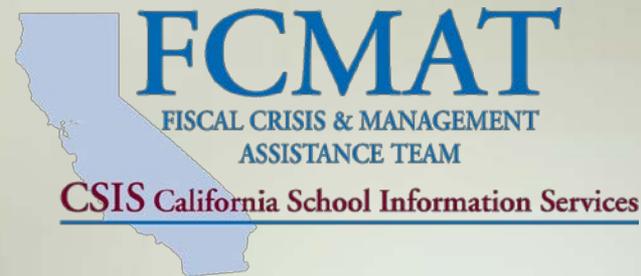


Santa Rosa City Schools

Report of FCMAT's Management Review

May 24, 2017

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Fiscal Crisis and Management Assistance Team (FCMAT)

- Independent/external public agency created by Assembly Bill 1200 (AB1200) in 1992 to assist LEAs to meet and sustain their financial obligations by providing proactive and preventive fiscal, business, data and management services that help LEAs comply with fiscal accountability standards, incorporate best practices and manage their operations.
- Composed of a small core staff
 - Hire experts to partner with on specific assignments
- FCMAT's assistance can be requested by a LEA, or assigned by the chancellor's office, a county office of education, superintendent of public instruction (SPI), or the Legislature.

What type of work does FCMAT do?

- Fiscal crisis intervention
- Fiscal and data management assistance
- AB 139 extraordinary audits
- Comprehensive assessments of districts receiving state loans
- Develops and provides numerous publications, software tools, workshops and professional development opportunities
- California School Information Services (CSIS) division assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS)
- A statewide resource for educational agencies

Background

- In December 2016, the Santa Rosa City Schools and FCMAT entered into an agreement for a management review.
- FCMAT visited the district on January 31 and February 1, 2017 to conduct interviews, collect data and review documents.
- Final report was dated April 20, 2017.

Background, cont.

- The agreement stated that FCMAT would perform the following:
 - Conduct an organizational and staffing review of the district's Business Services and Human Resources (HR) departments and provide recommendations for staffing improvements or reductions, if any.
 - Evaluate the current workflow and distribution of functions within and between the above departments, and provide recommendations for improved efficiency, if any.

Background, cont.

- The agreement stated that FCMAT would perform the following, cont.:
 - Review operational processes and procedures for the Business Services department and provide recommendations for improved efficiency, if any, in the following areas:
 - Budget Development
 - Budget Monitoring
 - Accounts Payable
 - Accounts Receivable
 - Payroll
 - Position Control
 - Review operational processes and procedures for the Human Resources Department and provide recommendations for improved efficiency, if any, in the following area:
 - Position Control

Sections of the Report

- Executive Summary
- Communication, Policies and Procedures
- Staff Development
- Job Descriptions
- Position Control
- Business Services Department
- Human Resources Department
- Appendices

Executive Summary

- Ineffectiveness cross-departmental communications and working relationship between the Human Resources and Business Services departments.
- Business Services has experienced turnover in many essential positions, although progress has been made in this area.
- The district needs to attract and retain candidates with the leadership, communication, systems implementation, and other skills necessary to help restore fiscal stability and improve district functionality.

Executive Summary, cont.

- Written operational standards, policies and procedures are needed in both the Human Resources and Business Services departments.
- Formal training, as well as ongoing staff development, is needed in both departments to keep abreast of legal requirements and modern practices.
- Job descriptions for the Business Services and Human Resources department positions are outdated.
- As Business Services returns to full capacity, its involvement in the oversight of staffing and position control should increase rather than existing mainly in Human Resources.

Executive Summary, cont.

- Proper controls need to be established and maintained over some accounting transactions:
 - Reduce the review of checks returned by the county office
 - Require sites and departments to code their own credit card activity
 - Ensure that employees return receipts for purchases as well as utilize purchase orders for appropriate items per district policy
 - Restrict the ability for positions to increase purchase orders if an invoice exceeds the limit of a purchase
 - Another position is needed in business services to assist with the accounts receivable and collection of developer fee processes

Executive Summary, cont.

- The budget development process should not be one-directional and without opportunity for sites and departments to provide input, ask questions, and jointly develop budgets.
- Users should not be able to override budget controls and submit vendor requisitions without sufficient funds in associated budgets.
- Job duties in Business Services should be aligned based on title and responsibility, with assurances that appropriate review of data occurs prior to submittal to CDE.
- Additional cross-training and backup is needed in the Human Resources department.

Executive Summary, cont.

- Job offers should be made timelier so that the best candidates are not lost to other employers.
- Handbooks should be provided to the various groups of employees about the district's mission, vision, goals, organizational structure, expectations, and applicable employment policies and procedures.
- Supervisors should be required to ensure employees use their high vacation balances rather than continuing to increase the district's liability.
- Employees should be required to report their absences through the Aesop system, with consequences established for those who do not follow this procedure.

Executive Summary, cont.

- Regularly scheduled training is needed for site and department managers on essential employment functions.
- A forum should be developed for HR to provide annual training for all managers on how to handle employee discipline, complaint investigations, grievances, and other matters to ensure consistent application of the district's policies.
- A number of functions in the HR department should be handled by available automated systems to improve efficiency and accountability.

Communications, Policies and Procedures

The district should:

1. Implement cross-departmental communications, including regular meetings between HR and Payroll staff members, to ensure that the HR and Business Services departments function well together.
2. Prepare written procedures in both the HR and Business Services department practices to guide operations. Focus on the most critical functions first.
3. Ensure that all new employees receive training from other department staff.
4. Develop an annual calendar of essential tasks for Business Services, using the HR annual calendar as an example.

Staff Development

The district should:

1. Prepare a staff development plan for HR and Business Services staff members to improve efficiency and outcomes.
2. Ensure that staff members have access to regular updated information related to their responsibilities, including sufficient formal training.
3. Continue having HR notify managers when employee evaluations are due and follow up to ensure they are completed.
4. Ensure that HR provides relevant feedback and ensures that a standardized evaluation process is in place to guide promotional considerations, create a structure for holding employees accountable, and provide opportunities for personal and professional growth.

Job Descriptions

The district should:

1. Ensure that job descriptions keep pace with the actual work being performed.
2. Ensure that all positions have job descriptions.
3. Implement a process and plan to update out-of-date job descriptions and ensure that this process occurs regularly by job family, on a rotating basis.
4. Consider subscribing to CODESP.
5. Update job descriptions to include the identification of essential versus marginal duties to assist in determining accommodations or light duty opportunities for employees.

Position Control

The district should:

1. Hold recurring meetings of Business Services and HR staff to manage position control.
2. Ensure that Business Services is more involved in the oversight of staffing once the department has built capacity.
3. Fully utilize Escape for reports rather than relying on Microsoft Excel, thus minimizing errors and requiring less work.
4. Automate personnel requisitions so they are electronically submitted, routed for approval, and then the position created in Escape.
5. Designate an employee in Business Services to be responsible for reconciling the budget against position control on a regular basis to ensure that budgeted amounts are sufficient and align with position control records.

Business Services Department

Accounts Payable

The district should:

1. Consider reducing the review of checks returned by the county office.
2. Require sites and departments to code their own credit card activity, with review and assistance from Business Services, rather than the accounting technician II doing so.
3. Ensure that employees understand they must return receipts for purchases, as well as utilize purchase orders for appropriate items per district policy.

Business Services Department

Accounts Payable, cont.

The district should:

4. Implement a formal employee reimbursement policy if it is decided to accommodate employee reimbursements for expenses.
5. Restrict the ability for account clerk III positions to increase purchase orders if an invoice exceeds the limit of a purchase, unless an electronic approval, or a limit on the amount of the increase, is established.

Business Services Department

Accounts Receivable

The district should:

1. Include another position in the accounts receivable process to establish appropriate segregation of duties, strengthen internal controls, and provide a backup when needed.
2. Establish a calendar and/or formalize communication for facility use/billable events so that invoices are sent out timely.
3. Establish a procedure for documenting the steps for approving facility use and consistently coding all billable activity so that costs and invoices can be reconciled.
4. Include another position in the collection of developer fee process to establish adequate segregation of duties.

Business Services Department Budget Development and Monitoring

The district should:

1. Ensure that a formalized budget calendar is provided to alert all parties involved in budget development about the timelines.
2. Schedule meetings with site and department leaders for budget development.
3. Provide supporting information for calculated numbers.
4. Fully utilize the budget controls in Escape.
5. Consider requiring the sites and departments to enter budget transfers.
6. Consider implementing a review process for student attendance records prior to state submittal.

Business Services Department Budget Development and Monitoring, cont.

The district should, cont.:

7. Ensure that the person responsible for calculating the LCFF revenue for the budget analyzes the student attendance reports for reasonableness.
8. Ensure that the cabinet reviews information on attendance changes year-over-year to identify trends.
9. Evaluate workloads based on title and responsibility to determine which job duties would be better aligned with another position, while maintaining effective internal controls.

Business Services Department

Payroll

The district should:

1. Realign duties to cross-train payroll staff on certificated and classified employee payrolls.
2. Consider altering the deadline for month-end timesheets.
3. Develop procedures to reconcile Aesop records to timesheets.

Human Resources Department

The district should:

1. Develop a training plan to ensure that HR staff members are appropriately trained to cover the significant functions of each other's desks.
2. Formalize backup assignment for the three HR technician positions.
3. Shift the responsibility for initial screening of all applications to the HR department and set a standard to have this completed in a timely manner.
4. Prepare handbooks for each employee group – certificated, classified, management, and substitute employees – including information about the district as well as policies and procedures that apply to each group and where to find further information.

Human Resources Department, cont.

The district should, cont.:

5. Consider ways to make a job offer as soon as the finalist is selected rather than the current process of taking several weeks so that the best candidates are not lost to other employers.
6. Consider designating specialist for employee leaves, health benefits, and credentials, as they are some of the more technical and complex areas of personnel operations. Ensure a backup is trained for each specialist.
7. Provide training to school sites and departments on essential HR-related functions.
8. Discontinue the practice of paying out accrued vacation to active employees and instead require supervisors to work with employees that have high vacation balances to use the accrued vacation at a mutually agreeable time.

Human Resources Department, cont.

The district should, cont.:

9. Hold employees accountable for ensuring that excess accrued vacation is used and that vacation time continues to be used in the future to avoid accumulation of an excess balance.
10. Create a file to contain employee Form I-9 and supporting documents.
11. Consider various methods to further automate HR functions, as described above.
12. Continue to send notices when performance evaluations are due for personnel, following up to ensure that they are completed.

Any Questions???

Thank you!