the sources that attract the most qualified candidates.

During interviews, staff shared that the county office has no formal process for determining when to advertise outside its internal sources and EDJOIN. Although the main source for the county office's external recruitment is EDJOIN, there are instances when it may be beneficial to explore additional recruitment sources such as LinkedIn, Indeed, local newspapers, job boards and others. However, the county office has no standard process or criteria for when to use these external sources. The county office will need to develop clear criteria for this.

To evaluate the success of its recruitment sources, the county office needs to collect and analyze this data. Each recruitment source needs to be evaluated for its efficacy. It is best to collect data from each recruitment source, such as the source that brought in each candidate, performance metrics of hires from each source, candidate quality, and feedback from candidates regarding their recruitment experience. Analyzing the collected data will enable the county office to make informed, data-driven decisions, optimize its recruitment strategies, and attract the best candidates to meet its needs and objectives. Although some of this data is being tracked in EDJOIN, it is not analyzed or compared with any other recruitment systems or outcomes.

Recommendations

The county office should:

1. Develop an annual recruitment plan that identifies the following:
    a. Potential vacancies.
    b. Program changes, contractions and expansions .
    c. Timelines and important dates for the hiring process.
    d. Recruitment sources that will be used, by job classification.
    e. Position(s) responsible for each task.
2. Develop criteria for using additional recruitment sources based on classification and difficulty of recruiting for positions.
3. Analyze the recruitment sources newly hired employees used to find their job.

Recruitment Request Process

The FCMAT team reviewed the county office's recruitment processes and interviewed staff responsible for carrying them out. To start a recruitment, a Human Resources Authorization (HRA) is completed in the Escape software system. The HRA follows a workflow for approval that includes the initiating department, human resources, position control, and payroll. The county superintendent is not consistently notified about recruitments or involved in the hiring approval process.

Once the HRA process is complete, each department is required to use a Position Request Recruitment Form (PRRF) to start the recruitment. Information on this form includes but is not limited to the position title, hiring supervisor, department, position control number, screening team members, and screening criteria.

The system requires several fields on the PRRF to be completed before a position can be advertised. Once the form is complete, it goes through a signature process involving the original requester, department head, and HR analyst.

The FCMAT team reviewed several PRRFs. Several documents were incomplete. For example, one of the documents states that the position control number is "pending," indicating that the position may not yet have been officially authorized, or that the position number is unknown. Only authorized positions and vacancies should be recruited for. Failure to ensure a position has been approved could result in the county office hiring an individual for that unapproved position. This is a deficiency in internal controls. Also missing from the PRRF was a final signature of the individual responsible for the information.

The PRRF has two pages. The first page lists all information needed to post the position. In interviews, staff indicated that the screening information on the first page is not required to begin recruitment. The second page of the PRRF includes additional screening criteria, testing requirements, interview teams, and number of interviews. This information is due within five days of the first page.

The county office keeps these forms for reporting and auditing purposes. Incomplete forms may lead to audit findings. Staff shared that not all departments follow the correct process when starting an HRA and PRRF, and that HR staff must routinely follow up to obtain information for screening and interviewing. Once this information is obtained, HR staff do not fill in information on the PRRF, leaving the document incomplete. This process is inefficient and does not allow the county office to maintain reliable and complete records. By continuing to accept incomplete forms, the HR Department reinforces the idea that the information is not important or needed.

The HR department needs to review the PRRF to determine what information duplicates that on the HRA. For example, if the position control number has already been identified on the HRA, it is not necessary for the requester to list the position control number again. HR staff can either list the approved HRA number or print out the HRA approval. Referencing the HRA allows staff to see which approvals are already in place to start a recruitment. Knowing in advance which positions the county office is recruiting for enables staff to ensure that the position control records are updated accordingly. This information is essential for both administrative purposes and for staff involved in recruitment. It allows them to have accurate and up-to-date data about the positions they are handling, ensuring a smooth and well-informed recruitment process.

The county office's Business Services Procedures Manual includes step-by-step instructions for the recruitment process, so it can easily remind departments of the correct process. The instructions for completing the HRA and PRRF were last revised on December 10, 2018. Staff need to review the instructions periodically to determine whether they are still correct or need to be updated, and the instructions should always include a note with the date they were last reviewed or revised. Positions identified in the document also may no longer exist or may have been reclassified, so it is best for staff to review positions assigned to the HRA and PRRF processes and update them as needed.

Although several resources are available on the county office website, because there are changes in processes and procedures and turnover in positions, it would be beneficial for the HR and Business Services departments to jointly develop and provide training to the positions responsible for starting an HRA and PRRF. Providing new employees with this training, and providing occasional reviews for all, could greatly improve efficiency of recruitment and workflow in the departments.

Recommendations

The county office should:

1. Obtain approval from the county superintendent before creating or eliminating positions.
2. Obtain approval from the county superintendent before final hiring of a candidate.

3. Review and update the first page of the PRRF to include only data needed to start recruitment. After posting a position, review the information needed to complete the recruitment (second page of the PRRF) and determine an appropriate process for obtaining it.
4. Update the PRRF to include the HRA number and approval date, and remove the reference to the position control number.
5. Update the PRRF instructions, and include the positions assigned to each task in the process.
6. Direct the HR and Business Services departments to jointly develop and provide training to employees who are responsible for completing the HRA and PRRF.

Application Process

The county office's application process for external applicants is the same for certificated, classified, and management positions. Positions are always posted on EDJOIN, a nationwide online job board and applicant tracking system used by many LEAs. Candidates may apply online via EDJOIN, or use a paper application that is posted on the county office website and available at the county office. If positions are posted through other recruitment sources, applicants are directed to EDJOIN to complete the applications. A computer is available at the county office for applicants to use if they do not otherwise have online access.

The county office's certificated application includes questions regarding management positions, but its classified application does not.

Paper applications received are entered in EDJOIN by HR staff. Once a position closes, screening occurs using EDJOIN.

In interviews, staff indicated that the county office has no established process for internal applicants. Some of the process for internal candidates is addressed in their respective bargaining unit contracts.

The Service Employees International Union (SEIU) Local 1021 contract includes Article 15 – Employment Provisions:

1. Hiring:
    a. Notification of Vacancies: All vacancies shall be advertised to presently employed employees for the same concurrent time period the position is advertised outside the County Office, but no less than one week.
    b. All newly hired employees shall be hired from an established employment register. The employment register shall be established pursuant to the Rules and Regulations of the Personnel Commission for Classified Employees. All newly hired employees shall serve a probationary period of six (6) months. Probationary periods run concurrently from date of hire.
    c. Current SCOE employees who are promoted into a different classification shall serve a probationary period of six (6) months. Probationary periods run concurrently from date of new assignment. With the written mutual agreement of the promoted employee, the County Office, and the Union, this six (6) month probationary period may be extended by up to six (6) additional months.
2. Promotions: Whenever there is a vacant position and there are one (1) or more qualified candidates presently employed by the County Office, the employee(s) may be given

> prior consideration. When there are not one or more qualified candidates presently employed by the County Office the vacancy shall be filled on a competitive basis with equal consideration given all qualified candidates. Each employee who submits an application for a vacant position, and who meets the minimum qualifications for the position, will be called to participate in the oral interview phase of the examination process.

The Association of Sonoma County Office of Education CTA/NEA (ASCOE) contract includes Article 16 – Assignments/Reassignments/Relocations:

> 16.2 VACANCY NOTIFICATION
>
> 16.2.1 Vacancies may be advertised concurrently within the bargaining unit and outside the bargaining unit.
>
> 16.2.2 If a unit member, displaced due to special education reorganization or reduction in force, can only fill a particular vacancy due to credentialing, SCOE shall not be required to notify current unit members of that vacancy.
>
> 16.3 POSTING OF VACANCIES
>
> 16.3.1 No later than five (5) days after the Superintendent or designee has approved the filing of a vacancy, the Human Resource Department shall advertise all certificated vacancies to the ASCOE President and all unit members via email. These postings will be distributed no later than five (5) days after the office is aware of such vacancies. The message will contain the following information:
>
> 16.3.1.1 A closing date which is at least five (5) days following the posting date.
>
> 16.3.1.2 The name of the unit principal where the vacancy is located, age level of the class, site, type of class, name, email and telephone number of the person to contact for further information.
>
> 16.3.1.3 Qualifications and credentials necessary to meet the requirements of the position.
>
> 16.3.1.4 Whether the position is temporary or permanent.

Although both agreements include information about posting vacancies, neither includes details about the process to apply for a vacancy. Because this information is not in the bargaining unit contracts, it would benefit the county office to develop and document a detailed uniform process for posting internal vacancies.

Staff described a process that changes without explanation. In some cases, internal applicants must apply for a position in the same manner as an external candidate; in other cases, a simple letter of interest is accepted. Staff expressed frustration about the lack of consistency without explanation. Although the process need not always be the same, the need and reasons for different approaches should be communicated clearly to avoid the appearance of favoritism, arbitrariness, or other subjective reasoning.

Recommendations

The county office should:

1. Add management information to its classified application, or develop a separate application for classified management positions.

2. Ensure online applications differentiate between certificated, classified, and/or management positions.

3. Develop a procedure for internal applicants that is clear and consistent. Include this procedure in the HR analyst position's desk manual.

Screening Process

During the selection portion of recruitment, screening is the first step at which potential candidates are evaluated and selected based on their qualifications, skills, experience, and suitability for a specific job. This step helps narrow down a large pool of applicants to a more manageable number who will proceed to interviews and assessments. To ensure compliance with the law and relevant policies, screening should be as objective as possible.

In interviews with HR staff, FCMAT found that although those responsible for recruitment may screen applications, the PRRF includes an area for the hiring manager to name screening/interviewing team members. It is usually best for an HR staff member to be responsible for the initial screening because they are typically most familiar with the minimum qualifications for each position. A screening team could be used after the initial screening. Staff indicated that at times the screening process seems subjective. This means that candidates are sometimes disqualified based on subjective factors such as the tone of their resume or its format. To address this, it is crucial to make the screening process as objective as possible to achieve the following:

- Eliminate Bias
  Objectivity helps remove bias and subjectivity, ensuring candidates are evaluated solely on their qualifications and skills relevant to the job.

- Equal Opportunity
  An objective screening process ensures all applicants have an equal chance of consideration, regardless of their background or personal attributes.

- Transparency
  Objectivity in screening criteria makes the process transparent and understandable to applicants and improves the credibility of the recruitment process.

- Legal Compliance
  An objective screening prevents discrimination claims and ensures compliance with employment laws that prohibit unfair hiring practices.

To achieve objectivity, organizations typically use predefined criteria and standardized methods for evaluating applicants, strictly based on the job description. These criteria need to be established before each recruitment and communicated to those participating to ensure a fair process.

As stated earlier, the county office uses EDJOIN for recruitment. It also uses EDJOIN for screening applicants, which allows screeners to review applications and note reasons for including or excluding candidates for interviews. This provides accountability and helps document a consistent, legally defensible process.

The best practice is for HR staff members to conduct the initial screening of applications to ensure that candidates have met the position's minimum qualifications as stated in the job description. Reviewing applications for certificated positions includes determining whether candidates are properly credentialed. Candidates for administrative positions are often still completing credentials as they apply for positions. When this occurs, it is best to have candidates provide documents with the application that specify when they expect to complete their credential. If they will complete their credential before the start of the position, they are typically advanced to the next level of screening.

It is best for the administrator of the department with the vacancy to perform the second level of screening. At this level, screening needs to include reviewing applicants' experience and its alignment with the job responsibilities, and other criteria established by the county office. The criteria need to be relevant and applied to all applicants. Applicants who pass this level of screening would then be scheduled for the first round of interviews.

Recommendations

The county office should:

1. Revise its screening procedure so that specific HR Department personnel perform an initial screening of applicants to ensure they have met the minimum qualifications. Include this procedure in the HR analyst position's desk manual.
2. Establish predefined criteria and standard methods for evaluating applicants before each recruitment. Include this procedure in the HR analyst position's desk manual.
3. Ensure staff receive training on effective use of the EDJOIN applicant tracking system.

Interviews

To select the top candidate for a vacant position, the county office usually uses panel interviews, in which multiple interviewers are present. Sometimes a panel is not used if there are not enough people to make up a panel. The main purpose of a panel interview is to gain a broader picture of the candidate than is possible in a one-on-one interview. Because each panel member brings a different set of experiences, thoughts, beliefs, and biases to the interview, panel interviews are used to gain perspective from a variety of people, sometimes including individuals outside the organization.

Having HR staff actively involved in the interview process is crucial because they can help ensure a comprehensive and legally compliant hiring process that promotes fairness and objectivity in candidate evaluations. Their understanding of employment laws helps ensure adherence to all legal requirements, minimizing the risk of discrimination during interviews. HR staff shared that they approve interview questions; however, the panel may add questions after the initial approval.

The county office does not have HR staff present during candidate interviews. Staff indicated they have a Guidelines for Interviewing a Job Applicant document but do not regularly provide this to the interview panel. It would strengthen the process to have HR staff review interview notes to analyze interactions and impressions noted to ensure compliance and fairness. This approach would help foster an environment of trust and accountability as well as align decision-making with the organization's values.

It would also be helpful for HR staff to regularly review, update, and provide the Guidelines for Interviewing a Job Applicant document to interviewers and periodically sit in on panel interviews to ensure that all department protocols and policies are followed.

Recommendations

The county office should:

1. Regularly review and update as needed its Guidelines for Interviewing a Job Applicant document.
2. Provide interviewers with its Guidelines for Interviewing a Job Applicant document, and include this document in the HR analyst position's desk manual.
3. Direct HR staff to periodically sit in on panel interviews to ensure that all department protocols and policies are followed. Include this procedure in the HR analyst position's desk manual.
4. Direct HR staff to routinely review interview notes to ensure they are legally compliant and uphold the county office policies. Include this procedure in the HR analyst's desk manual.

Reference Checks

Reference checks can provide useful information about job applicants. However, some employers may be concerned that former employees could file defamation lawsuits if they provide negative information in response to a reference request. To deal with this issue, California and other states have enacted laws protecting employers from claims by former employees for defamation of character.

Under California law, truthful communications about the job performance or employment qualifications of a current or former employee are privileged if they are based on credible evidence and made without malice (CA Civil Code 47(c)). Privileged communication includes answering the question, "Would you rehire the employee?" With the enactment of Assembly Bill (AB) 2770, effective January 1, 2019, current or former employers can disclose whether a decision not to rehire is based on the employer's determination that the former employee engaged in sexual harassment. However, a wide range of criminal records cannot be accessed by California employers, including arrests that did not lead to a conviction. Because of the complexity of laws governing reference checks, it is essential for all LEAs to have a consistent, legally defensible practice for performing this task. Because of this, information received informally from nonemployment sources should not be considered when making employment decisions.

The county office has a form titled Recommendation for Employment. FCMAT reviewed 10 employment packets and found that this form was not included in three and not fully completed in the remainder. One packet had only one reference check. Staff stated that the hiring department performs reference checks. Staff use two different reference check forms: one for classified applicants and one for certificated applicants. Both forms include fields for the name and title of person providing the reference, how long they have known the applicant, professional relationship to the applicant, whether they were the applicant's immediate supervisor, feedback on the applicant's punctuality and interpersonal skills, whether they would rehire the applicant, and other topics.

The county office does not have written procedures regarding reference checks, and no such guidance is included on these forms. This increases the possibility of inconsistency in the process. The best practice is to designate specific personnel to conduct reference checks and clearly communicate the process for doing so. This may include HR Department staff members and managers or supervisors if there is a clear organizational understanding of the circumstances under which each conducts reference checks. Reference check forms need to clearly state when and how they should be used and include consistent opening statements and questions, because these are essential for creating a legally defensible process.

Recommendations

The county office should:

1. Ensure that reference check forms contain guidelines and procedures for a legally defensible reference check process.
2. Develop, review and update as needed reference check forms for classified, certificated, and management positions. Include this procedure for updating the forms in the HR analyst position's desk manual.
3. Provide training to all HR Department staff and county office managers and supervisors regarding when and how reference checks should be conducted, and ensure everyone uses the correct forms. Include this procedure in the HR analyst position's desk manual.

Employee Onboarding and Offboarding

Onboarding

New employee onboarding includes integrating a new employee into an organization and its culture, ensuring that the employee has the tools and information needed to become a productive member of the team, and entering the employee's information accurately into the personnel and financial systems.

In most public sector organizations, several tasks must be completed before any new employee begins work. Highly efficient organizations can reduce delays in an employee's first day of work. Onboarding is a multidepartment effort involving human resources, payroll, information technology, and others.

FCMAT was provided with four different checklists the county office uses for new hires:

1. New Employee Checklist (revised April 2023).
2. New Employee Checklist (no date).
3. New Employee Checklist – ASCOE (revised April 2023).
4. New Employee Set-Up Checklist.

The New Employee Checklist (revised April 2023) has both classified and certificated employee options listed and includes an additional HR to do list, which appears to be the clerical side of the onboarding process rather than information given to or received from the new employee. Although the form indicates it is for classified and certificated employees, it includes only information about the California Public Employees' Retirement System (CalPERS) and not about the California State Teachers' Retirement System (CalSTRS), which is the most common retirement system for certificated staff.

The undated New Employee Checklist has only CalSTRS information; however, it does not indicate that it is for certificated staff only. It also includes items to be pointed out to the employee, which can be found at www.scoe.org, such as the employee handbook and information on merit system rules. The employee handbook appears to be written for classified staff more than for all staff. In addition, merit system information is not applicable to certificated employees unless they are in management. If this form is for certificated management employees only, classified management employees would also need similar information.

The New Employee Checklist – ASCOE (Association of Sonoma County Office of Education CTA/NEA) is similar to the undated New Employee Checklist and includes the employee handbook and merit system information.

After fieldwork, the county office provided FCMAT with several revised checklists that were substantially different from those originally provided. These forms have the same names and revision dates as the originals provided but contain different information. The HR Department needs a process for ensuring that only the most updated forms are used both within and outside of the department. FCMAT was unable to determine which checklists were currently approved for use.

It is not uncommon for LEAs to use separate lists for classified and certificated employees. For example, it is not uncommon for certificated and classified employees to have similar but not identical health and welfare benefit options. A single checklist can be used if items are included for all types of employees. For example, instead of an item that says “CalPERS” or “CalSTRS,” an item that says “retirement system information and forms, if applicable” would suffice.

The county office will need to decide whether it will use one checklist or multiple checklists tailored to various employee types (certificated, classified, management). Whichever it chooses, the document(s) will need to be dated to ensure the most up-to-date form is being used.

The classified and certificated onboarding checklists and New Employee Set-Up Checklist provided to FCMAT did not have signature lines. Having signatures on onboarding checklists and new employee set up lists is important because it promotes accountability and ensures new employees are given legally-required documents and the equipment to perform their jobs. Signatures provide a clear and documented way to assign responsibility and accountability for each task on a checklist. Having individuals sign when they complete specific actions or steps makes it easier to track who is responsible for completing them. This ensures that important tasks are not overlooked or neglected during onboarding.

As shown below, the New Employee Set-Up Checklist includes an item titled HRA – Position creation. Because this form is used for an employee who has already been hired, the position should have already been created and approved, so this item should not be needed. The form will need to include a place for the position number. This form goes on to list typical office equipment including computers, phones, keycards, keys, and other such items; thus, it seems to be designed more for office employees than for all employees.

Sonoma County
Office of Education

New Employee Set-Up Checklist

(Items to be processed by Dept. Admin. Manager)

Employee: **Name, Position**

Hiring Items

- ❏ HRA: Position Creation

Office Set-Up

- ❏ Computer / Electronics
  - ❏ Desktop — Type/Tag: ____________________
  - ❏ Laptop — Type/Tag: ____________________
  - ❏ iPad — Type/Tag: ____________________
  - ❏ Phone — Phone #: ____________________
  - ❏ Voicemail — Password: ____________________
  - ❏ Key Card — Access: ____________________
  - ❏ Keys — Key #s: ____________________

Accounts *(Note: Explain @ Home Access for AESOP, EMS, and Gmail)*

IT Accounts

- ❏ Gmail & Calendar
- ❏ Shared network drive(s)
- ❏ Vigilance
- ❏ Zoom
- ❏ Remote Desktop/VPN

Other

- ❏ ESCAPE (Jeanine Thibeau)
- ❏ EMS (Miwa Smith)
- ❏ Office Depot
- ❏ Registration System
- ❏ Copier/Scanner Preset

MISC

- ❏ Cal-Card
- ❏ Signature Authorization
- ❏ Business Cards
- ❏ Ergo Eval. (to Dan Miller in HR)
- ❏ Name Plate for Office/Cubicle
- ❏ Probationary Evaluation Scheduled/Reminder (Classified Only)

First Week Items

- ❏ Offer tour of building
- ❏ Provide Maps
- ❏ Provide Calendars
- ❏ Provide Org Charts
- ❏ Provide Phone List
- ❏ Provide Policies and Forms
- ❏ Add employee to Email lists
- ❏ Dept. newspages (if applicable)
- ❏ Website listing (IT-Bob Herbtsman)
- ❏ Get emergency contact info (check in Escape if correct and if needed notify HR)
- ❏ Ask about upcoming out of office times

It would best serve the county office if HR worked with information technology (IT) staff and operations staff to develop a list of equipment an employee in each position may need based on the position's job classification. This would ensure all staff are provided with the correct equipment to perform their job.

Recommendations

The county office should:

1. Decide whether to use one checklist or multiple checklists tailored to various employee types (certificated, classified, management).
2. Date all forms to ensure the most up-to-date form is being used.
3. Add a signature line to each checklist.
4. Work with IT staff and operations staff to develop a list of equipment and other items a new employee may need.
5. Include the onboarding procedure in the HR analyst position's desk manual.

Offboarding

Employee offboarding includes steps to reduce security risks and ensure a smooth transition for both departing employees and the organization. Many LEAs have a robust onboarding process for new hires but overlook the importance of employee offboarding when an individual leaves.

Offboarding checklists help ensure all necessary steps are complete before the employee's last day; they need to include at least the following:

- Notifying IT of the employee's last day so they can change access to software and accounts.
- Alerting payroll for final paychecks.
- Getting all paperwork signed, including a letter of resignation.
- Collecting ID badges, computers, keys, credit cards, and any other organizational property.
- Updating websites and organizational charts, if necessary.
- Scheduling an exit interview.

Exit interviews can provide valuable information that cannot be obtained elsewhere. When employees know they are leaving the organization, they are much more likely to share feedback that existing employees may be afraid to share. This can help improve the organization and potentially reduce turnover.

The county office has outlined its procedures for offboarding in its Separation From Employment Process document (dated 12/31/2021). It includes the following purpose of the process:

> To perform the legal and practical aspects of separation from County Office employment in an efficient, professional and timely manner; to give an employee the opportunity to freely discuss the reasons for separation; to gain information which will allow the County Office to improve procedures and working conditions.

This document also outlines procedures for the HR department and other departments in the organization to follow. Specifically, it indicates that the employee's department director is to be the driving force in the process by starting the separation HRA workflow, processing the IT Separation form, which informs IT to disable all accounts for domain, virtual private network, email, third party software and phone systems), updating the website, and scheduling an exit interview.

Similar to other county office forms and checklists, neither the IT Separation form nor the HR analyst's Separation From Employment Checklist include dates. As discussed earlier, dates on forms, procedures and checklists ensure everyone is using the most up-to-date versions. The HR analyst's Separation From Employment Checklist also lacks a signature and date line to show when and by whom it was completed. The sample provided to FCMAT had the name of the person completing the form prepopulated on it. It is unclear if both HR analysts use the same checklist for the process.

Recommendations

The county office should:

1. Add staff signature lines to the HR analyst's Separation From Employment Checklist and the IT Separation form.
2. Include this procedure in the HR analyst position's desk manual and all other desk manuals in relevant departments.

Employee Absence Reporting

All employees are required to notify their supervisor if they are absent from work and to record their absences using the automated leave reporting system, called Frontline. Frontline logs absences reported both online and by phone.

Although Frontline owns Escape, the county office's enterprise resource planning (ERP) system, it is not integrated with Escape. Staff are required to export data from Frontline, manipulate it, and import it into Escape. This manual process lacks adequate internal controls, because one individual, the HR analyst, exports the data from Frontline, corrects it manually, and formats it for importing into Escape.

The county office provided a Summary of Tasks to Verify/Audit and Post Leave Transactions document, which has step-by-step instructions for extracting leave transactions from Frontline to both Microsoft Excel and a printed report. After the data is reformatted in a spreadsheet, it is compared with the printed report to ensure it matches. Employees stated and the task list indicates that the hours do not always extract correctly and that sometimes an absence of one day is extracted as more than one day. These errors must be corrected manually. Staff are uncertain why this occurs. They have contacted Frontline for assistance but have not determined a way to correct the issue.

This process is both labor intensive and introduces a risk of error in or alteration of data. The steps in the county office's documents state that changes can be made to the hours, dates, and reasons for absences. The reasons for an absence may need to be changed in some cases, such as when an employee logs time for an absence of a certain type (e.g., personal necessity) when they have no leave of that type available. In such a case, the HR analyst would change it to deduct the leave from vacation and notify the employee. Once an employee enters an absence, they cannot delete it or change the date. Thus, if an employee erroneously enters a planned absence for a certain date and then realizes they need to change it, they cannot do so; it can be changed only by a system administrator.

The lack of controls and the risk of error or alteration of data could be mitigated by splitting the export and the review between the two HR analyst positions. This would also provide a level of cross-training. Information from interviews indicated there is a way to export leave data from Escape back to Frontline to potentially reduce the number of adjustments and corrections needed, but the county office has not instituted this yet.

Once absence data is reviewed and adjusted, the HR analyst uploads it to Escape and submits the information to the deputy superintendent for approval. This is an electronic workflow process only; no documents are provided for review.

Because the two systems are not integrated, the leave balance data on employees' paychecks is at least two weeks old. FCMAT heard from multiple employees that balances lagged several months behind but was unable to determine whether absences were posted accurately every two weeks or if took longer. It may be helpful to inform employees annually that leave balances may not be up to date because of the timing of payrolls and leave postings.

Recommendations

The county office should:

1. Separate between different employees the functions in the transfer of absence data from Frontline to Escape to ensure adequate internal controls.
2. Explore the option of moving data from Escape to Frontline to make leave balances in Frontline more up to date.
3. Add to the current workflow approval a requirement that an approval of the final absence data be uploaded with backup documentation.
4. Consider informing employees annually that leave balances on checks may not show the current balance because of the timing of payrolls and leave postings.
5. Include the absence reporting procedures in the HR analyst position's desk manual.

Manager Training

The county office has no formal training for managers or school administrators. In interviews, staff indicated that training is handled on a case-by-case basis with no consistency. The county office needs to ensure that its managers are trained in employee evaluations; employee discipline; bargaining unit contracts; sexual harassment prevention and processes; procedures and systems to hire employees or purchase services or supplies; and other management and administrative topics.

Hiring new managers without giving them the proper training can have a negative effect on the employees they manage. The effects of poor management on a team include decreased morale, poor communication, worker dissatisfaction, and a general decrease in efficiency and production, which harms the entire organization. For example, if a manager is not trained in how to request that a vacant position be posted for recruitment, it can lead to delays and inefficiencies because HR employees then must track down the information needed to proceed. This takes extra time for both the HR employees and the manager.

Current managers can also benefit from new or refresher training. It is best to regularly evaluate managers' ongoing training needs because they can change over time.

Recommendations

The county office should:

1. Ensure that the Human Resources Department develops a written training plan for managers that includes the training each manager should have at both the time of hiring and periodically during their employment.

2. Develop a process for implementing the written training plan and ensuring attendance.

Comparison of Benefit Plans

LEAs have many choices when determining how to provide the best and most affordable health, dental and vision plans for employees.

Some LEAs are self-insured for some or all benefits, while others may choose to be part of a larger, fully-funded plan such as CalPERS Health, or through a JPA such as Redwood Empire Schools' Insurance Group (RESIG). There are many options, and LEAs must consider regional limitations, costs, service, and plan specifics.

The county office has contracted through RESIG with Kaiser Permanente and Blue Shield to provide employee medical benefits. The county office contracts with Vision Service Plan (VSP) through a broker for vision care. Dental benefits are contracted with Delta Dental through Alameda County Schools Insurance Group (ACSIG).

Benefits are always a topic in collective bargaining. Some LEAs have benefits committees made up of management, bargaining unit members, and unrepresented employees. These can be useful when reviewing information such as industry trends, actuarial data, and future rates, and for determining when to request proposals for changes in plans or providers. Other LEAs, including the county office, address benefits mainly through the bargaining process. No one way is better than another.

In the past, the county office has convened a committee to review and research the possibility of changing to another JPA or a large plan; however, no formal request for pricing was made. Changing from one JPA to another or to a large plan is complex and time intensive. Continuing to use a committee to review the benefits and risks of changing is a good practice, but without pricing information it will be impossible to determine if any savings would make it worth the time and effort it takes to change.

Recommendation

The county office should:

1. Continue to convene a committee as needed to review benefit plans, and consider requesting proposals with pricing so it can review possible changes to plan providers.

CalSTRS and CalPERS Contributions and Reporting

The county office is responsible for meeting the reporting requirements of CalSTRS and CalPERS for itself and all school districts in the county. Public retirement reporting is complex and is often difficult to interpret without adequate training from both CalSTRS and CalPERS. Online training, webinars, and additional resources such as email alerts, are available from both agencies.

The county office has a comprehensive manual, the External Fiscal Services Payroll and Retirement Manual, that includes procedures for payroll and retirement contributions and reporting. It contains detailed information regarding Escape, circulars from CalPERS and CalSTRS, and alerts from School and College Legal Services of California (SCLS) on topics such as independent contractors, domestic partners and other issues. The manual is dated May 7, 2020 and includes outdated information. The county office's website also lists many circulars and directives from both CalSTRS and CalPERS, but many are out of date. For example, the communication about CalSTRS retiree earnings limitations is from 2017-18. The manual is comprehensive, but it needs to be kept up to date.

The county office also completes monthly reconciling, reporting, and remitting of CalSTRS and CalPERS earnings, including employee and employer contributions, to meet the retirement systems' deadlines for these items.

CalSTRS

The retirement analyst receives notifications about new employees via email from the HR analyst. The email includes the employee's ID number. All relevant paperwork is uploaded in Escape. Paper copies of election forms are kept on file as required. The HR analyst includes a snapshot of the information screen from the CalSTRS system that shows the person's status. If the status is listed as a nonmember, the retirement analyst will double check to ensure the employee did not qualify and become a member between the date this was first checked and the new employee's first date of paid service.

CalPERS

The HR analyst hand delivers the paper CalPERS enrollment form to the retirement analyst. Districts either email or attach the form in Escape. The HR analyst is responsible for looking in the CalPERS system and printing screenshots of each employee's membership status, including substitutes, part-time employees, and retirees. This screenshot is given to the retirement analyst with the form. The HR analyst enters CalPERS retirement information in Escape, and the retirement analyst double checks everything.

The retirement analyst makes a final determination of each new employee's retirement status by analyzing the employee action forms, information in the new employee payroll packets, and the CalPERS enrollment form provided by the HR analyst.

Staff stated that the payroll department tracks the 1,000-hour threshold for achieving membership eligibility and then notifies the HR analyst.

The process for notifying the retirement analyst for CalSTRS reporting is more efficient than the process for CalPERS. The Escape program can include uploaded information, eliminating the need for hand delivery. Paper copies will still need to be kept on file, but having the information in Escape makes transfer of and access to it more efficient. Staff reported no issues receiving timely information from the HR Department, which keeps penalties and interest costs low.

Recommendations

The county office should:

1. Continually update its External Fiscal Services Payroll and Retirement Manual and related information on its website.

2. Ensure that relevant paperwork regarding employees' retirement system membership is uploaded to Escape.

Credentialing

The county office manages the employment of a pool of approximately 750 substitute teachers for participating school districts, as well as approximately 67 certificated employees of its own. This is challenging because it requires the HR Department to ensure that each of these teachers is appropriately credentialed for their teaching assignment. Credential monitoring is an ongoing required task for HR staff.

The HR Department helps educators throughout Sonoma County with credential and permit applications, facilitates credential and permit renewals, records all credentials registered in the county, and advises out-of-state and out-of-country applicants regarding California certification requirements. This work is performed by two HR credentials analysts, one HR analyst – certificated, and one credentials clerk.

Human Resources Analyst – Certificated

This employee's daily duties include certificated employee recruitment for both teachers and certificated management employees, both permanent and short-term. The work involves hiring approximately 25-30 regular certificated employees and approximately 20-30 short-term employees each year. This position uses the PRRF for all positions. The form does not require the authorization of the deputy superintendent, nor does it provide the funding source for the requested position. The HR analyst proceeds with scheduling interviews, hiring, and onboarding of candidates. Only then are PRRFs approved by the deputy superintendent. As mentioned earlier in this report (Recruitment Request Process), proper internal controls are to have signatures of approval before advertising for, interviewing and hiring employees. The HR analyst also maintains the credentials and certificated seniority list for county office employees. The HR analyst stays informed and has attended the annual statewide county office credentialing conference several times.

Credentials Analysts

The two credentials analysts perform overlapping and similar duties. Each advises clients on teacher credentials, communicating with school districts, charter schools and regional programs in the county. They are involved with the substitute teacher pool of approximately 700 employees, supporting their credentialing needs and compliance requirements. They are responsible for submitting data for California Department of Education teacher assignment monitoring. They also make recommendations for employees' credentials to be processed and cleared through the California Commission on Teacher Credentialing, and they process emergency credentials and for teachers who need reciprocity when coming from out of state. The credentials analysts also provide training on credentialing for the school districts and charter schools in the county.

The credentials analysts maintain their desk manual and try to keep them up to date; however, they recognize that this is a challenge. Their desk manuals, duties, and other projects are maintained on a shared drive. The credentials analysts cover for each other as needed and believe that the manual is comprehensive enough for someone to step in and perform the essential duties of their positions.

The analysts attend the statewide credentialing conference as well as statewide meetings and webinars for updates on credentialing and reporting requirements. In interviews, staff indicated a need for them to receive additional ongoing training, though it is a challenge given the volume of day-to-day duties.

Credentials Clerk

The credentials clerk works closely with the credentials analysts and manages the substitute pool of approximately 700 employees. This position is also responsible for the substitute calling system, processing employee fingerprints, and onboarding of new substitute employees. The credentials clerk schedules an online new hire orientation and ensures that the new employees complete their mandatory training sessions (e.g., Mandated Reporter AB 1432 and Sexual Harassment Policy Awareness Training Senate Bill 1343). This process takes approximately two to three weeks and is affected by both the number of substitutes that need to be processed and how quickly each substitute completes all the requirements.

The desk manual for the credentials clerk is outdated. The last time it was updated was in 2020. Someone stepping in to cover this position may not be able to fulfill its essential duties.

Recommendations

The county office should:

1. Assign the above staff to complete or update a comprehensive, step-by-step procedure for each of their job duties and detailed credentialing information, and include these in a desk manual.
2. Review the number of substitute employees processed each month throughout the year to assess whether it would benefit from seasonal or temporary help when the workload is heavy.

Desk Manuals

Desk manuals are comprehensive guides that document tasks, procedures and responsibilities for specific roles or job functions. They provide employees with clear instructions, guidelines and reference materials to perform their duties effectively and consistently. Desk manuals are particularly useful when unexpected vacancies or leaves of absence occur, because they help ensure that a department will continue to function seamlessly.

Desk manuals also play a vital role in onboarding new employees, training individuals in new roles, and serving as a reference for experienced employees. They serve as a central source of information, promoting knowledge sharing, standardization, and continual improvement within the organization. Ultimately, desk manuals aim to increase productivity, streamline processes, maintain consistency, and support overall workplace efficiency.

Nearly all employees in the HR Department expressed a goal of working on desk manuals this year. Once completed, these manuals will be stored electronically, giving the entire department access to them. Several employees shared some of their work in progress with FCMAT. Some were lists of tasks or functions, which are inadequate for a complete manual.

Rather than presenting a simple list, a desk manual needs to detail steps, methods, and best practices for each task. Such comprehensive documentation helps ensure consistency in execution and minimizes errors or misunderstandings that may arise about definitions of basic tasks.

Recommendations:

The county office should:

1. Continue to develop desk manuals that describe employees' tasks and functions, and ensure that they include step-by-step procedures for all assigned duties.
2. Store all desk manuals in one central location that staff can access as needed.
3. Review and revise desk manuals annually and when a policy or procedure has changed.

Appendices

Appendix A: Sample Credit Card Policy

Click here to download the sample credit card policy.

Appendix B: Sample Cardholder Agreement

Click here to download the sample cardholder agreement.

Appendix C: Sample Travel Policy

Click here to download the sample travel policy.

Appendix D: Sample Travel Approval and Reimbursement Form

Click here to download the sample travel approval and reimbursement form.

Appendix E: Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
February 23, 2023

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Sonoma County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. <u>BASIS OF AGREEMENT</u>

The team provides a variety of services to local educational agencies (LEAs). The COE has requested that the team assign professionals to study specific aspects of county 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.

2. <u>SCOPE OF THE WORK</u>

A. <u>Scope and Objectives of the Study</u>

1. Review operational processes and procedures in the Business Services Department and make recommendations for improved efficiency, if any, in the following areas:
   - Contracts
   - Donations and Scholarships
   - Credit Card Use
   - Travel Guidelines and Reimbursement

2. Review operational processes and procedures in the Human Resources Department and make recommendations for improved efficiency, if any, in the following areas:
   - Recruitment, selection and hiring practices
   - On-/Off-boarding
   - Employee absence reporting
   - Manager training
   - Comparison of benefit plans
   - PERS/STRS reporting
   - Credentialing

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B. Services and Products to be Provided

1. Orientation Meeting – The team will conduct an orientation session at the COE to brief COE management and supervisory personnel on the team's procedures and the study's purpose and schedule.

2. On-site Review – The team will conduct an on-site review at the COE office and at schools if necessary.

3. Exit Meeting – The team will hold an exit meeting at the conclusion of the on-site review to inform the COE of significant findings and recommendations to that point.

4. Exit Letter – Approximately 10 days after the exit meeting, the team will email an exit letter briefly memorializing the topics discussed in the exit meeting.

5. Draft Report – The team will email a preliminary draft report to the COE's administration for review and comment.

6. Final Report – The team will email the final report to the COE's administration following completion of the review. Printed copies are available from FCMAT upon request. The final report will also be published on the FCMAT website.

7. Follow-Up Support – If requested by the COE within six to 12 months after completion of the study, FCMAT will return to the COE at no cost to assess the COE's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented in a FCMAT management letter addressed to the COE. FCMAT will work with the COE 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 the completion of the study.

3. PROJECT PERSONNEL

The FCMAT study team may include:

A. To Be Determined	***FCMAT Staff***
B. To be determined	***FCMAT Consultant***
C. 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. $800 per day for each staff team 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.

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B. All out-of-pocket expenses, including travel, meals, and lodging.

C. The COE 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 COE's acceptance of the final report.

Based on the elements identified in section 2A, the total not-to-exceed cost of the study will be $34,600.

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 at 1300 17th Street, City Centre, Bakersfield, CA 93301.

5. **COE RESPONSIBILITIES**

A. The COE will provide office and conference room space during on-site reviews.

B. The COE 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 COE 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 COE shall upload all requested documents.

C. The COE'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 COE 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

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Exit Meeting:	to be determined
Preliminary 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 COE 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 COE 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 COE does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the COE will be responsible for the full study costs. The COE 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 COE 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 COE. 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 COE in any manner without prior express written authorization from an officer of the COE.

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 COE, 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 COE and the receipt of the signed study agreement, FCMAT shall provide certificates of insurance, with Sonoma County Office of Education named as additional insured, indicating applicable insurance coverages.

10. **HOLD HARMLESS**

FCMAT shall hold the COE, its board, officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of FCMAT's board,

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officers, agents and employees undertaken under this agreement. Conversely, the COE 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 COE'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-in-place 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 1, 4 and 5 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**

Contact person: Karen Schubert, Administrative Operations Specialist
Telephone: (707) 524-2603
E-mail: kschubert@scoe.org

02/23/2023

Greg Medici — Date
Deputy Superintendent, Business Services
Sonoma County Office of Education

2/24/23

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

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