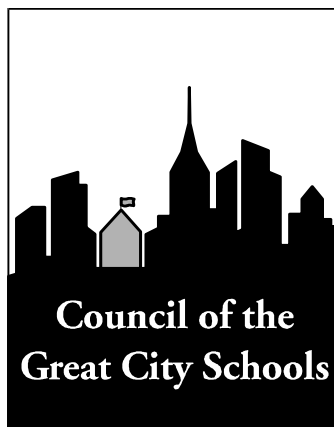


# **Review of the Organizational Structure and Operations of the Los Angeles Unified School District**

**Submitted to the  
Los Angeles Unified School District**

**By the  
Council of the Great City Schools**



**January 2006**

# **Review of the Organization and Operations of the Los Angeles Schools**

**TABLE OF CONTENTS**

**Table of Contents**

Acknowledgments..... 7

Executive Summary..... 9

I. Project Overview.....17

II. Overview of LAUSD.....25

III. Organizational Structure.....43

IV. Accountability and Metrics.....81

V. Business Services..... 103

VI. Financial Management.....129

VII. Human Resources.....143

VIII. Enterprise Resource Planning (ERP).....161

IX. Synopsis and Discussion.....167

Appendix A. Strategic Support Team Bios.....171

Appendix B. Documents Reviewed.....181

Appendix C. Individuals Interviewed.....187

Appendix D. Working Agendas.....197

Appendix E. Staffing Ratios in the Great City Schools.....213

Appendix F. Survey of Urban School Expenditures.....215

Appendix G. Business Services Survey and Respondents..... 223

Appendix H. Financial Management Survey and Respondents..... 259

Appendix I. Human Resource Management Survey and Respondents.....297

Appendix J. Curriculum-based Budgeting.....321

Appendix K. About the Council.....323

Appendix L. History of Council Reviews..... 325

**Exhibits**

Exhibit 1. School District Enrollment, 2003..... 25

Exhibit 2. Enrollment by Race/Ethnicity, 2003.....26

Exhibit 3. Number of Schools and Centers, 2004.....26

Exhibit 4. Total Budget by Revenue Source, FY 2005.....27

## Review of the Organization and Operations of the Los Angeles Schools

Exhibit 5. Revenue Budget by Fund and Source, FY 2005.....	28
Exhibit 6. Expenditures by Fund and Major Object, FY 2005.....	28
Exhibit 7. Expenditure Distribution by Fund and Major Object, FY 2005.....	29
Exhibit 8. Academic Performance Index (API) Change from 1999 to 2005.....	33
Exhibit 9. API Growth Report by Schools, 2003-04.....	33
Exhibit 10. API Subgroup Results.....	34
Exhibit 11. Comparison of LA Schools' 4th-Grade NAEP Reading Scores with Other Large Cities and the Nation .....	35
Exhibit 12. Comparison of LA Schools' 8th-Grade NAEP Reading Scores with Other Large Cities and the Nation.....	35
Exhibit 13. Comparison of LA Schools' 4th-Grade NAEP Math Scores with Other Large Cities and the Nation.....	36
Exhibit 14. Comparison of LA Schools' 8th-Grade NAEP Math Scores with Other Large Cities and the Nation.....	36
Exhibit 15. Total Capital Projects Completed.....	37
Exhibit 16. Summary Table Comparing the LAUSD with Others, 2002-03.....	41
Exhibit 17. Organization of the Board of Education.....	45
Exhibit 18. Board of Education Budget Summary, FY 2005.....	46
Exhibit 19. Board of Education Budget Distribution, FY 2005.....	46
Exhibit 20. Organization of Central Support System.....	47
Exhibit 21. Office of the Superintendent Budget Summary, FY 2005.....	47
Exhibit 22. Office of the Superintendent Budget, FY 2005.....	48
Exhibit 23. Organization of the Instructional Services Division.....	49
Exhibit 24. Instructional Services Budget Summary, FY 2005.....	50
Exhibit 25. Instructional Services Budget Distribution, FY 2005.....	50
Exhibit 26. Organization of the Educational Services Division.....	51
Exhibit 27. Educational Services Budget Summary, FY 2005.....	52
Exhibit 28. Educational Services Division Budget Distribution, FY 2005.....	52
Exhibit 29. Organization of the Chief Operating Officer.....	53
Exhibit 30. Chief Operating Officer Budget Summary, FY 2005.....	54
Exhibit 31. Chief Operating Officer, Budget Distribution, FY 2005.....	55
Exhibit 32. Capital Project Funds and Routine Repair and General Maintenance Budget Summary.....	56
Exhibit 33. School Facilities Budget Distribution, FY 2005.....	57
Exhibit 34. General Organization of the Local Districts.....	58
Exhibit 35. Local District Demographics and Resource Allocations.....	58
Exhibit 36. Local District Budget Summary, FY 2005.....	59
Exhibit 37. Local District Budget Distribution, FY 2005.....	60
Exhibit 38. Comparing the Regional Structure of LAUSD with Other Urban School Districts, 2004-05.....	60
Exhibit 39. Comparing the Organizational Placement of High Schools in LAUSD with Other Urban School Districts, 2004-05.....	63
Exhibit 40. Comparing LAUSD Staffing Levels per Pupil with Selected Cities, and Urban and National Averages, 2002-2003.....	65
Exhibit 41. Comparing LA Schools' Current per Pupil Spending with Urban School Averages, 2004-2005.....	66

## Review of the Organization and Operations of the Los Angeles Schools

Exhibit 42. Comparing LA Schools' Salaries and Benefits per Pupil with Urban School Averages, 2004-05.....	68
Exhibit 43. Proposed Central Office Organization Structure.....	77
Exhibit 44. Links between Instructional Program Objectives, Board Goals, and the Strategic Plan.....	84
Exhibit 45. Links between Non-instructional Program Objectives, Board Goals, and the Strategic Plan.....	86
Exhibit 46. Performance Measures for Instructional Program Goals and Objectives.....	89
Exhibit 47. Performance Standards for Non-instructional Goals and Objectives.....	90
Exhibit 48. Tracking of Instructional Programs and Performance against Goals.....	94
Exhibit 49. Organization of the Business Services Division.....	103
Exhibit 50. Business Services Budget Summary, FY 2005.....	104
Exhibit 51. Business Services Budget Distribution, FY 2005.....	105
Exhibit 52. Organization of the Food Services Branch.....	106
Exhibit 53. Food Services Budget Summary, FY 2005.....	106
Exhibit 54. Food Services Budget Distribution, FY 2005.....	107
Exhibit 55. Organization of the Transportation Division.....	108
Exhibit 56. Transportation Budget Summary, FY 2005.....	108
Exhibit 57. Transportation Budget Distribution, FY 2005.....	109
Exhibit 58. Organization of the Procurement Services Group.....	110
Exhibit 59. Organization of the Materiel Management Branch.....	111
Exhibit 60. Materiel Management Branch Budget, FY 2005.....	112
Exhibit 61: Materiel Management Budget Distribution, FY 2005.....	112
Exhibit 62. Organization of the Purchasing Branch.....	114
Exhibit 63. Purchasing Branch Budget, FY 2005.....	114
Exhibit 64. Purchasing Branch Budget Distribution, FY 2005.....	115
Exhibit 65. Organization of the Contract Administration Branch.....	116
Exhibit 66. Contract Administration Branch Budget Summary, FY 2005.....	116
Exhibit 67: Contract Administration Branch Budget Distribution, FY 2005.....	117
Exhibit 68. Organization of the Financial Services Division.....	129
Exhibit 69. Financial Services Budget Summary, FY 2005.....	130
Exhibit 70. Financial Services Budget Distribution, FY 2005.....	131
Exhibit 71. Organization of the Human Resources Division.....	143
Exhibit 72. Human Resource Services Budget Summary, FY 2005.....	144
Exhibit 73. Human Resource Services Budget Distribution, FY 2005.....	144

# **Review of the Organization and Operations of the Los Angeles Schools**

### ACKNOWLEDGEMENTS

The Council of the Great City Schools thanks the many individuals who contributed to this review of the Los Angeles Unified School District. Their efforts and commitment were critical to the Council's ability to present the school district with a fair and balanced overview and provide recommendations aimed at improving the organizational and operational performance of the district.

First, the Council thanks the school board for its leadership. Marlene Canter, board president, and Jon Lauritzin, who initiated this review, and the whole board deserves credit and thanks for inviting such a study, particularly at a time when the district is under such critical external scrutiny.

Second, we thank Superintendent Roy Romer. Under his leadership, the Los Angeles Unified School District has made remarkable progress. Student test scores have improved substantially and new schools are being built at an unprecedented rate. Superintendent Romer's willingness to have the Council invite other cities to critique the district's organization and business operations is further testimony to his determination to make the Los Angeles Unified School District one of the nation's urban school turn-around stories. We hope our work will contribute to that effort.

Third, we thank staff members of the Los Angeles Unified School District, who provided the time, documents, and data that the review teams needed to do their work. We were sometimes hard on the staff as we pressed them to explain their activities. But they were always cooperative and we apologize for sometimes ruffling feathers.

Fourth, we thank the various employee organizations, and parent and community groups with which we met. We are sorry that we were unable to meet with everyone we know had something valuable to contribute to this effort.

Fifth, the Council thanks the school districts that contributed staff to this effort. They included the Boston Public Schools, Buffalo City Schools, the School Districts of Broward County, Hillsborough County, and Philadelphia; the Dallas and Houston Independent School Districts; the Chicago, Milwaukee, and Denver Public Schools; the Anne Arundel County, Clark County, Duval County, Fairfax County, and Miami Dade County Public Schools; and the Sweetwater Unified High School District. Staff members from these school districts provided their expert services *pro bono*. The enthusiasm and generosity of these individuals serve as fine examples of how the nation's public school systems are helping each other improve.

Finally, I thank Bob Carlson, the Council's Director of Management Services, who directed the project. His efforts were critical to the success of this project. Thank you.

## **Review of the Organization and Operations of the Los Angeles Schools**

Michael Casserly  
Executive Director  
Council of the Great City Schools



**Review of the Organizational Structure and Operations  
of the Los Angeles Unified School District  
By the  
Council of the Great City Schools**

**EXECUTIVE SUMMARY OF ISSUES AND PROPOSALS**

**Issues**

The Los Angeles Unified School District is the second largest public school system in the United States, and one of the largest organizations of any kind—public or private—in the country. As with urban school systems across the country, the Los Angeles school district is under enormous pressure to improve. The district is under constant public scrutiny and is the subject of perennial debate about whether it should be broken up, taken over, or otherwise disbanded.

The Los Angeles schools, in fact, have undergone substantial change over the last several decades. The district now enrolls some 746,000 students, about 72 percent of whom are Hispanic, 12 percent are African-American, 42 percent are English Language Learners, and 73 percent are poor enough to qualify for a free or reduced price lunch. Just 25 years ago, the Los Angeles schools enrolled approximately 527,000 students, some 46 percent of whom were Hispanic and 24 percent were African-American. The percentage of white students has dropped from 24 percent to about 9 percent.

Over approximately that quarter-century period, the Los Angeles schools have gone through Proposition 13, the Northridge earthquake, desegregation orders, consent decrees, year-round schools, numerous superintendents, riots, and countless other disruptions and triumphs—in addition to changes in the size and composition of its student body. The school district also made modest gains in overall performance, but it was not until 1999 and 2000 that frustration with the system grew to a point that it triggered a revolution of sorts by the mayor, leading business leaders, and others in the city.

The elected school board saw substantial changes in 2000, an interim superintendent was brought in to restructure the system, and a permanent leader—the former governor of Colorado—was installed to accelerate the pace of change.<sup>1</sup> The school board has seen additional changes in the interim, while the school district has made important gains in the last five years in its top two priorities: student achievement, and school building construction and repair.

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<sup>1</sup> Superintendent Roy Romer's contract as superintendent was recently approved through 2007.

## Review of the Organization and Operations of the Los Angeles Schools

During Superintendent Roy Romer’s administration, the Los Angeles Unified School District has demonstrated substantial progress in academic performance. The district implemented rigorous new reading and math programs systemwide for its elementary schools, expanded full-day kindergarten, increased the number of after-school programs, implemented regular assessments and instructional intervention systems, boosted the recruitment of highly qualified teachers, and is working to resolve a complicated special education consent decree.

Clearly, the district’s efforts are bearing fruit. Student achievement on the state assessment have improved markedly since 2000, and indicators on the state’s Academic Performance Index (API) and the federal National Assessment of Educational Progress (NAEP)—which the district volunteered to take in order to demonstrate its commitment to higher performance and greater transparency—have all increased.

In addition, the district has embarked on one of the largest and most ambitious public works projects in the nation. The initiative, which has been supported by a series of voter-approved bonds, is designed to build upwards of 160 new schools and return students to neighborhood schools and a more regular school calendar. The work will take many years to complete, but the district has opened 32 new schools to date, completed dozens of expansions, made thousands of repairs, and taken numerous schools off year-round schedules.

In many ways, the reforms of the last five years have made an important difference on two of the community’s highest priorities.

Still, the district is seeing some flashing yellow lights on the horizon. The city’s public school system finds itself in “district improvement” status under the *No Child Left Behind* (NCLB) law, its student enrollment has begun to decline after years of significant growth, and public support is uncertain in the face of renewed calls for a takeover.

The school district itself is only modestly prepared for some of the challenges that it faces in the years to come, including increasing pressures for greater student achievement, more diversified offerings, further budget cuts, and better parent involvement. Instead, the district remains highly insular and suspicious of outsiders despite many new staff members that have been recruited from circles beyond education. The district is often self-serving with administrator and teacher unions that bend the system’s operations to their own ends. The district’s instructional and operating areas work in silos that often do not communicate with one another. It lacks any meaningful form of accountability for results. Its operating procedures are often seriously outdated and technologically antiquated. And its ability to pull together to serve a common mission, while better than it used to be, remains highly fractured.

In many ways, the Los Angeles School District is at a critical juncture and its leadership needs to make some important choices beyond those that it has already embraced in the name of reform. The system could see itself in a continuing state of sanctions with an enrollment that continues to slide, or it could take the next steps in its

## **Review of the Organization and Operations of the Los Angeles Schools**

own reforms to ensure that it does not suffer the same fate as other urban public school systems across the country that are now trying to dig themselves out of some very deep ruts.

The first path is steep and risky and requires more energy, skill, and determination. The second path is easy, safe, and driven by inertia but lined with regrets about lost opportunities for the next generation of the city's children.

In many ways, the district has better-than-adequate tools to keep itself from flagging. It is not a failing district despite its ample challenges and the rhetoric of its fiercest critics. Its superintendent is a veteran leader with strong political and leadership skills, and a deep sense of commitment to and passion for the district and the children that it serves. The staff, in most cases, is strong and well-qualified. The city's business, university, and foundation partners are generous with their resources and expertise. And the district has a teaching force that is experienced and committed. Many urban school districts with which the Council of the Great City Schools works do not have many of these assets.

These advantages will have to be put to good use as the school district works to focus its instructional program, organize itself for better results, and retain the public's confidence that it can meet the challenges ahead.

To help it take the next steps in its reforms, the school board and the superintendent asked the Council of the Great City Schools, a coalition of the nation's largest urban school systems, to review the district's organization and work—particularly in areas that have not seen the same attention as that devoted to instruction and construction—and make proposals about next steps.

### **Project**

In October 2004, the Los Angeles Unified School District school board and superintendent asked the Council of the Great City Schools to—

- Provide a high-level review of the school district's overall organizational and administrative structure and propose ways to improve it, and assess how well the district's instructional and business operations were integrated and focused on the system's main priorities.
- Review the school district's financial operations, business services, human resources, and other services, and make recommendations to increase their effectiveness and efficiency.
- Review and propose ways to strengthen the district's implementation of its Enterprise Resource Planning (ERP) system.

## **Review of the Organization and Operations of the Los Angeles Schools**

In response, the Council assembled a series of Strategic Support Teams composed of senior managers from other major city school systems across the country. The teams focused on the school district's organizational structure, its operations and business services, and its Enterprise Resource Planning (ERP).

To conduct its work, the Strategic Support Teams made site visits to the district, reviewed documents and data, interviewed staff and others, and observed operating procedures. The Council and its teams then assembled their findings and designed a set of strategic proposals to assist the district in its efforts to improve its management, operations, effectiveness, and efficiency. The Council hopes that the results will help the district as it moves forward.

The findings and recommendations from the teams' work are organized around six major themes, including—

- Organization
- Accountability
- Business Services
- Financial Management
- Human Resources
- Enterprise Resource Planning (ERP)

The first two chapters of this report (Organization and Accountability) are devoted to major organizational issues and are designed to provide the superintendent with specific recommendations for improving the management and organizational effectiveness of the school district. The last four chapters are directed more at managers with line responsibilities for the district's business services, financial operations, human resources, and Enterprise Resource Planning.

### **Major Proposals**

The Council of the Great City Schools and its Strategic Support Teams propose that the Los Angeles Unified School District make a number of organizational, management, and operational changes to improve both effectiveness and efficiency. In general, however, the Council's proposals suggest that a greater emphasis is needed on integrating functions than reorganizing them. Major proposals are outlined below—

#### **Organization**

- ★ Revise the district's overall organizational structure by placing immediately under the superintendent's direct supervision managers with the following six key functions: Chief Academic Officer, Chief Operating Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Information Officer, and Local District Superintendents. Redefine the cabinet around these positions and ensure that instructional and noninstructional staff members are integrated into all meetings with local superintendents.

## **Review of the Organization and Operations of the Los Angeles Schools**

- ★ Charge the Chief of Staff with the responsibility for providing direct support to the superintendent for overseeing, coordinating, and managing the decision-making process among these line positions.
- ★ Consolidate the Human Resources and personnel functions over which the district has direct control (i.e., staff relations, early childhood, vocational and adult education, and Beyond the Bell) into a single department—and petition the state to allow the district to consolidate the Personnel Commission into that department.
- ★ Consider—as an alternative or addition to the above structure—creating a new division reporting to the superintendent that would house research, testing, evaluation, and all reporting, compliance, desegregation, and accountability functions and head it with a Chief Accountability Officer.
- ★ Retain the current eight regional Local Districts, but substantially boost their capacity to serve schools by redeploying both instructional and noninstructional staff from the central office location to the Local Districts.
- ★ Redefine the duties and responsibilities of central office staff around setting districtwide policy, direction, definition, development, monitoring, and evaluation; and redefine the Local District staff around delivery, program implementation, technical assistance, and support. The responsibilities of a smaller Central Office would then be more strategic and less transactional in nature.
- ★ Retain oversight of high schools at the regional office level rather than pulling them out of the regional structure and creating their own centralized division.
- ★ Build more cross-functional teaming and integration into more of the district staff's work to improve coordination and integration across functions.

### **Accountability**

- ★ Establish goals and objectives for the Central Support System and related offices that are linked to the goals and priorities articulated by the Board of Education's Statement of Mission, Vision, and Goals and the district's strategic plan and other operational plans. Goals on the noninstructional side should be linked to improvements on the instructional side.
- ★ Develop and implement an overall framework for evaluating performance and cost-effectiveness of all major educational and operational programs.
- ★ Place senior staff members in the central office on performance contracts tied explicitly to the attainment of districtwide goals specified in the strategic plans or revamp the evaluation process to ensure that staff members are evaluated explicitly on these goals.

## **Review of the Organization and Operations of the Los Angeles Schools**

- ★ Place Local District superintendents on performance contracts tied explicitly to their attainment of regional goals and benchmarks. All Local District superintendents should be evaluated on their regions' movement toward their goals.
- ★ Revisit all regional and school plans to ensure that they align with districtwide goals, and that all goals are measurable, explicit, and have timelines for progress.
- ★ Evaluate school principals explicitly on their progress toward attainment of their achievement goals, but grant them additional latitude to hire and fire school-based personnel.
- ★ Give parents an explicit role in the evaluation of school staff.

### **Business Services**

- ★ Develop an integrated and comprehensive strategic plan for the Business Services Division that is linked the superintendent's goals and incorporates customer-centric objectives with measurable outcomes.
- ★ Update, streamline, and communicate the district's standard operating procedures, and upgrade antiquated internal controls to reduce the need for system "work-arounds" that have been employed by Local District superintendents and school principals.
- ★ Charge the leaders of the Business Services division with developing a plan for improving customer relations and hold them accountable for implementing it.
- ★ Develop sound cash, accounting, and programmatic management practices to ensure that the food services program can operate with a cash flow budget in place and sufficient unreserved fund balance to meet planned needs.
- ★ Develop and present to the Board of Education and the public better data on the student transportation cost implications of district educational program decisions, such as school choice and magnet schools, charter schools, smaller learning communities, and other special programs.
- ★ Assess the turnover rate of bus drivers and attendants and make changes to retain drivers and recruit replacements effectively.
- ★ Develop a process to ensure that sufficient vehicles are acquired economically and are available to meet current and future transportation needs.
- ★ Return the responsibility for selecting, managing, and supervising the cafeteria managers to the division.

## **Review of the Organization and Operations of the Los Angeles Schools**

### **Financial Management**

- ★ Develop an integrated and comprehensive strategic plan for the Financial Services Division that is linked to the superintendent's goals and priorities and that incorporates measurable objectives and outcomes.
- ★ Restructure the district's budget to clearly articulate the strategic direction and priorities of the district and how the budget reflects those priorities.
- ★ Develop a "citizen's budget" or other accessible synopsis of the budget that can be used for communitywide distribution.
- ★ Expand participation in the budget development process.
- ★ Base decisions on program expansions or cuts on goal-driven and measurable criteria. Ineffective programs should be eliminated, not simply given reduced funding, and programs should not be continued based solely on the impact that their discontinuance might have on personnel.
- ★ Use the district's annual external audit to improve district operations.
- ★ Hold external grant managers accountable explicitly for exceeding program budgets and not informing grant staff in a timely manner of the expiration of grant funds.
- ★ Establish a more effective automated position control system for both certificated and classified personnel to prevent payments for unauthorized positions.
- ★ Establish uniform comprehensive financial procedural manuals for school sites, Local Districts, and central offices, and conduct appropriate training for users.

### **Human Resources**

- ★ Charge the Chief Human Resources Officer with developing a comprehensive multiyear strategic plan that aligns all functions, goals, priorities, major initiatives, and resource allocations of the division with the board's mission and vision and the superintendent's strategic plan.
- ★ Consolidate all human resources and personnel functions into a single department reporting directly to the superintendent to ensure that the functions sustain the district's top-to-bottom reform effort.
- ★ Reorganize the consolidated Human Resources Department into four core functions: recruitment and employment, retention, employee relations, and customer services.

## **Review of the Organization and Operations of the Los Angeles Schools**

- ★ Charge the Chief Human Resources Officer with developing and implementing quantifiable goals, targets, benchmarks, metrics, timelines, responsibility centers, and resource allocations.
- ★ Review and update district human resources policies and procedures, and establish a process to keep them current.
- ★ Streamline the district's recruitment, hiring, and placement procedures to ensure the timely filling and placement of all positions and to minimize payroll problems.

### **Enterprise Resource Planning**

- ★ Move aggressively to replace the district's antiquated and fragmented business systems with the Enterprise Resources Planning (ERP) system.
- ★ Have the ERP Project Director report to the superintendent on the status and direction of the ERP project until such time that the position can return to the IT department.
- ★ Develop a long-range districtwide technology plan tied to the districtwide strategic plan that encompasses the operational "roll-out" of ERP with appropriate timelines, responsibility centers, and costs to implement the ERP system.
- ★ Prepare a comprehensive communications plan with regular reports that track ERP project objectives, scope, timelines and progress reports to the board, parents, and all others that can be easily understood and accessed.
- ★ Design new standard operating processes aligned with the new processes.



### I. PROJECT OVERVIEW

The Council of the Great City Schools, the nation’s primary coalition of urban public school systems, has conducted more than 100 instructional, management, and operational reviews in more than 30 big city school districts over the last several years. The organization conducts these reviews using Strategic Support Teams of highly respected senior school district managers from urban school districts across the county. (See Appendix L for a list of past reviews.)

The reports generated by these reviews are often critical, but they also have been the basis for reform and improvement in many urban school systems. In other cases, the reports are positive and help identify “best practices” that other school systems can replicate.

#### A. Project Goals

The Los Angeles Board of Education passed a resolution proposed by Mr. Jon Lauritzen in September 2004 to conduct an independent analysis of the school district’s central and local district administrative structure. The resolution read—

“Resolved, That the Board of Education of the City of Los Angeles establishes under its direction an independent analysis of the District’s central and local administrative structure. The analysis will at a minimum investigate the efficiency and effectiveness of the central and local district administrative structures. The District’s stakeholders will be a party to this analysis.”

In October 2004, the Los Angeles Unified School District (LAUSD) School Board and Superintendent Roy Romer invited the Council of the Great City Schools (CGCS), the nation’s premier coalition of big city school districts, to—

- Provide a high-level review of the school district’s overall organizational and administrative structure and propose ways to improve it, and assess how well the district’s instructional and business operations were integrated and focused on the system’s main priorities.
- Review the school district’s financial operations, business services, human resources, and other services and make recommendations to increase their effectiveness and efficiency.
- Review and propose ways to strengthen the district’s implementation of its Enterprise Resource Planning (ERP) system.

The resolution was passed on the heels of the board’s decision on June 8, 2004, to reorganize the district into eight regional units.

### B. Project Activities

In response to this request, the Council assembled a series of Strategic Support Teams composed of senior managers from other major urban school systems across the country. (See Appendix A for biographies of the team members.) The teams focused on the district's organizational design, its operational and business services divisions, and its Enterprise Resource Planning (ERP) project.

Before visiting the school district, each team reviewed documents provided by the LAUSD's senior management describing the overall operations and organizational structure of the relevant units. The teams reviewed additional materials during their site visits, often asking for further documentation or statistical information on particular items of interest or concern. (A complete list of documents reviewed by the teams is presented in Appendix B.)

Fieldwork for this project was conducted during a series of site visits to Los Angeles. The site visits generally followed the format outlined below. (See Appendix D for the Working Agendas of each team.)

Day One	Initial meetings with the superintendent
Days Two and Three	Interviews and observations
Day Four	Compilation of findings, and exit interviews

The first day of each visit was devoted to a meeting with the superintendent to clarify the nature of the work and set expectations for the reviews. Any modifications or adjustments to the Working Agendas were made at that time. The second and third days of the site visits were used to review additional documents, conduct interviews of key staff members, and collect needed information. (Appendix C lists the individuals interviewed.) The fourth and final day of each visit was devoted to synthesizing the team's findings and preparing an initial set of recommendations. Each team debriefed the superintendent at the end of the site visit.

#### Organizational Structure Team

The initial team was composed of current and former superintendents and staff members from other major city school districts. This first team focused on the LAUSD's overall administrative structure and visited the district from January 16-20, 2005.

The team was composed of—

Carlos Garcia  
Superintendent  
Clark County School District (Las Vegas, NV)

Spence Korte  
Superintendent (Retired)  
Milwaukee Public Schools

## Review of the Organization and Operations of the Los Angeles Schools

Robert Nelson  
Chief Information Officer (Retired)  
Milwaukee Public Schools

Walt Rulffes  
Deputy Superintendent and Chief Financial Officer (currently Acting  
Superintendent)  
Clark County School District (Las Vegas, NV)

Eric Smith  
Former Superintendent  
Charlotte-Mecklenburg Public Schools

Frank Till  
Superintendent  
School Board of Broward County (Ft. Lauderdale, FL)

### **Council Staff**

Michael Casserly  
Executive Director

Robert Carlson  
Director of Management Services

### **Business Services Teams**

A series of additional teams visited the school district between January and June 2005 to review business services, finance, and human resources.

- **Business Services Team**

A second team reviewed the district's business services (i.e., benefits, procurement, food services, transportation, materiel management, purchasing and contract administration branches), and operations. In the process, the team also interviewed staff members from the facilities and operations division and formulated a number of recommendations to improve service delivery in these areas.<sup>2</sup> The team was composed of—

Michael Contompasis  
Chief Operating Officer  
Boston Public Schools

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<sup>2</sup> The Council was not asked to review operating divisions that included planning, assessment and research; environmental health and safety; risk management; partnerships and adopt-a-schools; school police and security; crisis counseling and youth relations; or curriculum and instruction.

## Review of the Organization and Operations of the Los Angeles Schools

John Fahey  
Assistant Superintendent for Transportation  
Buffalo City School District

Heather Obora  
Chief Purchasing Officer  
Chicago Public Schools

Kim Sangster  
Chief Procurement Officer  
School District of Philadelphia

Michael Turza  
Director, Business Services  
Milwaukee Public Schools

Bruce Husson  
Chief Operating Officer (currently Acting Superintendent)  
Sweetwater Union High School District  
And former Chief Operating Officer  
San Diego Public Schools

### **Council Staff**

Robert Carlson  
Director of Management Services

- **Finance Team**

A third team reviewed the organizational structure, budget and practices, and financial procedures of the district's fiscal operations.

This team was composed of—

Michael Bookman  
Finance Officer, Business & Information Technology Services  
Hillsborough County School District (Tampa, FL)

Richard Hinds  
Chief Financial Officer  
Miami-Dade County Public Schools

John Miorca  
Chief Financial Officer  
Chicago Public Schools

## Review of the Organization and Operations of the Los Angeles Schools

Leonard Sturm  
Chief Financial Officer (Retired)  
Houston Independent School District

### **Council Staff**

Robert Carlson  
Director of Management Services

- **Human Resources Team**

A fourth team reviewed the organizational structure, practices, and operations of the district's Human Resources Division. This team was composed of—

Troy Coleman  
Associate Superintendent  
Human Resource Services  
Dallas Independent School District

Tomas Hanna  
Senior Vice President  
Office of Human Resources  
School District of Philadelphia

Ascension Juarez  
Chief Human Resources Officer  
Chicago Public Schools

Kevin North  
Assistant Superintendent  
Fairfax County (VA) Public Schools

Debra Ware  
Operations Executive Business Services  
Performance Improvement Executive  
Dallas Independent School District

### **Council Staff**

Michael Casserly  
Executive Director

Robert Carlson  
Director of Management Services

## **Review of the Organization and Operations of the Los Angeles Schools**

### **Enterprise Resource Planning Team**

A fifth and final team looked at the implementation of the district's Enterprise Resource Planning (ERP) system. The team was composed of—

Richard Frazier  
General Manager, Enterprise Resource Planning  
Houston Independent School District

Greg P. Halopoff  
Administrative Specialist  
Clark County School District (Las Vegas, NV)

John Radcliffe  
General Director, General Services/Risk Management  
Duval County Public Schools

Robert Runcie  
Chief Information Officer  
Chicago Public Schools

Tom Stevens  
Chief Information Officer (Retired)  
Denver Public Schools

Debra Ware  
Operations Executive Business Services  
Performance Improvement Executive  
Dallas Independent School District

### **Council Staff**

Robert Carlson  
Director of Management Services

The Council sent draft copies of this report to team members to ensure accuracy and to further develop findings and recommendations. The final report was forwarded to the superintendent and the board.

### **C. Project Benefits**

The Council's reviews are unique in their use of current and former senior urban school managers with strong reputations for effective operations. The teams and their members have three main benefits:

## Review of the Organization and Operations of the Los Angeles Schools

- **Credibility.** The teams are highly credible because they are composed of subject-matter experts who understand the issues and challenges that urban school districts experience who and know how to provide realistic recommendations that can be implemented in the real world.
- **Collegiality.** The teams provide districts with a ready-made pool of expertise they can work with after the project is completed. The approach also promotes the sharing of lessons learned from other large urban school districts.
- **Cost-efficiency.** The teams are able to identify issues and concerns quickly since they have first-hand experience in school district administration. This efficiency reduces the “learning curve” for team members and enables the Council to offer high-quality services at reasonable cost.

## **Review of the Organization and Operations of the Los Angeles Schools**



## II. OVERVIEW OF LAUSD

The Los Angeles Unified School District (LAUSD) encompasses approximately 704 square miles of Los Angeles County. The district is located in and includes virtually all of the City of Los Angeles and all or significant portions of 25 other municipalities, including Bell, Carson, Commerce, Cudahy, Gardena, Hawthorne, Huntington Park, Lomita, Maywood, Rancho Palos Verdes, San Fernando, South Gate, Vernon, and West Hollywood, in addition to some unincorporated territories.

The school district was formed in 1854 as the Common Schools for the City of Los Angeles and became a unified school district in 1960. The total population within the boundaries of the LAUSD in 2002 was 4,502,647, including 3,694,820 in the City of Los Angeles. The system encompasses 14 congressional districts.

### A. Student Characteristics

With more than 746,000 kindergarten-12th grade students, the Los Angeles Unified School District is the second-largest school system in the country, behind only New York City's 1,077,381 students. An additional 158,000 LAUSD students are enrolled in community schools for adults, occupational, and children's centers. (See Exhibit 1.)

**Exhibit 1. School District Enrollment, 2003**

Schools	Students
Elementary Schools	316,390
Middle Schools	161,597
Senior High Schools	182,522
Magnet Schools and Centers	52,433
Special Education Schools	4,153
Opportunity and Continuation Schools	4,542
<b>Total K-12 Enrollment</b>	<b>746,610</b>
Community Adult School	112,496
Occupational and Skills Centers	34,836
Children's Centers	10,817
<b>Other Total</b>	<b>158,189</b>

The enrollment of the LAUSD is about 12 percent African-American, about 72 percent Hispanic, and about 9 percent white. (See Exhibit 2.) The average urban school district, by comparison, has an enrollment that is approximately 38.3 percent African-American, 32.5 percent Hispanic, and 22.4 percent white. For example, the New York City public school system has an enrollment that is 34.0 percent African-American and 38.2 percent Hispanic; the Chicago public school system has an enrollment that is about 50.7 percent African-American and 36.5 percent Hispanic.

The LAUSD is also diverse linguistically, with students speaking some 95 different languages at home. Forty-four percent of the district's students come from

## Review of the Organization and Operations of the Los Angeles Schools

homes where English is not the primary language, a considerably higher portion than that of any other major urban school system in the nation. The average city has an enrollment that is made up of approximately 16.7 percent English Language Learners (ELL).

**Exhibit 2. Enrollment by Race/Ethnicity, 2003**

<b>Race/Ethnicity</b>	<b>Percent</b>
American Indian/Alaska Native	0.3%
Asian	3.9%
Black, not Hispanic	12.1%
Filipino	2.1%
Hispanic	71.9%
Pacific Islander	0.3%
White, not Hispanic	9.4%

About three-quarters of the district's students are poor enough to be eligible for a federal free or reduced price lunch, somewhat higher than the proportion in the average urban school system (64.2 percent), but comparable to the proportion in New York City (74.3 percent) and Chicago (75.8 percent)—all considerably greater than the national average of 35.2 percent. The LAUSD also enrolls a share of students with disabilities (11.5 percent) that is comparable to the proportion in other major urban school districts (13.0 percent). Some 13.4 percent of New York City's students and 12.7 percent of Chicago's students are disabled.

### B. Schools

The LAUSD currently operates 945 schools, including 419 elementary, 74 middle/junior high, 50 senior high, and a number of special schools and centers. There are an additional 44 charter schools and centers in the school district. (See Exhibit 3.) More than 27 percent of the district's students transfer between schools each year.

**Exhibit 3. Number of Schools and Centers, 2004**

<b>Schools</b>	<b>Number</b>
K-12 Schools	
Elementary	419
Middle/Junior High	74
Senior High	50
Multilevel	8
Magnet	22
Magnet Centers	138
Newcomer Centers	1
Continuation Senior High	45
Skills Center	5
Special Education	18
Community Day Schools	9
Opportunity High Schools	6

## Review of the Organization and Operations of the Los Angeles Schools

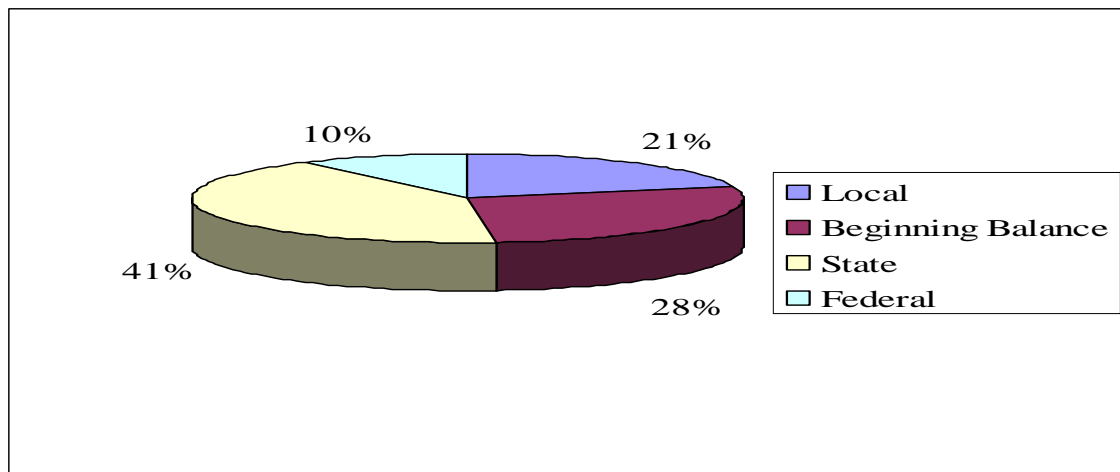
<b>Total K-12</b>	<b>795</b>
Other Schools and Centers	
Community Adult	25
Early Education Centers	100
Infant Centers	5
Primary Centers	14
Regional Occupational Centers	5
Regional Occupation Program	1
<b>Total Centers</b>	<b>150</b>
Charter Schools & Centers	
Elementary	17
SPAN Schools	9
Primary Center	1
Middle School	6
Senior High Schools	9
Senior High Magnet Centers	2
<b>Total Charter Schools</b>	<b>44</b>
<b>Total Schools/Centers</b>	<b>1,009</b>

The LAUSD has the largest schools of any major urban school district in the nation. The average school in the nation's big cities serves some 681 students, compared with about 1,103 students per school in the LAUSD. New York City, by contrast, serves some 754 students per school and Chicago, which has almost as many schools (608) as LA (677), serves about 717 students per school. The average school nationally enrolls is about 522 students.

### C. Finances

The district's operations are supported by General Fund Revenues (budgeted) for the 2004-2005 fiscal year totaling \$13,388,849,878, including a Regular Program Budget of \$5,429,969,725. (See Exhibits 4, 5, 6, and 7.)

**Exhibit 4. Total Budget by Revenue Source, FY 2005**



## Review of the Organization and Operations of the Los Angeles Schools

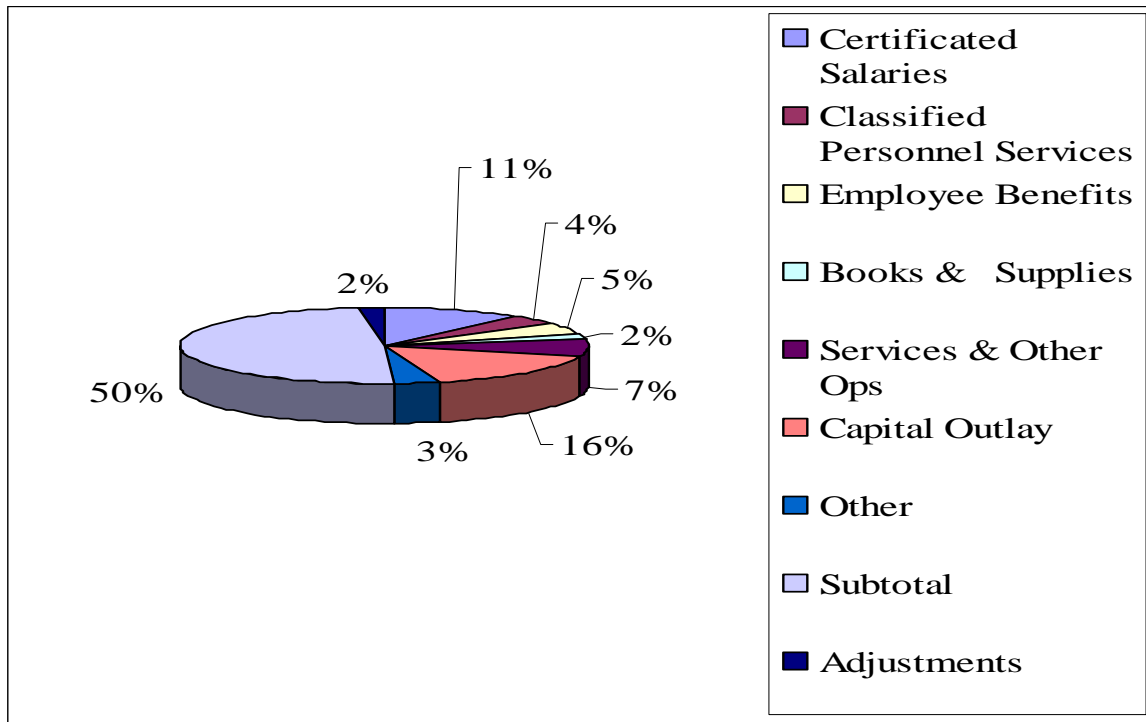
### Exhibit 5. Revenue Budget by Fund and Source, FY 2005

	Total Revenue	General Fund Regular Program	General Fund Specially Funded Programs	Fiscally Independent Charter Schools Regular Program	Fiscally Independent Charter Schools Specially Funded Programs	Adult Education Program	Adult Education Specially Funded Programs
Federal	\$1,347,755,593	\$147,654,541	\$906,939,980	\$5,959,084	\$5,845,700	\$ 0	\$32,951,369
State	5,551,925,050	3,811,093,616	400,976,247	113,170,253	1,805,866	144,751,808	24,508,186
Local Taxes	1,465,611,099	1,205,481,155	0	39,321,499	0	0	0
Other Local	211,130,906	56,292,649	25,406,931	8,106,949	0	765,000	783,402
Other	1,082,047,154	63,347,154	0	0	0	0	0
Interfund Adjustments	1,096,734,850	33,774,710	0	0	0	0	0
Beginning Balances	3,708,380,076	235,964,562	84,029,555	80,979,974	0	1,441,292	0
Total	\$14,463,584,728	\$5,553,608,387	1,417,352,713	\$247,537,759	\$7,651,566	\$146,956,100	\$58,242,957
Less: Interfund Adjustments	1,096,734,850						
New Revenue Budget	\$13,366,849,878						

### Exhibit 6. Expenditures by Fund and Major Object, FY 2005

	Total Expenditures	General Fund Regular Program	General Fund Specially Funded Programs	Fiscally Independent Charter Schools Fund	Fiscally Independent Charter Schools Specially Funded	Adult Education Program	Adult Education Specially Funded Programs
Certificated Salaries	\$3,111,393,099	\$2,427,821,342	\$440,035,596	\$95,671,608	\$2,943,572	\$82,504,889	\$16,127,807
Classified Personnel Services	1,152,487,317	803,489,720	113,712,935	4,399,500	1,046,729	14,676,997	14,126,613
Employee Benefits	1,467,507,364	1,160,732,117	136,096,829	25,993,329	798,065	34,539,659	7,905,792
Books & Supplies	612,084,915	201,788,889	198,395,722	34,970,829	1,420,683	3,418,055	12,339,670
Services & Other Ops	1,964,708,329	479,679,921	162,011,114	2,288,623	634,602	4,354,654	3,624,685
Capital Outlay	4,608,191,345	44,581,278	16,135,302	0	612,284	1,952,749	1,444,685
Other	975,867,791	199,866,586	268,562,154	79,981,061	195,631	5,082,611	2,673,705
Total	\$13,892,240,160	\$5,317,959,853	\$1,334,949,652	\$243,304,950	\$7,651,566	\$146,529,614	\$58,242,957
Adjustments	525,390,282	235,648,534	82,403,061	4,232,809	0	428,486	0
New Total Expenditure	\$13,366,849,878	\$5,553,608,387	\$1,417,352,713	\$247,537,759	\$7,651,566	\$146,958,100	\$58,242,957

Exhibit 7. Expenditure Distribution by Fund and Major Object, FY 2005



K-12 school spending in California is heavily dependent on the state, but the state ranks 29th in the nation in spending per pupil. Los Angeles spent about \$8,500 per year in 2002-2003, according to the National Center for Educational Statistics, a level that is somewhat below the average for big city school systems nationwide. New York City, by contrast, spent \$12,309 per pupil the same year and Chicago spent about \$8,000.

The prospects for any sizable increases in funding levels that have remained flat or declined over the last several years appear to be dim. The state, like many others, is just coming out of a recession that affected all levels of government, including local school districts like LA's. California had to balance its 2004-2005 budget by passing a \$15 billion General Obligation Bond (Proposition 57) and the voters passed a balanced budget measure (Proposition 58) at the governor's behest. The state's Legislative Analyst's Office (LAO), moreover, projects that the state faces a deficit of \$6.0 billion in 2005-2006 and a shortfall of \$8.0 billion in 2006-2007. The LAO has warned the state repeatedly that it is not likely to "grow" its way out of its structural deficit, even if the economy improves substantially, making the financial backing for the LAUSD's reforms fragile at best.

### D. Student Achievement

#### Goals and Priorities

Beginning in 2000, the Los Angeles Unified School District embarked on a top-to-bottom reform effort that was outlined in a Five-Year Strategic Plan submitted by Superintendent Roy Romer to the Board of Education in May 2002.

The plan was intended to focus the district's collective energy on raising student achievement and upgrading and expanding the school system's buildings and facilities. The plan set forward a number of ambitious academic goals for the school district, including—

- Improved student reading and writing skills across all grade levels.
- Improved student skills and understanding in mathematics across all grade levels.
- Focused professional development as the key to improving classroom practice.
- Maximized delivery of additional classroom seats.
- Appropriate support for English Language Learners and standard English language learners.
- Enhanced delivery and effectiveness of Special Education Services
- Enhanced recruitment and retention of qualified staff.
- Increased use of technology in the classroom and more effective use of technology for instructional support.
- Increased efficiency in the use of resources.
- Improved early childhood education as a foundation for success, particularly in reading and mathematics.
- Expanded magnet and academy opportunities in communities with few such programs.
- Expanded and enhanced after-school programs.
- Involved parents and community
- Improved school safety.
- Enhanced health and human services to address barriers to learning
- Expanded arts education.

The superintendent translated the Strategic Plan into a reform effort with seven overarching objectives—

- Improve rigorous, standards-based teaching and learning in core curricular areas for all students, prekindergarten through adult, in order to raise student performance and eliminate the achievement gap.
- Effectively use data to measure student learning toward achievement of the standards, to inform instruction, and to gauge professional development needs.

## Review of the Organization and Operations of the Los Angeles Schools

- Strengthen parent and community involvement at all schools by providing opportunities for meaningful parent engagement that supports improved student achievement.
- Enhance efforts to recruit and retain highly qualified staff.
- Effectively utilize a budget supported by voter-passed bonds to build 160 new schools and renovate existing schools.
- Establish Small Learning Communities in secondary schools to provide students and teachers with a more personalized and caring learning environment.
- Align and manage all programs, resources, and services to support student achievement goals.

### Instructional Strategies

The Strategic Plan was subsequently operationalized with five instructional components focusing on improved student achievement.

- **Adherence To Rigorous Standards**

The first component was to ensure that every teacher had a complete set of instructional materials in reading and mathematics. Like many other school districts across the country, the Los Angeles Unified School District was caught up in the “whole language” movement that relied on individual teacher creativity and teacher-developed lessons. No districtwide instructional program was in place, resulting in a fractured academic program that failed to address the needs of a school system with a transient rate of more than 25 percent. The district adopted the *Open Court* reading program’s structured phonics lessons and comprehension skills soon after the new superintendent came to office. The district also uses *Success for All* and *Reading Mastery*, and has adopted the Harcourt math program.

- **Improved Professional Development**

The second component, professional development, was initiated with a five-day summer Reading Institute for teachers in the summer of 2000. All 12,000 of the district’s elementary teachers participated in these professional development sessions, which were funded by the State of California to provide an introductory course to teachers on the state-adopted reading standards and the district’s new reading program. The teachers’ union (UTLA) supported the summer Reading Institutes and its support has encouraged teachers to complete the 80 hours of follow-up training required throughout the school year. Since 2000, additional summer institutes and advanced courses have been added to support the implementation of the reading program. More than 90 percent of the district’s elementary teachers have attended one of the institutes over the last four years.

## Review of the Organization and Operations of the Los Angeles Schools

- **Reading and Math Coaches**

The third component was put into place when 490 elementary school literacy coaches were assigned to district schools at a ratio of approximately 30:1. Coaches are experienced teachers and mentors who assist teachers with the execution of the new reading program. In addition, experts who would serve as “coaches of the coaches” were assigned to five to seven schools. Coaches and experts are also responsible for providing teachers with up to 120 hours of grade-level specific professional development throughout the school year. Math coaches were added after the reading coaches.

- **Periodic Assessments**

The fourth component has been the districtwide adoption of periodic, diagnostic assessments that are imbedded in the *Open Court* program and administered to elementary students every nine weeks. After implementing the assessments in the 2002-2003 school year, the district developed a reporting system, called Student Online Assessment Reports (SOAR) that aggregates, disaggregates, and reports data. Assessment results are used to guide teaching throughout the school year (rather than waiting until the end), so appropriate intervention is available for students who are struggling. Data are also used to guide professional development.

- **Full-Day Kindergarten**

The final component of the district’s instructional strategy involves the introduction of full-day kindergartens into all elementary schools. Due to limited space, the program is being phased in over four years. To get started, some 173 schools opened this year with a full-day kindergarten.

### **Achievement Outcomes**

Students in the LAUSD have seen substantial gains in academic achievement as measured on California’s Academic Performance Index (API).<sup>3</sup> Much of this success has been attributed to a more focused curriculum, rigorous standards in core subjects, and professional development.

- **API Growth from 1999 to 2005**

The API indicates that the district exceeded the state’s rate of improvement between 1999 and 2005 at each grade level. At the elementary school level, the district

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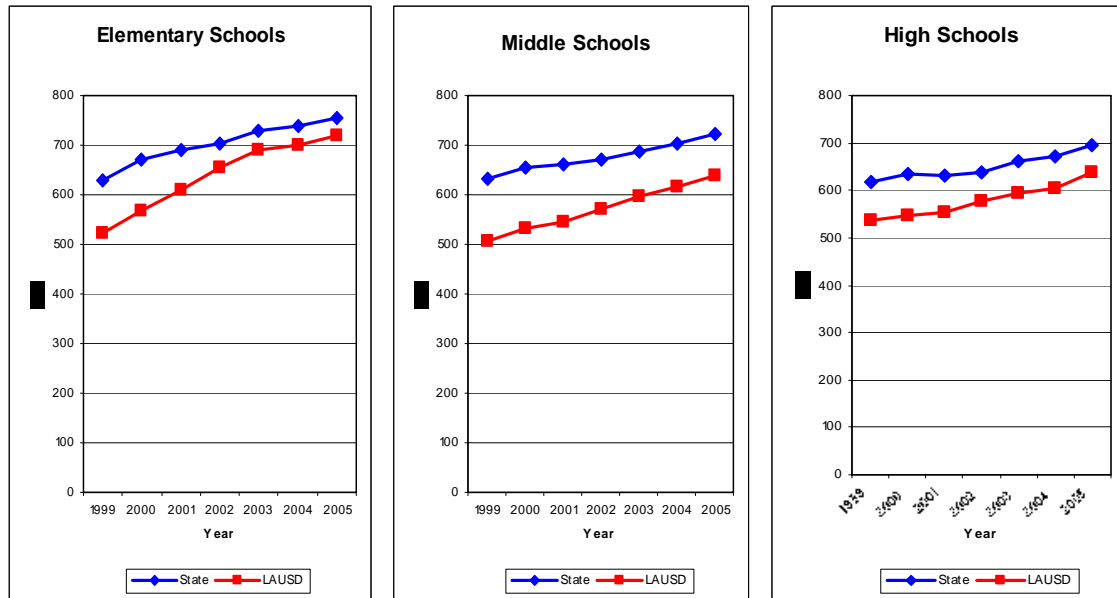
<sup>3</sup> The calculation of the API includes test scores from the California Achievement Tests, Sixth Edition (CAT/6) and the California Standards Tests (CST) in English language arts and mathematics, and the California Alternative Performance Assessment (CAPA) in grades 2-11. In addition, the CST scores in history/social science (grades 10-11), science (grades 9-11), and the California High School Exit Examination (CAHSEE) results are included in the API calculation. Results on the CTS make up 80 percent of the API for an elementary or middle school and 88 percent of a high school’s API consists of results from the CTS and the CAHSEE.



## Review of the Organization and Operations of the Los Angeles Schools

increased its API score from 523 to 720, an increase of 197 points, compared with the state's increase of 126 points over the same period. At the middle school level, district students increased their API scores from 507 to 638, a gain of 131 points, compared with the state's increase of 92 points during the period. At the high school level, district students increased their API scores from 537 to 639, a growth of 102 points, while the State increased by 78 points. (See Exhibit 8.)

**Exhibit 8. Academic Performance Index (API) Change from 1999 to 2005**



- **Growth Targets**

Sixty-four percent of schools in the LAUSD have met their achievement targets under *No Child Left Behind (NCLB)*, compared with 68 percent statewide. (A school is considered to have met its growth target, if it attains its annual schoolwide performance target and its numerical targets for each of its student subgroups.) (See Exhibit 9.)

**Exhibit 9. API Growth Report by Schools, 2003-05**

	2003-04	2003-04	2004-05	2004-05
<b>LAUSD API Summary</b>	Schools	Percent	Schools	Percent
Targets Met	202	51	368	64
API Grew, Targets Not Met	126	22	100	18
API Remained Same or declined	157	27	103	18
<b>State API Summary</b>	Schools	Percent	Schools	Percent
Targets Met	3,627	48	4,596	68
API Grew, Targets Not Met	1,520	20	1,088	16
API Remained Same or declined	2,388	32	1,104	16

## Review of the Organization and Operations of the Los Angeles Schools

- **Achievement Gaps**

The LAUSD is also beginning to narrow the achievement gap among Latino and African-American students who have scored well below Asian and white students for many years. Every subgroup's API score in SY 2004-2005 increased by at least 11 points over the previous year. (See Exhibit 10.)

**Exhibit 10. API Subgroup Results, 2003-05**

Subgroup	2004 API Growth	2003 API Base	2003 to 2004 Growth	2005 API Growth	2004 API Base	2004 to 2005 Growth
African American	587	573	14	603	587	16
American Indian	667	663	4	694	663	31
Asian	824	812	12	835	818	17
Filipino	780	766	14	790	775	15
Hispanic or Latino	608	593	15	624	607	17
Pacific Islander	674	666	8	681	670	11
White	788	779	9	800	782	18
Disadvantaged	614	600	14	631	613	18

There are also signs of progress among the district's many English Language Learners. A December 2005 report from the California Department of Education shows that the LAUSD exceeded its improvement targets under *No Child Left Behind* among these students, which make up nearly 44 percent of the LAUSD's enrollment. Students who are considered to be disadvantaged also demonstrated substantial progress on the API.

- **National Assessment of Educational Progress**

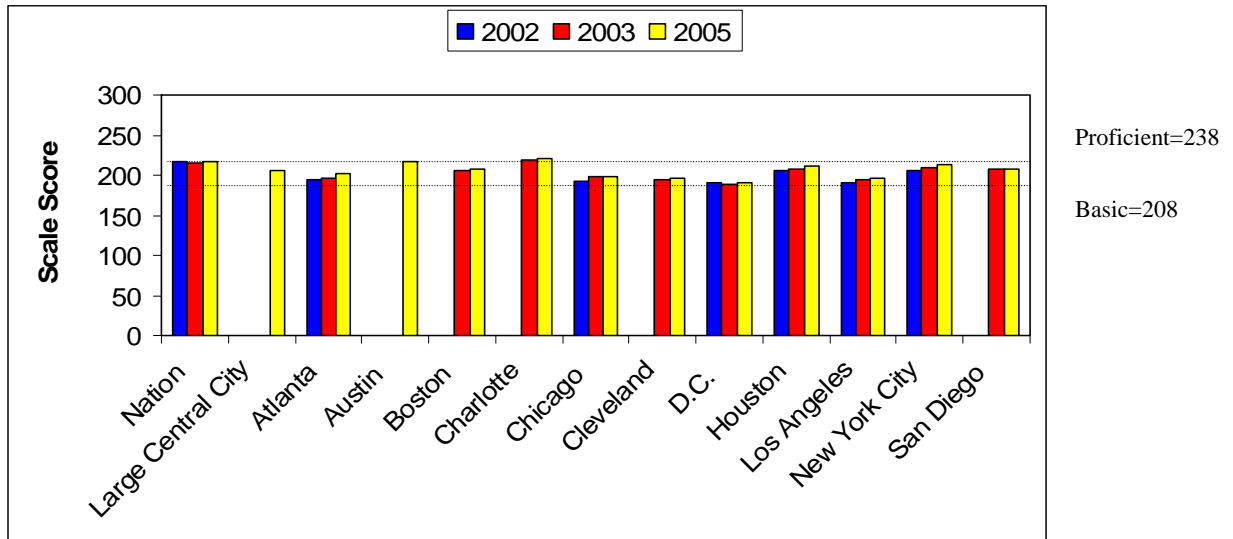
Finally, the LAUSD is one of only 11 cities nationwide participating in the Trial Urban District Assessment of the National Assessment of Educational Progress (NAEP). This participation allows the district to compare its academic achievement with that of cities in other states and with national and state averages. The comparisons are not exact, since the LAUSD exempts fewer students from testing than do other cities, but the results are the best available data.

In general, NAEP results indicate that LAUSD students scored below national averages in both reading and math at the 4th- and 8th-grade levels in 2005, but that they had improved substantially between 2002 and 2005. (See Exhibits 11-14.) The district's 4<sup>th</sup> grade reading scores on NAEP improved from a scale score of 191 in 2002 to 194 in 2003 to 196 in 2005. The district also significantly decreased the percentage of its 4<sup>th</sup> grade students scoring below basic and significantly increased the percentage of students scoring at or above proficient. Eighth grade scale scores moved from 237 to 234 to 239 over the same period. In both grades, the district's reading score gains outpaced improvements at both the national and state levels.

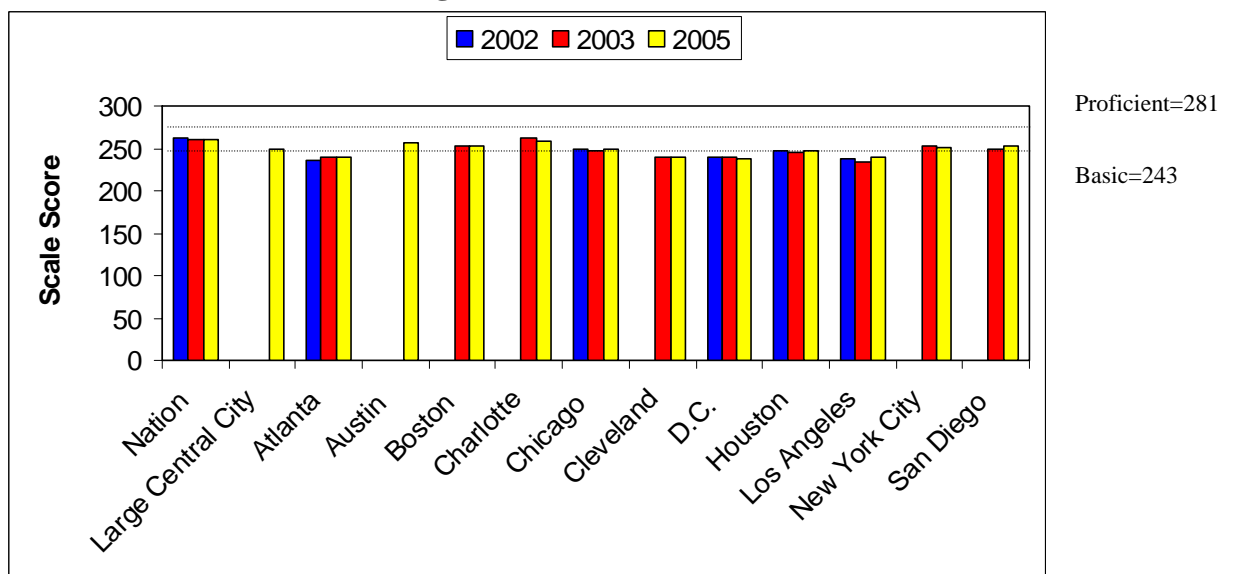
## Review of the Organization and Operations of the Los Angeles Schools

The district's 4<sup>th</sup> grade NAEP math scores improved significantly from 216 in 2003 to 220 in 2005 and 8<sup>th</sup> grade scores increased from 245 to 250 over the same period. And the district significantly decreased the percentage of students in both grades scoring below basic in math and significantly increased the percentage scoring at or above proficient. LAUSD's gains in math, as in reading, were faster than improvements at either the state or national levels.

**Exhibit 11. Comparison of LA Schools' 4th-Grade NAEP Reading Scores with Other Large Cities and the Nation<sup>4</sup>**

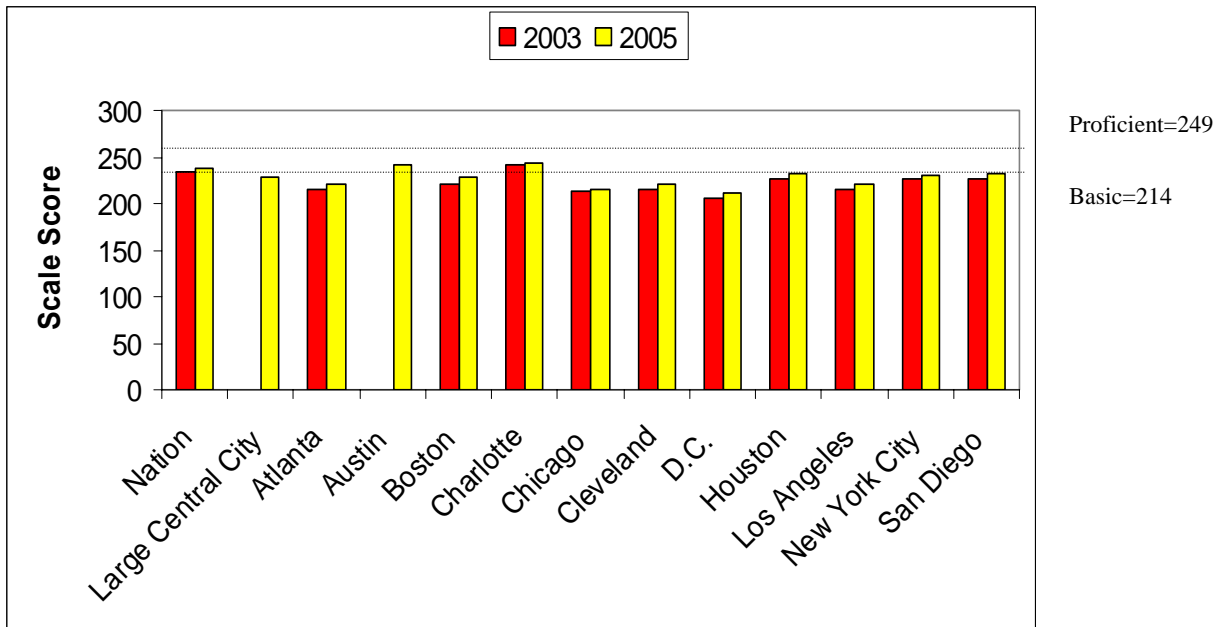


**Exhibit 12. Comparison of LA Schools' 8th-Grade NAEP Reading Scores with Other Large Cities and the Nation**

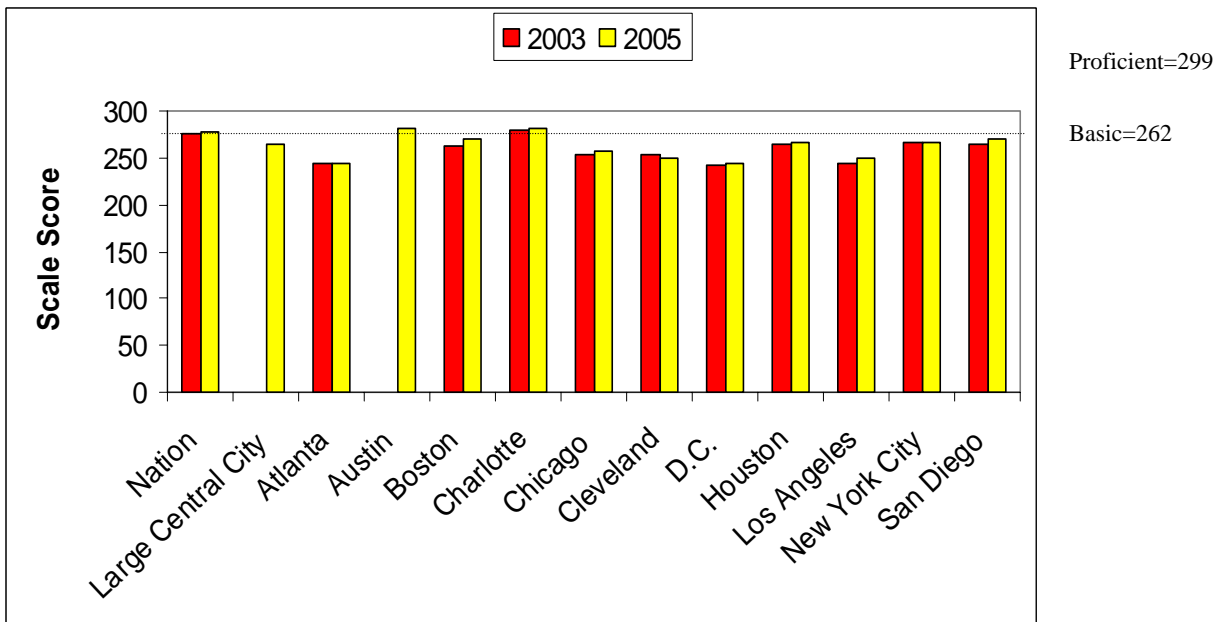


<sup>4</sup> The Trial Urban District Assessment of NAEP was administered in reading and writing in 2002 and in reading and math in 2003 and 2005.

**Exhibit 13. Comparison of LA. Schools' 4th-Grade NAEP Math Scores with Other Large Cities and the Nation**



**Exhibit 14. Comparison of LA Schools' 8th-Grade NAEP Math Scores with Other Large Cities and the Nation**



## E. Buildings and Facility Program

A fifth component of the district’s reform effort has involved the repair, upgrade, and construction of school facilities. The program includes 160 new schools and 83 campus additions, and the completion of more than 16,000 school repairs and renovations—the largest school construction program in the country. The goals of the building program have been to eliminate mandatory busing, return students to their neighborhood schools, reduce the size of large schools, and return all schools to a traditional calendar.<sup>5</sup>

As of January 31, 2005, 71 construction projects had been completed, 89 projects were under construction, and an additional 78 projects were in a pre-construction phase. (See Exhibit 15.)

**Exhibit 15. Total Capital Projects Completed**

School Type/Grade Level	Number Completed	Under Construction
Additions	25	23
Continuation High School	1	4
Early Education Centers	15	10
Elementary Schools	6	19
Middle Schools	3	3
High Schools	3	9
Playground Expansions	9	7
Primary Centers	8	13
Soil Remediation Projects	1	1
<b>Total Projects Completed</b>	<b>71</b>	<b>89</b>

An important component of the building program has been a series of voter-approved bond measures over the past few years that have provided more than \$14 billion to complete construction projects. These include some of the following.

- **Proposition BB Bonds**

Proposition BB, which was approved by the voters on April 8, 1997, by more than a two-thirds majority, authorized the district to issue General Obligation Bonds in an amount not to exceed \$2.4 billion.<sup>6</sup> The state also passed Proposition 1A in November

<sup>5</sup> Smaller regional local districts were also created in order to bring services and personnel closer to the students and communities served by district schools.

<sup>6</sup> The first issue known as Series “A” was sold in July 1997 at a par value of \$356 million. The second issue known as “Series B” was sold in August 1998 at a par value of \$350 million. The third issue known as Series “C” was sold in August 1999 at a par value of \$300 million. A fourth issue known as Series “D” was sold in August 2000 at a par value of \$386.7 million. A fifth issue known as Series “E” was sold in April 2002 at a par value of \$500 million. A sixth issue known as Series “F” was sold in March 2003 at a par value of \$507.345 million. Also, in April 2002, parts of Series, B, C, and D in the aggregate total of \$262 million were re-funded by a \$258.4 million issue of 2002 General Obligation Refunding Bonds.

## **Review of the Organization and Operations of the Los Angeles Schools**

1998, which provided \$6.7 billion in matching funds statewide for new K-12 construction and modernization projects.

The purpose of these bonds was to provide needed health and safety improvements to more than 800 deteriorating school buildings and 15,000 classrooms, including upgrading electrical wiring and plumbing; repairing decaying roofs and walls; undertaking earthquake retrofitting and asbestos removal; providing infrastructure for computer technology and science laboratories; providing classroom air conditioning; enhancing student safety with lighting, fences and security systems; funding and/or providing matching funds for construction and additions at several schools; and building 100 new schools to reduce class size and decrease busing.

The Board of Education established a Blue Ribbon Citizens' Oversight Committee consisting of 11 members representing governmental entities, agencies, and organizations to ensure that the proceeds of the bond were used for the purposes stated in the resolution that was on the April 1997 ballot. The Committee's responsibilities included: 1) meeting at least quarterly to review bond fund expenditures; 2) reporting findings to the school board and the public; 3) recommending improvements to district processes and procedures relating to scheduling, planning, and completing projects; and 4) reporting any substantial expenditures of bond funds that were in conflict with the purposes approved by the school board and negotiated in the contracts.

- **General Obligation Bonds – Proposition 39**

Proposition 39, passed by California voters in November 2000, changed the margin needed to pass bond measures from two-thirds of voters to 55 percent of voters. The lower 55 percent voter margin applies only to bonds issued for construction, rehabilitation, and equipping school facilities. The measure also allowed property taxes to exceed the current 1 percent limit in order to repay the bonds.

The state also passed Proposition 47 in November 2002 and Proposition 55 in March 2004, which provided \$11.4 billion and \$10 billion, respectively, in matching funds for K-12 new construction and modernization projects.

- **Measure K**

On November 5, 2002, ballot Measure K was approved by 67.9 percent of the voters. The measure authorized the district to issue up to \$3.35 billion of General Obligations Bonds. These funds are to be used to build new neighborhood schools (\$2.58 billion); repair aging and deteriorating classrooms (\$526 million); improve Early Childhood Programs (\$80 million); upgrade safety and technology (\$66 million); expand public charter schools (\$50 million); develop joint plans for new schools, parks, and libraries (\$10 million); and provide library books at new schools and improve library technology (\$38 million).

## Review of the Organization and Operations of the Los Angeles Schools

The LAUSD issued the first series of these bonds, designated as “Los Angeles School District General Obligation Bonds, Election of 2002, Series A (2003)” in February 2003 at a par value of \$2.1 billion. The district also established a separate fund, Measure K Building Fund, to account for the revenue from and expenditure of the bond proceeds. The district currently anticipates the issuance of three additional series over the next three years.

- **Measure R**

On March 2, 2004, ballot Measure R, authorizing the district to issue up to \$3.87 billion of General Obligation Bonds, was approved by 63.7% of the voters. The bond proceeds are being used to repair and upgrade school facilities as well as to create additional classroom seats. The school district has established a separate fund, Measure R Building Fund, to account for the future income and expenditure of the bond proceeds. The district has issued the first series and anticipates the issuance of additional series over the next three years.

### F. Major Accomplishments

In summary, the school district, under the leadership of the superintendent and school board, has had a number of notable accomplishments over the last several years, including having—

- Implemented a new districtwide reading program (*Open Court*) in grades K-5/6.
- Substantially improved the district’s Academic Performance Index (API) on reading at the elementary school level (106.6 in 1999 to 177.4 in 2004). The rate of improvement exceeds the statewide average.
- Quadrupled the number of high performing schools—those scoring 9 or 10 on the State’s API index—in the last four years.
- Adopted a comprehensive elementary school mathematics plan to improve mathematical skills.
- Introduced a full-day kindergarten in 376 elementary schools and a plan to phase in full-day kindergarten in all schools by the 2007-2008 school year.
- Implemented targeted instructional interventions (High Point and Language!) in middle school to support struggling readers.
- Increased the number of students participating in after-school programs from 23,000 five years ago to more than 100,000 today.

## **Review of the Organization and Operations of the Los Angeles Schools**

- Implemented periodic, diagnostic assessments in language arts, science, and mathematics to provide real-time data to make decisions on lesson planning, teacher training, and interventions.
- Changed the requirements for students to enroll in “A-G courses” (college-prep) in order to increase the number of LAUSD students eligible to enter four-year colleges and universities.
- Increased the percentage of highly qualified teachers (including interns) from 71 percent to 98 percent over the last three years.
- Increased the percentage of fully credentialed new teachers in the district from 25 percent in 2000-01 to 68 percent in 2004-05.
- Increased the proportion of newly hired teachers who remain in the district to about 75 percent.
- Initiated an aggressive \$14.2 billion school building program to construct approximately 160 new schools and return students to neighborhood schools and to a full 180-day calendar. To date, 32 new schools and 39 expansions have been completed, with another 91 projects currently under construction.
- Completed or started more than 10,000 repair projects.
- Increased district spending on school safety measures to \$55.2 million, including expanded spending on school police, campus aides, gang and violence intervention, and materiel support.
- Recruited talented people from outside the system and mobilized the district and its staff to make things happen.

### **G. Next Steps in LAUSD Reforms**

Modernizing data collection and upgrading antiquated internal control systems are the next major steps in the LAUSD’s reform efforts. The district is moving forward on two major fronts. An Enterprise Resource Planning (ERP) project is in the early stages of implementation and is being designed to replace aging and fragmented human resources, payroll, finance, and supply-management systems. This project is intended to—

- Improve service delivery to schools and employees.
- Improve the efficiency of district operations and the district’s ability to manage those operations.
- Provide more accurate, timely, and appropriate data for decision makers and stakeholders.



## Review of the Organization and Operations of the Los Angeles Schools

- Reduce operating and financial risks as they relate particularly to a 40-year-old payroll system and, more generally, to fragmented and manual district work processes.
- Increase accountability and transparency to the public in the use of public funds.

The district believes that implementation of a modern ERP system will be essential to its ability to move from a tactical/transactional way of doing business to a more strategic focus in its business operations. The teams working on this project could not agree more. The ERP system should, in fact, enable the district to meet its financial challenges more efficiently and to meet increasing service demands posed by the rapid growth in the number of district schools and the rising complexity of the regulatory environment.

The last major districtwide initiative involves the Integrated Student Information System. This initiative is being designed to consolidate multiple student information systems into a single, integrated system that can capture and track student data and monitor student records and information. The new integrated student information system will include early education, elementary, secondary, adult schools, and special education. Student data will be maintained through a central server at the district's central office and will be accessible by all schools, offices and local districts through the Internet. The system started as a pilot project in February 2005 and is scheduled to be fully operational by December 2007.

\*\*\*\*

**Exhibit 16. Summary Table Comparing LAUSD with Others, 2002-03<sup>7</sup>**

	<b>LAUSD</b>	<b>New York</b>	<b>Chicago</b>	<b>Great City Schools</b>	<b>National Average</b>
Enrollment	746,852	1,077,381	436,048	7,457,832	48,202,324
% African-American	12.1	34.0	50.7	38.3	17.3
% Hispanic	71.9	38.2	36.5	32.5	17.8
% White	9.4	15.0	9.3	22.4	59.5

<sup>7</sup> Source: U.S. Department of Education, National Center for Education Statistics (NCES), Common Core of Data, "Public Elementary and Secondary School Universe Survey," 2002-2003; and the National Assessment Governing Board (NAGB).

## Review of the Organization and Operations of the Los Angeles Schools

% Other	6.6	12.8	3.4	6.8	5.5
% Free/Reduced Price Lunch	74.3	75.8	77.6	64.2	35.2
% English language learners	42.9	11.6	19.2	16.7	8.4
% with Disabilities	11.5	13.4	12.7	13.0	13.4
Number of Teachers (FTE)	35,483	65,803	24,584	441,799	3,034,064
Pupil/Teacher Ratio	21.0	16.4	17.7	16.9	15.9
Number of Schools	677	1,429	608	10,954	92,330
Students per School	1,103	754	717	681	522
Current Spending per Pupil	\$8,508	\$12,309	\$7,967	\$8,677	NA
4 <sup>th</sup> Grade NAEP Reading Scale Score	194	210	198	205	216
8 <sup>th</sup> Grade NAEP Reading Scale Score	234	252	248	249	261
4 <sup>th</sup> Grade NAEP Math Scale Score	216	226	214	224	234
8 <sup>th</sup> Grade NAEP Math Scale Score	245	266	254	262	276

### III. ORGANIZATIONAL STRUCTURE

#### A. Introduction

How an urban school district—or a school district anywhere—organizes its talent has a significant effect on whether it can raise student achievement or operate effectively enough to garner public confidence. There are many ways, of course, to organize large social structures such as school systems. All organizations are composed of values and principles, goals, objectives, strategies, structures and operations, information, people, decisions, culture, outcomes, and accountability and improvement systems.

One rarely finds identical organizational structures from one large city school system to another or from one large corporation to another. The organizational structure of the Chicago Public Schools, for instance, tends to be hierarchical and corporate in its orientation, with an aggressive layer of advisory groups at the school level. The Houston Independent School District, on the other hand, is more horizontal in its structure and entrepreneurial. No one model is intrinsically better than another and no one structure has been shown to improve student achievement more than another does.

Still, any school district the size of Los Angeles' ought to have an organizational structure that—

- Has an adequate number of staff members to plan, manage, coordinate, direct, implement, and evaluate programs and services.
- Controls its personnel, resources, and programs adequately.
- Has explicit reporting lines and precise locations of authority and responsibility for executing tasks.
- Strengthens professional relationships to ensure mission accomplishment.
- Is supported by job descriptions that define organizational relationships, qualifications, authority, responsibilities, functions, and accountability.
- Has appropriate span of control, a logical grouping of functions, appropriate separation of management and staff responsibilities, and consistently logical relationships among people on the same level of authority (horizontal) and up and down the scale of authority (vertical).

The keys to any effective organizational structure are that it aligns with the vision, mission, and goals of the agency; encourages and facilitates the overall strategic directions of the institution; has a system of accountability; and fosters cooperation, teamwork, and shared responsibility for meeting the organization's goals. The current trend in big city school districts is towards organizational structures that reduce the

## **Review of the Organization and Operations of the Los Angeles Schools**

distance between managers and employees; that relinquish centralized control of operations in favor of more school-based decision making and accountability; and that focus on student achievement, school support, and strategic planning.

Still, any discussion and analysis of organizational structure has its limits, particularly as an integrating tool. There are ever-present tensions, for instance, in any large organization such as the Los Angeles Unified School District between issues of integration and issues of specialization. The more specialized functions become, the more difficult it is to integrate them and vice versa. Specialization, on the other hand, is necessary when a function must create its own operating methods that are different from other functions. In many cases this specialization is a good thing in large organizations, but it almost always leads to decreased integration. This pull and tug is evident in the Los Angeles schools, and it will never be fully resolved by rearranging organizational boxes.

Instead, the management of the organization should think of itself in more cross-functional ways. The district is highly specialized and suffers the fate of any large organization in having trouble integrating its functions and communicating its priorities. Its administrative silos are often quite distinct, each feeling isolated from the other. This situation seems particularly true in terms of the district's instructional vs. noninstructional units, but it also exists within operating units and between the central office and the regions and schools. Each time a barrier is crossed between one division and another a communications "toll" is paid.

Paying this toll in other large organizations often involves a series of approaches: clearly articulated priorities and strategies, a well-defined structure, a management process and systems that encourage cross-functional coordination, a culture that fosters collaboration and communications, a management information system from which common data can be drawn and stakeholders can see the entire organization and its direction, and an accountability system with clear rewards and sanctions that can hold people responsible for results.

Some organizations have attempted to solve these cross-functional challenges by employing matrix management, an approach that grew out of the defense industry to intersect project managers with functional managers. The approach appears to be helpful in organizations where strong systems capacity already exists, but works less well as a tool to solve ongoing problems.

The truth is that there is no perfect organizational structure; there are only temporary optimums and trade-offs. All organizations—including the LAUSD—have to move and change with a shifting environment and constantly evolving needs, and a move in one direction or another may gain an organization some things and may cause it to lose others. What is most clear, however, is that frequent changes in organizational structure are debilitating and counterproductive.

The following sections describe the organizational structure of the Los Angeles Unified School District and make a series of recommendations.

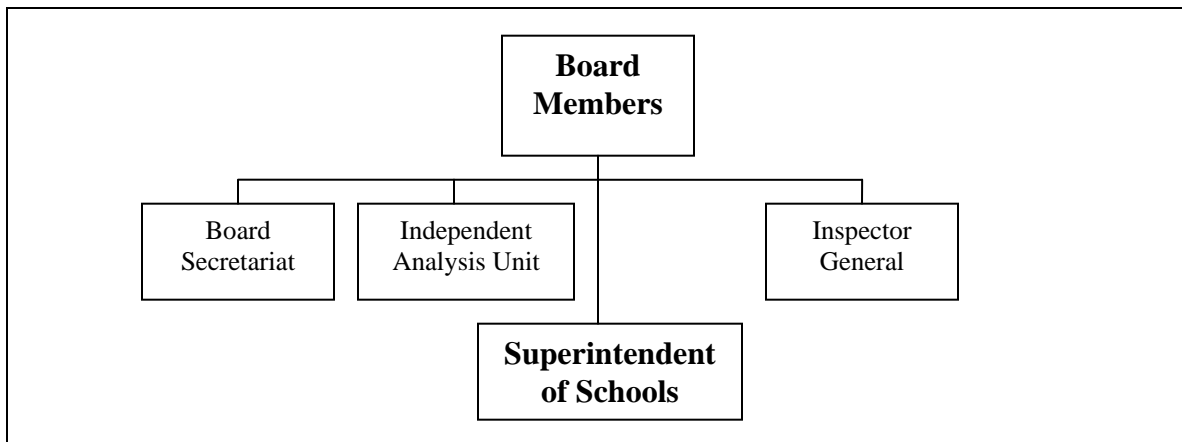
## Review of the Organization and Operations of the Los Angeles Schools

### 1. Organizational Structure

#### Governance

The Los Angeles Unified School District is governed by a seven-member Board of Education, elected by district to serve alternating four-year terms. The board is the district's policy making body, with the superintendent and four units reporting to it. (See Exhibit 17 for the organizational structure of the Board of Education.)

**Exhibit 17. Organization of the Board of Education**



The school board adopts policies on public education within the school district's jurisdiction; appoints the superintendent of schools; oversees the superintendent's administration of the school district; reviews administrative procedures, rules, and regulations implementing board policy and applicable laws and regulations; and communicates with other government agencies, staff members, and the community.

The School Board's major goals are to—

- Develop sound policies and appropriate goals for improved student achievement.
- Find ways to reduce waste, fraud, and abuse in district programs and operations and foster integrity in district personnel.
- Improve the efficiencies and effectiveness of district programs and operations.
- Be responsive to the community's need for the best possible schools and highest levels of student achievement.

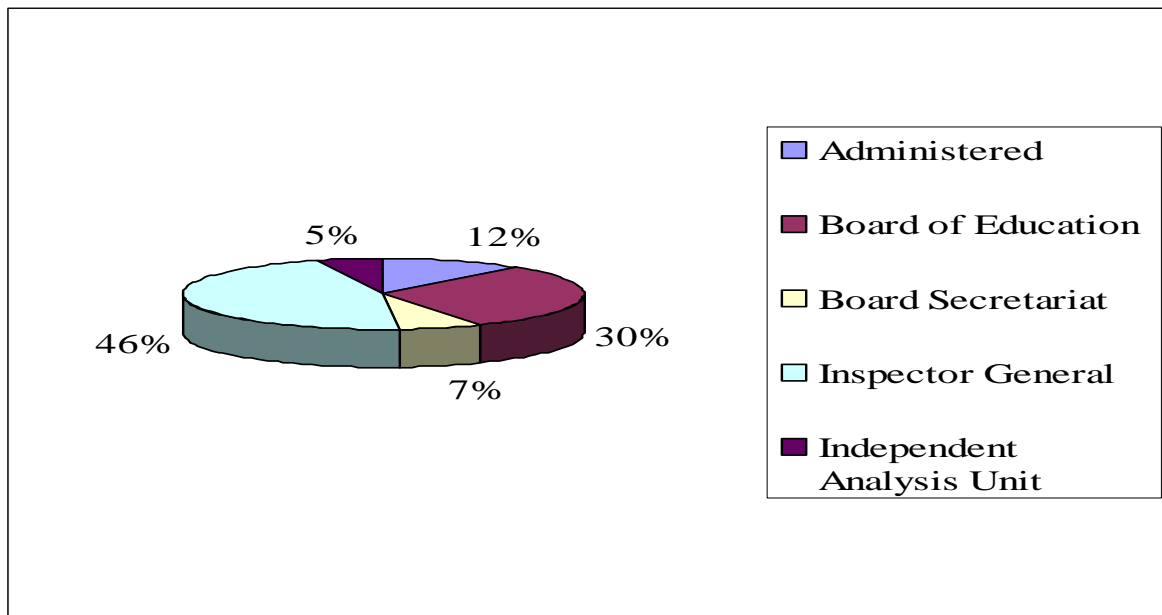
## Review of the Organization and Operations of the Los Angeles Schools

The Board of Education operates with an annual budget (2004-2005) of about \$14.6 million, an amount that was about 8 percent higher than the previous year. (See Exhibits 18 and 19.)<sup>8</sup> The board operates with a staff of about 112.

### Exhibit 18. Board of Education Budget Summary, FY 2005

	Regular Program		SFP <sup>10</sup>	
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	114.0	111.6	-2.1	0.0
Sal./Benefits	\$9,861,401	\$10,257,080	4.0	\$0
Exp/Equip.	\$1,987,594	\$2,690,878	35.4	\$0
Total Operating Budget	\$11,848,995	\$12,947,958	9.3	\$0
Non-School Adm.Account	\$1,700,000	\$1,700,000	0.0	\$0
Total Oper. & Administered	\$13,548,995	\$14,647,958	8.1	\$0

### Exhibit 19. Board of Education Budget Distribution (Amounts in Percentages), FY 2005



<sup>8</sup> The Personnel Commission, with a staff of 156 employees and a total operating and administered budget, is not included in the Board's Budget Summary.

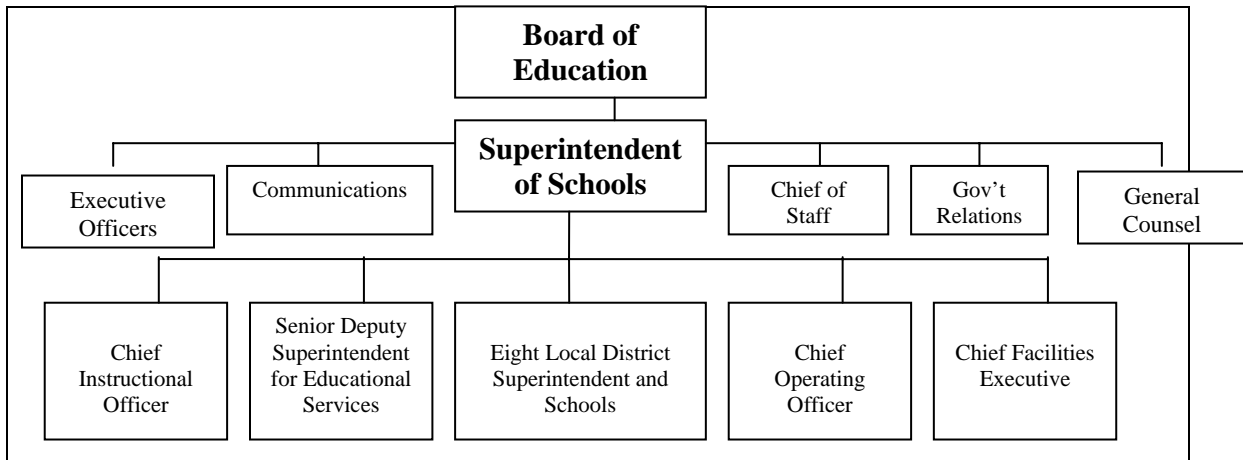
<sup>10</sup> SFP-Specially Funded Programs consists of state and federal categorical programs such as Title I.

## Review of the Organization and Operations of the Los Angeles Schools

### Central Support System

The Superintendent of Schools has oversight and administrative responsibility for all aspects of the district's instructional and operational functions; implements, coordinates and communicates district policies and procedures; coordinates the district's legal affairs; and provides oversight for district employer-employee relations. The superintendent is supported by five staff reports, four line reports, and eight local district superintendents. (See Exhibit 20.)<sup>11,12</sup>

**Exhibit 20. Organization of Central Support System**



In 2004-2005, the Office of the Superintendent operated with a staff of about 220 individuals and a total budget of some \$49.2 million, down substantially (-32.9 percent) from the previous year's level of \$73.4 million. (See Exhibits 21 and 22.)

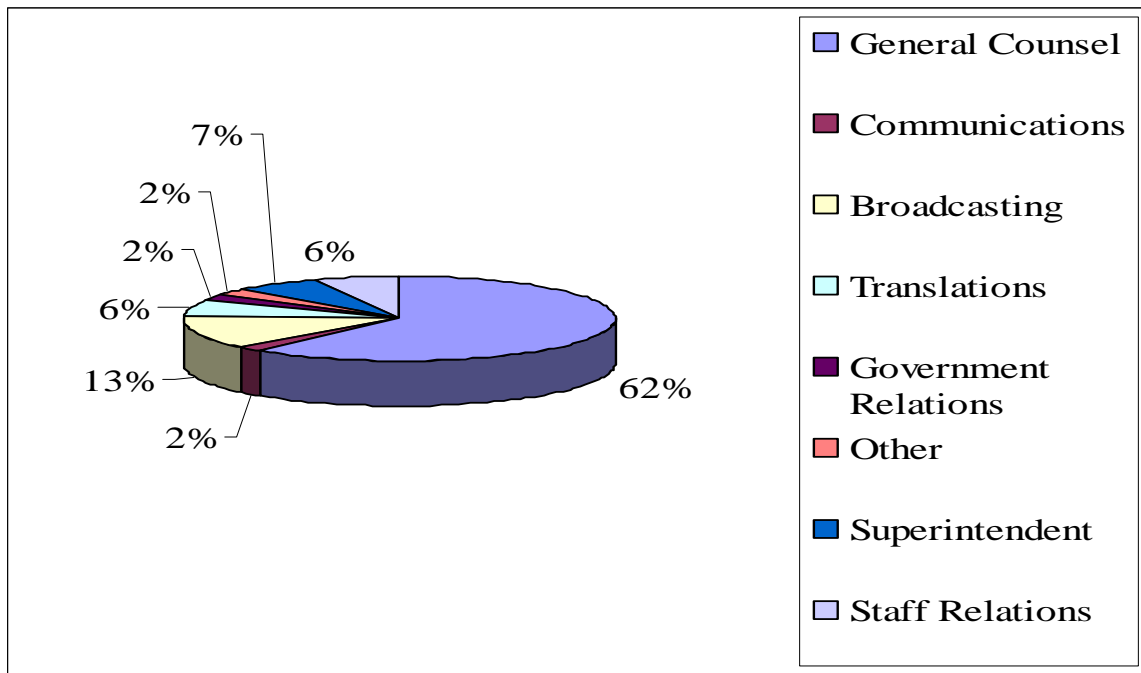
**Exhibit 21. Office of the Superintendent Budget Summary, FY 2005  
Regular Program SFP**

	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	202.1	220.1	8.9	2.0
Sal./Benefits	\$21,090,660	\$24,086,271	14.2	\$139,837
Exp/Equip.	\$25,822,554	\$24,262,536	-6.0	\$1,089,779
Total Oper. Budget	\$46,913,214	\$48,348,807	3.1	\$1,229,616
Non-Sch. Admin. Acct	\$26,477,457	\$ 896,227	-96.6	0
Total Oper. & Admin.	\$73,390,671	\$49,245,034	-32.9%	\$1,229,616

<sup>11</sup> Differences in the organization charts provided by the district are discussed later in this chapter. In the case of the Central Support System, the "Superintendent's Final Budget Executive Summary, 2004-2005," indicated that the superintendent is supported by five staff supports. The "Executive Summary of the Superintendent's Provisional Budget, 20052006," however, indicates that the superintendent is supported by six staff reports, including an executive officer for field operations, who oversees employee relations.

<sup>12</sup> The superintendent's span of control was increased to include the Chief Financial Officer following the finance team's site visit.

Exhibit 22. Office of the Superintendent Budget Distribution (Amounts in Percentages), FY 2005



### Instructional Services

The Chief Instructional Officer reports directly to the Superintendent of Schools (See Exhibit 23) and is responsible for—

- Providing standards-based curriculum, assessment, professional development, and accountability in collaboration with the local districts.
- Developing, coordinating, implementing, and monitoring instructional programs to improve the academic achievement of all students, with a central focus on embedding culturally relevant and responsive education in all instruction.
- Ensuring that there is equity and access to a high-quality, comprehensive, safe and supervised educational and enrichment program for all students.

Other responsibilities of the Instructional Services Division include—

- Implementing the district’s pre-K-12 standards-based literacy and mathematics plans at all schools.
- Closing the achievement gap by using strategies to address the needs of all students, including providing research-based professional development activities on rigorous standards-based teaching and learning that support this goal.

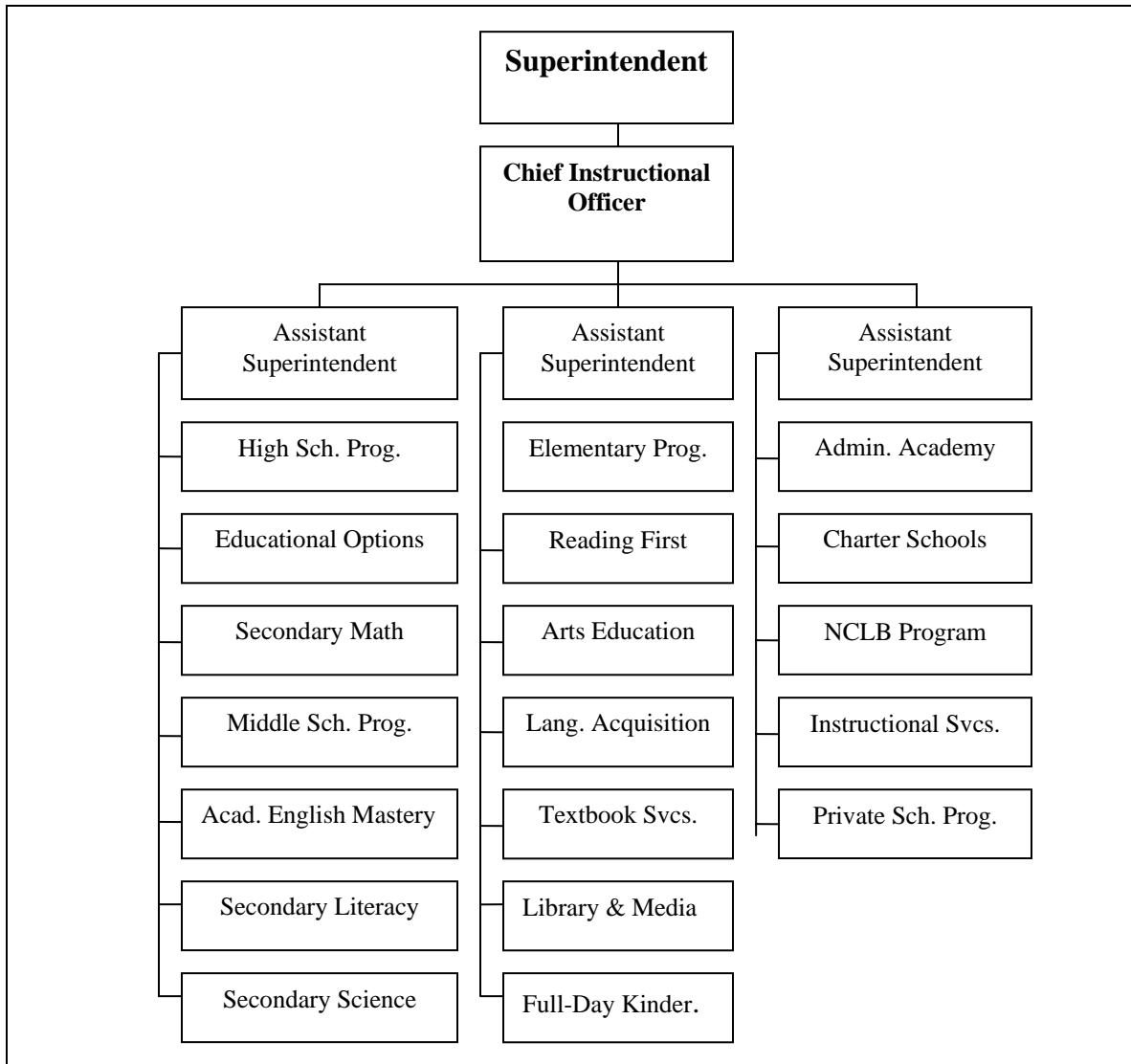


## Review of the Organization and Operations of the Los Angeles Schools

- Implementing integrated and coordinated services for accomplishing the district's educational priorities as specified in the mission statements for the branches within instructional services.

The Instructional Services Division operated with about 130 staff positions in 2004-2005, down some 20 percent from the previous year. (See Exhibits 24 and 25 for budget summaries.)

**Exhibit 23. Organization of the Instructional Services Division**

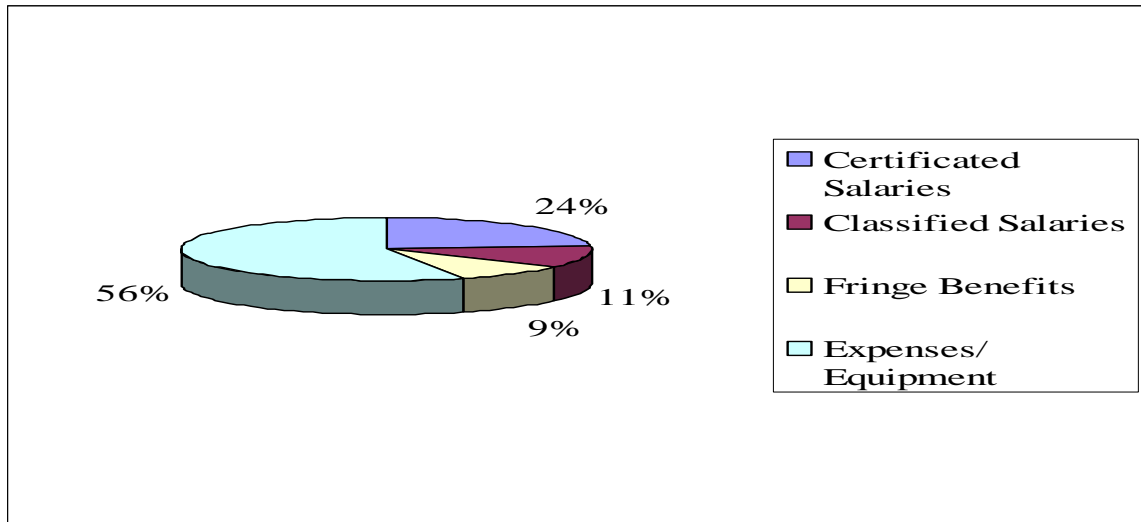


**Review of the Organization and Operations of the Los Angeles Schools**

**Exhibit 24. Instructional Services Budget Distribution (Amounts in Percentages),  
FY 2005**

	Regular Program	SFP
	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>
	<b>% Change</b>	<b>FY 2004-2005</b>
Positions	127.3	129.8
Sal/Benefits	\$16,741,708	\$14,875,499
Exp./Equip.	\$25,447,311	\$18,224,301
Total Oper. Bud.	\$42,189,019	\$33,099,800
Non-School Admin. Accts.	\$ 70,000	\$ 708,965
Total Oper./Admin.	\$42,259,019	\$33,808,765
		-20.0%
		\$127,203,101

**Exhibit 25. Instructional Services Budget Distribution (Amounts in Percentages),  
FY 2005**



**Educational Services**

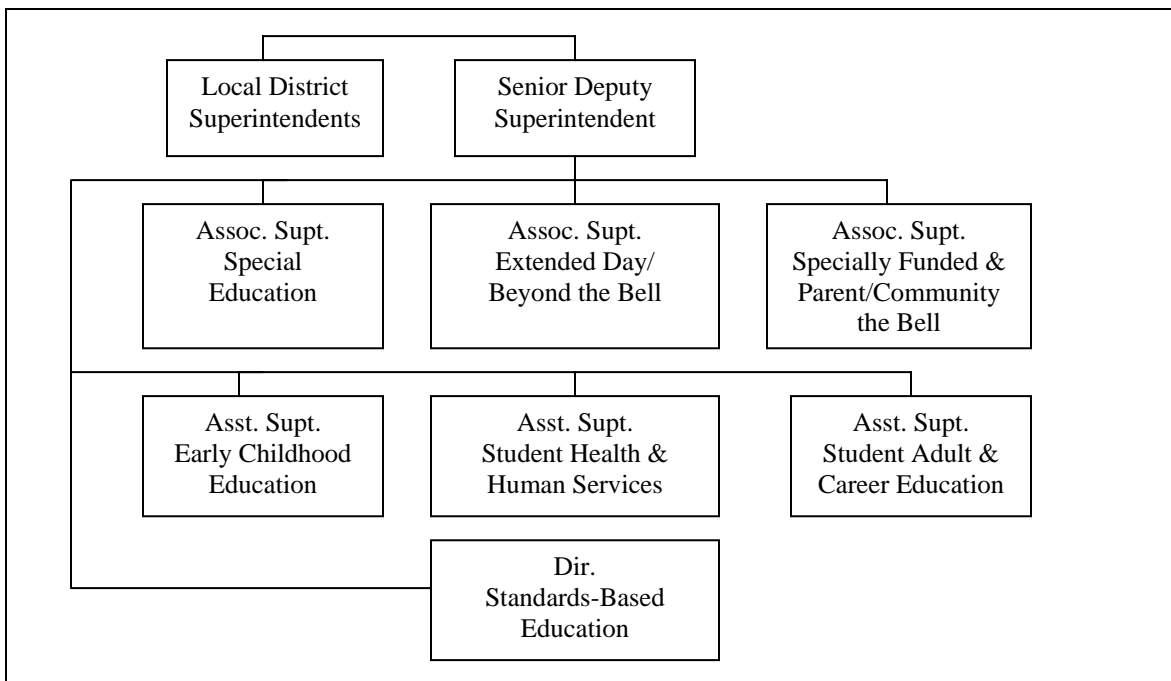
The Senior Deputy Superintendent for Educational Services also reports directly to the superintendent (See Exhibit 26) and is responsible for the following functions—

- Providing leadership in collaboration with the local districts to support the overall school district’s mission and core program and to increase student performance and close the achievement gap.

## Review of the Organization and Operations of the Los Angeles Schools

- Ensuring that there is equity and access to a high-quality, comprehensive, safe and supervised educational and enrichment program for all students.
- Implementing procedures to systematically ensure continuous communication between the superintendent, board members, and constituents regarding practices and policies that contribute to the improvement of student achievement as assessed by federal, state, and district measures.
- Evaluating the Division of Educational Services and unit roles, responsibilities, and compliance services of the local districts in order to refine practices that continuously improve student achievement.

**Exhibit 26. Organization of the Educational Services Division**



Other responsibilities of the Senior Deputy Superintendent include—

- Developing, in collaboration with central and Local Districts, a comprehensive educational program that provides standards-based curriculum, culturally relevant and responsive pedagogy, assessment, and accountability programs in order to decrease the achievement gap and increase student performance and graduation rates.
- Implementing integrated and coordinated efforts to provide tactical support and services for accomplishing the goals of the Educational Services branches.

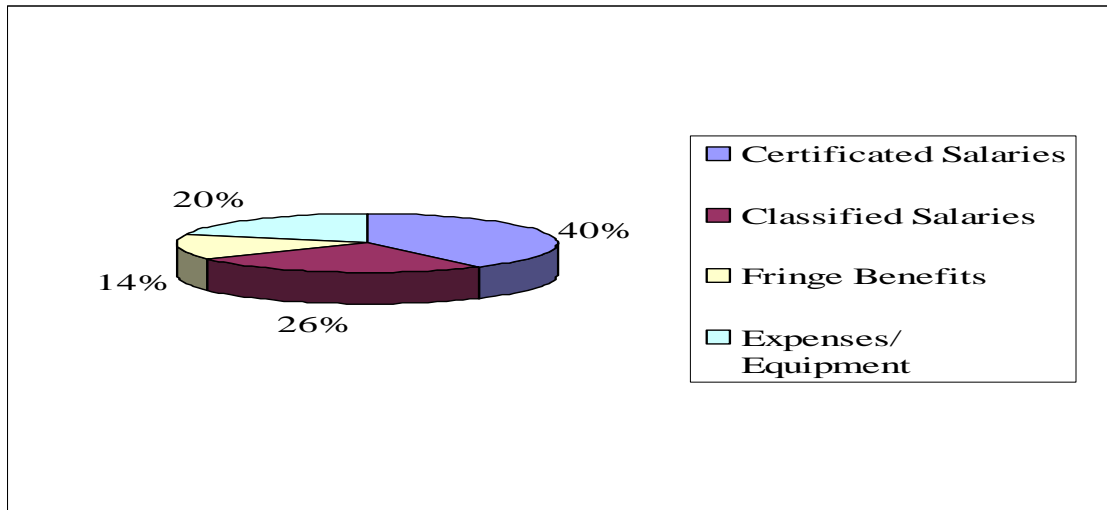
## Review of the Organization and Operations of the Los Angeles Schools

The Educational Services Division operates with a staff of about six individuals and a 2004-2005 budget of about \$1.5 million, down substantially (48.3 percent) from the previous year. (See Exhibits 27 and 28.)

### Exhibit 27. Educational Services Budget Summary, FY 2005

	Regular Program	SFP		
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	6.5	5.5	-15.4	0.00
Sal/Benefits	\$2,048,046	\$1,214,868	-40.7	\$0
Exp./Equip.	\$888,653	\$302,810	-65.9	\$6,677
Total Oper. Bud.	\$2,936,699	\$1,517,678	-48.3	\$6,677
Non-School Admin. Accts.	\$0	\$0	0.0	\$0
Total Oper. /Admin.	\$2,936,699	\$1,517,678	-48.3%	\$6,677

### Exhibit 28. Educational Services Budget Distribution (Amounts in Percentages), FY 2005



### Operational Services

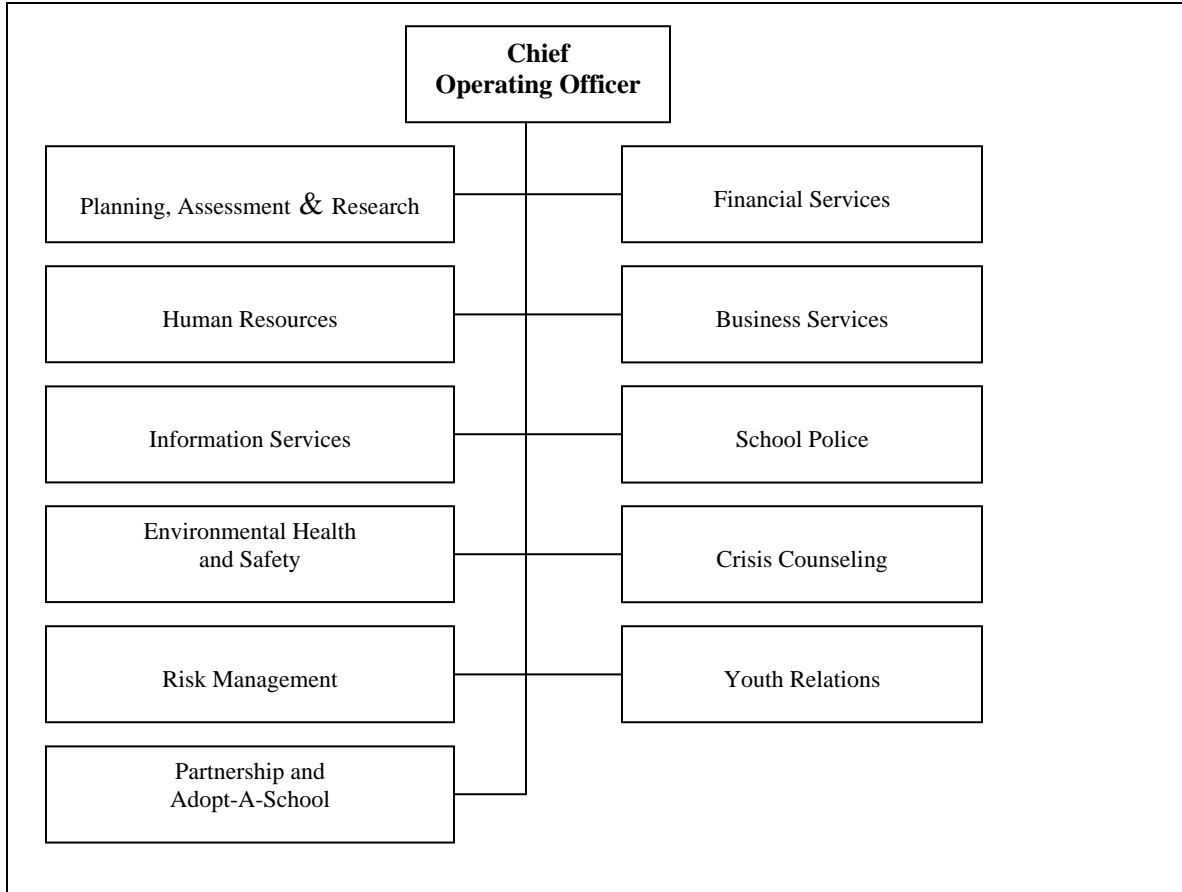
The LAUSD's operational services division is headed by a Chief Operating Officer (COO), who reports directly to the superintendent and has a wide span of control of 11 divisions and programs.<sup>13</sup> (See Exhibit 29.) The Operational Services unit is responsible for—

<sup>13</sup> In 2002, Finance and Accounting, Business Services, the Partnerships and Adopt-A-School unit, the Police Department, the Office of Environmental Health and Safety, the Risk Management Unit, and remnants of the disbanded School Operations Office began reporting to the Chief Operating Officer

## Review of the Organization and Operations of the Los Angeles Schools

- Providing management oversight for the financial, business, technology, food service, transportation, security and safety, personnel, testing, and planning operations.

### Exhibit 29. Organization of the Chief Operating Officer



- Implementing business process reengineering initiatives to establish a fiscally efficient and streamlined organization.
- Implementing, coordinating, and communicating board policies and the superintendent's directives and strategic instruction plan.
- Directing long-term strategic planning for the district.

The Chief Operating Officer is also responsible for—

- Reengineering operating groups to define and increase levels of performance to "best in class" performance levels.
- Implementing a complete replacement of the 40-year-old operating systems with corresponding reorganization.

## Review of the Organization and Operations of the Los Angeles Schools

- Implementing a new budgeting process with emphasis on transparency, sustainability, and alignment to the board and superintendent's strategic plan.
- Supporting and implementing the strategic plan for instructional reforms and capital expansion.
- Providing detailed analysis of district performance in all areas, and defining standards to support accountability.
- Developing regular reporting system on key trends regarding labor costs and productivity.
- Reducing overall district expenses to meet state budget restrictions, while maintaining critical levels of service and student growth.

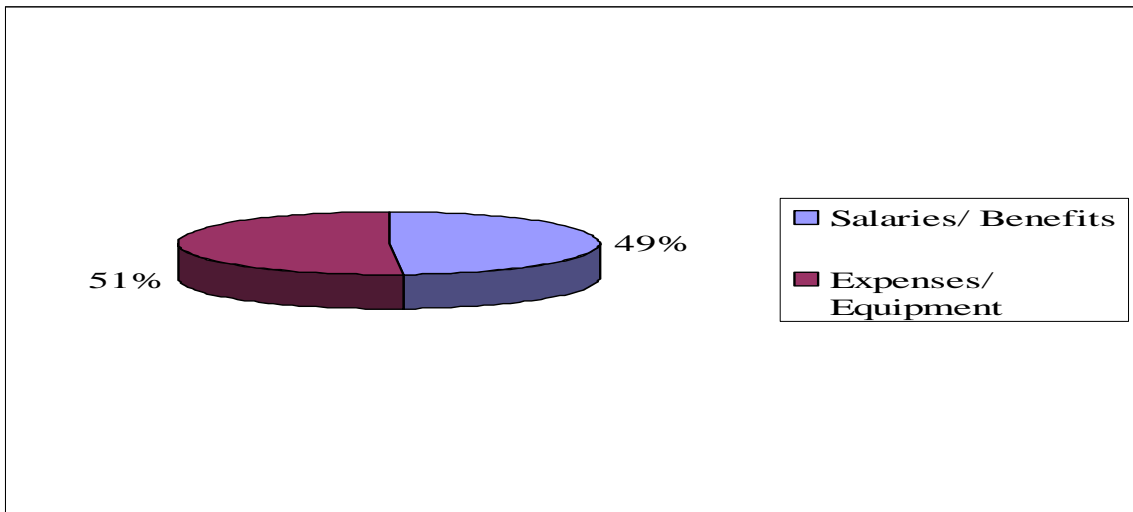
The Office of the Chief Operating Officer operates with some 21 staff members and an annual (2004-2005) budget of approximately \$3.9 million, up slightly from the previous year. (See Exhibits 30 and 31.)

### Exhibit 30. Chief Operating Officer Budget Summary, FY 2005

	Regular Program	SFP		
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	28.0	21.0	-25.0	0.00
Sal/Benefits	\$1,475,284	\$1,901,268	28.9	\$183,616
Exp./Equip.	\$2,105,626	\$1,993,948	-5.3	\$353,875
Total Oper. Bud.	\$3,580,910	\$3,895,216	8.9	\$537,491
Non-School Adm.	\$0	\$0	0.0	\$0
Total Oper/Admin.	\$3,580,901	\$3,895,216	8.8%	\$537,491

## Review of the Organization and Operations of the Los Angeles Schools

**Exhibit 31. Chief Operating Officer Budget Distribution (Amounts in Percentages),  
FY 2005**



### Facilities Programs

The Chief Facilities Executive reports, as well, directly to the superintendent and is responsible for—

- Constructing approximately 163 new schools and additions to existing schools, utilizing local and state bond funding.
- Modernizing, maintaining, and repairing existing schools, involving more than 16,500 projects.
- Providing major and minor repairs throughout the district utilizing 3 percent of the total General Fund as a minimum budget for routine repair and general maintenance funds, in addition to deferred maintenance funds.
- Providing major alterations, such as air conditioning, technology infrastructure, and modernization of older school buildings, utilizing local bonds, state and federal funds, and county or city grants.

Other major responsibilities of the Chief Facilities Executive include—

- Meeting the project schedules for the New School Construction Program as set forth in the Strategic Execution Plan, thereby reducing the number of students bused away from their neighborhood schools and reducing the density of sites severely impacted by class size reduction.
- Searching for specific sites and designing schools within the target search areas, after the approval of 52 new project definitions in January 2004.

## Review of the Organization and Operations of the Los Angeles Schools

- Developing and implementing a strategy for Phase II of new construction, utilizing state and local bond funds to provide more than 35,000 new seats.
- Modernizing, repairing, and upgrading existing school facilities by prioritizing the target areas of need, designing and developing plans, and contracting for the required work as expeditiously as possible.
- Completing work on the remaining projects in the Proposition BB Modernization Program in accordance with the Strategic Execution Plan for existing facilities that details the specific projects to be undertaken at hundreds of campuses districtwide.
- Developing and implementing a strategy for the next phases of new construction and modernization utilizing the March 2004 local and state bonds.

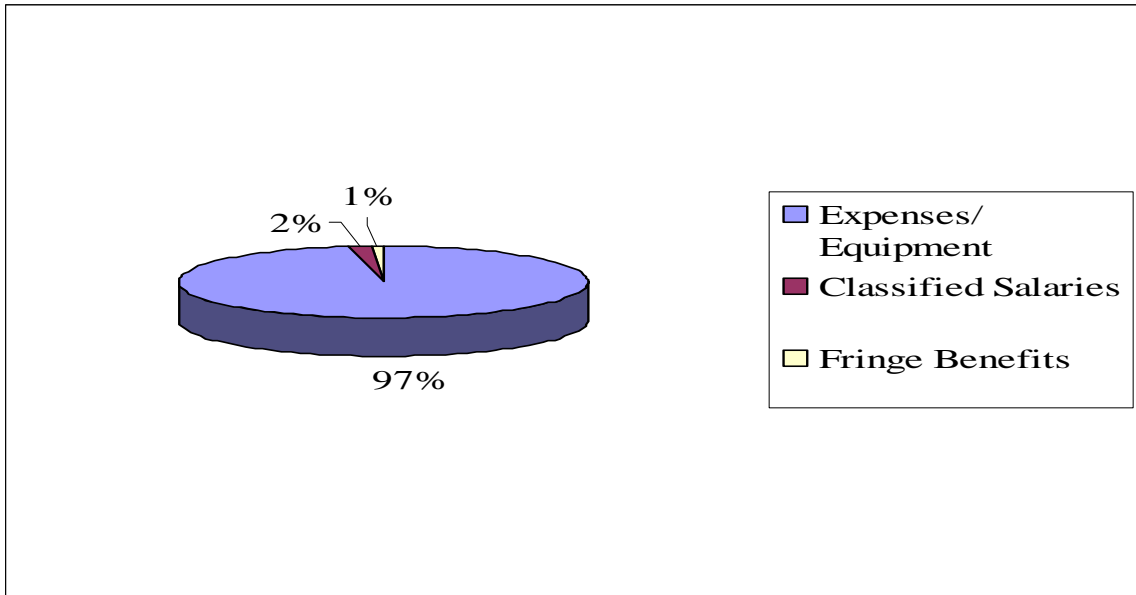
The Facilities Program office operates with about 2,500 staff positions and a \$5.2 billion budget, up 1.2 percent from the previous year. (See Exhibits 32 and 33.) The Chief Facilities Executive has four direct reports, who handle existing facilities, contracts, new construction, and facilities support.

### Exhibit 32. Capital Project Funds and Routine Repair and General Maintenance Budget Summary

	Regular Program		SFP	
	FY 2003-2004	FY 2004-2005	% Change	FY 2003-2004
Positions	2,318.3	2,514.1	8.5	0.0
Sal/Benefits	\$446,923	\$1,661,485	271.8	\$0
Exp./Equip.	\$23,385,326	\$44,017,315	88.2	\$0
Total Oper. Bud.	\$23,832,249	\$45,678,780	91.7	\$0
Non-School Admin. Accts.	\$5,093,102,409	\$5,134,605,834	81.5	\$0
Total Oper./Admin.	\$5,116,934,658	\$5,180,283,834	1.2%	\$0



**Exhibit 33. School Facilities Budget Distribution (Amounts in Percentages), FY 2005**



### Local Districts

In 2000, 11 regional local districts were created in order to bring services and personnel closer to students and communities served by the Los Angeles Unified School District. The local districts were defined by geographic location, number of schools, students, student density, and critical needs of the respective communities.

The 11 local districts were reorganized and reduced to eight in 2004-2005 largely as a cost-cutting measure.<sup>14</sup> (Local districts saw budget reductions of 20 percent in 2001-2002, 10 percent in 2002-2003, and 10 percent in 2003-2004). Special Education, Student Health, and Human Services, moreover, were removed from local district administration and reorganized into four regions.

While there are variations in the organizational structures of each of the Local Districts, a generic organizational model is presented in Exhibit 34. Most local districts have personnel in charge of instructional services, facilities, fiscal services, operations, and elementary and secondary school services, and have between 50 and 100 staff members each. Some local districts also have personnel responsible for staff relations, parent services, student health, middle schools, and safety and attendance.

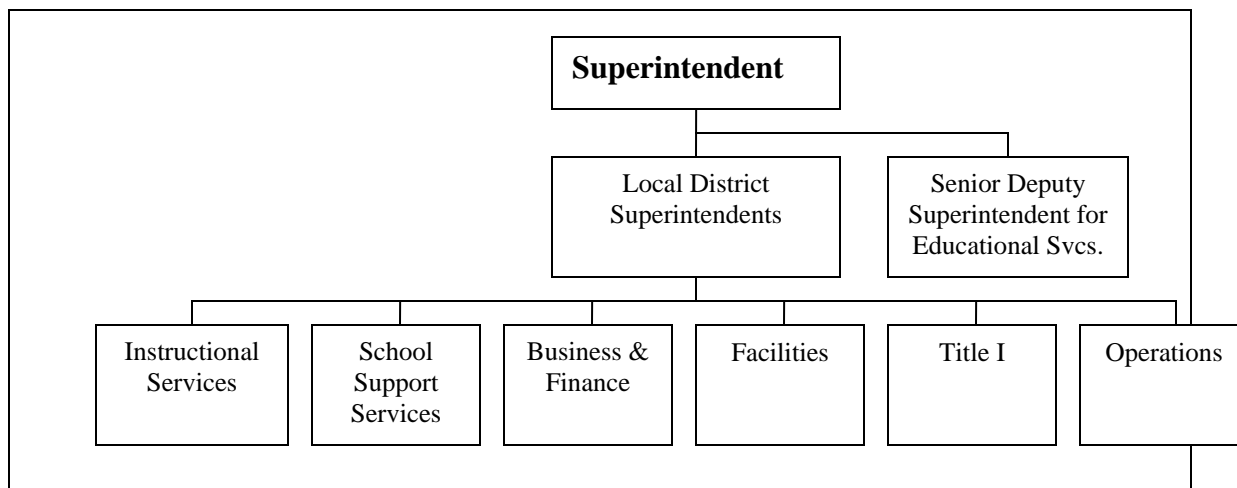
The districts themselves range in size from about 119,000 students in District 1 to about 63,000 students in District 6. The districts were initially drawn to be about the same size in terms of student enrollment and staffing patterns, and each district has a budget that ranges between about \$7.0 million to slightly more than \$8.0 million a year.

<sup>14</sup> See News Release, June 8, 2004. "School Board Votes to Restructure LAUSD from Eleven to Eight Local Districts: \$24 Million in Local District Savings, Including Previous \$7 Million Cut."

## Review of the Organization and Operations of the Los Angeles Schools

Finally, the districts range in terms of the percentage of English Language Learners they serve—from about 53 percent in Districts 5 and 6 to about 25 percent in Districts 1 and 8.

### Exhibit 34. General Organization of the Local Districts



The following exhibit (Exhibit 35) shows the number of schools, students, staff, and budgets in each of the eight Local Districts (LD) for FY 2005.

### Exhibit 35. Local District Demographics and Resource Allocations

LD	Schs	Stdnts	ELL	School Based Staff			LD Staff			Budget
				Admn.	Tchrs	Other	Cert.	Class	SFP	
1	259	118,611	38,533	230	5252	216	45	30.8		\$7,260,755
2	236	106,766	49,917	213	5007	186	37	16		\$8,167,735
3	208	93,727	28,253	201	4319	166	20.2	13.5	25.9	\$7,313,073
4	251	95,600	48,136	190	4557	163	46	26		\$7,825,437
5	224	96,553	54,746	186	4658	158	36	15		\$8,125,751
6	139	62,761	33,538	111	3011	91	39	14		\$7,737,642
7	170	79,989	39,591	152	3826	145	50	37		\$7,367,642
8	214	83,712	22,436	163	4089	141	38	30		\$7,495,518

The Local Districts are headed by superintendents, who report directly to the Superintendent of the LAUSD and are responsible for the following—

- Assisting schools in interpreting state frameworks and implementing research-based strategies.
- Utilizing student achievement data to focus schools on instructional strengths and weaknesses.

## Review of the Organization and Operations of the Los Angeles Schools

- Assisting schools in providing appropriate intervention strategies.
- Coordinating professional development programs.
- Providing technical assistance for special education and categorical funds.
- Assisting schools in coordinating all parent involvement and education activities.
- Supporting student needs in the health and human services areas.
- Having line responsibility for the performance of schools.
- Providing teacher coaches to schools to improve teaching techniques.
- Managing all business, financial and facilities services in the Local District.

The Local District superintendents are also responsible for—

- Improving student achievement, especially in reading and math.
- Engaging parents in the mission of educating their children.
- Providing local communities with more control over and access to their schools.
- Improving the delivery of business, financial, and facilities services to schools.

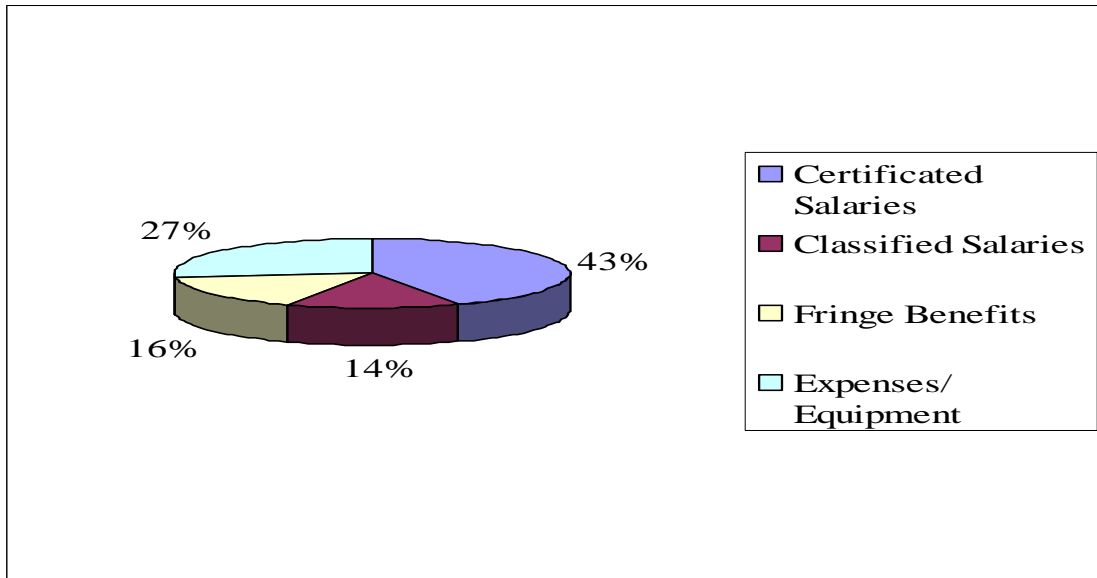
The savings resulting from reducing the number of the local districts from 11 to 8 was projected to be about \$46,000,000 in FY 2005, but the Council could not identify any data that demonstrated that these savings were realized due to the actual reduction of regions. Exhibits 36 and 37 show the number of staff positions and budget allocations for the local districts, which were funded at about \$31 million in FY 2005.

### Exhibit 36. Local District Budget Summary, FY 2005

	Regular Program			SFP
	FY 2003-2004	FY 2004-2005	% Change	FY 2003-2004
Positions	701.0	226.0		232.69
Sal/Benefits	\$63,568,694	\$22,600,962		\$19,448,065
Exp./Equip.	\$12,989,945	\$8,189,562		\$8,002,980
Total Oper. Bud.	\$76,571,135	\$30,790,524		\$27,451,945
Non-School Admin. Accts.	\$12,496	\$0		\$20,216,933
Total Oper./Admin.	\$76,571,135	\$30,790,524	-59.8%	\$47,667,978

**Review of the Organization and Operations of the Los Angeles Schools**

**Exhibit 37. Local District Budget Distribution (Amounts in Percentages), FY 2005**



As part of this project, the Council of the Great City Schools asked a select number of its member urban school systems about their regional structures. Exhibit 38 below summarizes the results of the survey.

**Exhibit 38. Comparing the Regional Structure of LAUSD with Other Urban School Districts, 2004-05**

City	Students	Regions	FTEs	Staffing and Functions
Albuquerque	88,120	12	50	The district has 12 clusters that align with the city's high schools and their feeder patterns. They are not regional offices per se. Each cluster has a service team, which is housed at three separate locations, is lead by a cluster principal, and is staffed with Program Support Specialists, Instructional Cluster Assistants, staff developers, and some noninstructional staff. The purposes of the clusters are to implement the district's instructional vision.
Atlanta	55,000	5	25	The district has four elementary school reform teams (SRTs) and one high school SRT. Elementary school teams have two staff members and the high school team has three staff. The high school team also has six teacher leaders and seven other staff people associated with various federal grants. The primary functions of the high school SRTs are to monitor teaching and learning, broker services for high schools; support parent and community engagement; and support high school reforms.

## Review of the Organization and Operations of the Los Angeles Schools

Boston	62,000	3	15	Each of three district assistant deputy superintendents, a secretary, and one operations staff member are assigned a “triad” and each triad has nine regional clusters. Each cluster is headed by a principal, who provides support to peers. All cluster staff members are housed in a single site and include both instructional and noninstructional personnel.
Broward County	268,000	4	120	District operates for area offices. Each area has an area superintendent and three area directors who support 60-70 schools per region. Staff includes mostly instructional and student support staff, e.g., counselors, psychologists—but also has some noninstructional. Central office is devoted to policy, monitoring, board functions, IDEA, curriculum; the area offices focus on program implementation.
Chicago	436,000	24	1,650	The city operates 17 elementary school regions (with 25-40 schools each), six high school regions, and one small high school region. Each regional office has a superintendent, a chief administrative officer, a chief educational officer, and support staff. The chief administrative officer provides strategic planning, leadership support, and supervises support staff connected to budget, finance, H.R., facilities, maintenance, procurement, safety, and technology. The chief educational officer oversees instructional operations and supervises staff in the areas of instruction, careers, literacy, school management, math and science, planning, research and evaluation, high schools, early childhood, specialized services, principals, and language services.
Clark County	257,000	5	50	Each regional office is staffed with a superintendent, two assistant superintendents, one administrative assistant, and five clerks. District resource staff members (such as ELL and special education specialists, data specialists, and custodial supervisors) are also assigned to each region. Each region is responsible for about 60 schools. The region superintendents report directly to the district’s instructional superintendent and work directly with HR, research and accountability, curriculum and other operating units to provide services. The school district also has divisions for alternative schools and special education schools.

## Review of the Organization and Operations of the Los Angeles Schools

Dallas	163,000	6	72	--
Houston	212,000	5	75	Each regional office has a superintendent, a regional director, a business manager, data manager, two parent managers, plus clerical support. Each regional office also houses Executive Principals, who oversee feeder patterns and focus solely on teaching and learning issues. The regional office handles all noninstructional issues, as well. All other personnel housed at the regional offices are support personnel who are “bought” by the schools with their decentralized budget funds.
Los Angeles	746,610	8	440	Local districts have personnel in charge of instructional services, facilities, fiscal services, operations, and elementary and secondary school services, and have between 50 and 100 staff members each. Some local districts also have personnel responsible for staff relations, parent services, student health, middle schools, and safety and attendance.
Miami-Dade	334,000	6	400	Each regional or areas office has a superintendent and a series of administrative directors with responsibilities for early childhood through vocational education, continuous improvement and professional development, school management support, and parent liaison and student support services. Area offices also have noninstructional staff.
New York	1,078,000	10	3,000	Each of the 10 regional teaching and learning offices is staffed with approximately 200-300 people, most of whom are devoted to curriculum and instructional issues, including curriculum, gifted and talented, special education, ELL, coaches, and psychological services. The city also maintains six additional regional offices (ROCs) that are devoted to various back-office functions, including budget, contract administration, grants administration, food services, technology, maintenance, personnel, procurement, operations, and legal. Each ROC has between 60-75 staff members and operates “customer service teams” to help schools with budget, personnel, and procurement. In addition to these offices, the district operates a special education and an alternative education “region.”
San Diego	140,000	0	0	NA

## Review of the Organization and Operations of the Los Angeles Schools

It is clear that other major city school districts have a range of practices when it comes to regional units. With eight regions, the LAUSD has one region for about every 93,000 students. This is a larger regional structure than any other Great City School system, except for New York City, which has 10 regions, or one for every 108,000 students. The Chicago public school system, in contrast, has 22 regional offices, or one region for every 20,000 students. A number of cities do not use regional structures per se. Albuquerque uses a cluster system (12 clusters) defined around feeder patterns, a structure that Philadelphia once used but abandoned. Atlanta uses grade-level teams rather than regions.

Most of the largest cities also have staffing patterns in their regional offices that are fairly extensive. Houston, however, has one of the more interesting staffing configurations in that each region has a small core staff to handle both instructional and noninstructional duties, but auxiliary staff that is paid for by the schools—not the central office. Staff levels rise and fall depending on the willingness of the schools to pay for regional staff services. In most districts, however, staffing patterns are fixed and the cost of the regional units will rise or fall depending on the number of regions and staff members assigned to them.

### High Schools

One of the questions that has emerged in the debate over how the LAUSD is organized involves the issue of high schools and how they are placed in the district's organizational structure. High schools in the LAUSD are currently placed organizationally under the Local Districts. As part of its work on this project, the Council asked selected urban school districts if they had separate administrative units to oversee their high school reforms. Exhibit 39 below shows the results—

**Exhibit 39. Comparing the Organizational Placement of High Schools in LAUSD with Other Urban School Districts, 2004-05**

City	H.S. Division	Reports to	Staffing and Functions
Albuquerque	No	NA	The district does not have a high school division. All work on high schools is done through the district's cluster system. (There is one high school per cluster.)
Atlanta	No	NA	The district has four elementary school reform teams (SRTs) and one high school SRT. The high school team has six teacher leaders and seven other staff people associated with various federal grants. Its functions involve monitoring teaching and learning, brokering services, supporting and staffing parent involvement, and supporting school reform.
Boston	Yes	Superintendent	The high school unit and its eight staff

## Review of the Organization and Operations of the Los Angeles Schools

			members oversee the conversion of the city's high schools to small learning communities, but it has no direct administrative or line responsibilities.
Broward County	No	NA	The district has a Director of High School Reform and one of the four area superintendents is charged to focus on high school reform districtwide. There is no high school division per se, but staff members in curriculum office have secondary-level expertise.
Chicago	Yes	Chief of High Schools	The goals of the high school unit are to increase graduation rates, provide greater choices in high school programs, ensure equitable access to resources, manage programs, build principal capacity, and support instructional leaders. The unit has a budget of about \$20 million annually.
Los Angeles	No	NA	High schools are organized under the Local Districts.
Louisville	Yes	Assistant Superintendent for High Schools	The high school unit of the school district has two FTEs and a budget of \$1.1 million. The unit's major functions include the supervision and evaluation of high school principals; high school instructional leadership and accountability; advocacy for high school needs; athletics and student activities; and professional development for principals and assistant principals.
New York	No	NA	High schools report through the regional offices like in LAUSD.
San Diego	No	NA	NA

It appears from the data gathered that having a high school unit in the central office organizational structure is not necessarily the norm. Albuquerque, which is organized around clusters or feeder patterns, San Diego, and New York City do not have high school divisions of any sort. Boston, on the other hand, has a high school division in its central office but it has no direct administrative functions. The division does not provide services to high schools or evaluate any of the high school principals. Instead, it is responsible for overseeing the district's large program, supported mainly by foundation funds, to create smaller learning communities.

Typically, big city school districts have some kind of high school unit in the central office organizational structure under the district's instructional head and are responsible for supervising and evaluating high school principals, providing professional development for principals and assistant principals, overseeing instructional leadership and programs, and handling high school athletics and other activities.



## Review of the Organization and Operations of the Los Angeles Schools

### 2. Staffing Ratios

As of June 30, 2004, the LAUSD employed 106,035 full- and part-time staff members, including 46,118 certificated, 32,699 classified, and 27,218 non-regular employees. The Council of the Great City Schools looked at the staffing levels in the LAUSD and compared them with other major urban school systems across the country.

This section uses two data sources to make the comparisons. The first is the National Center for Educational Statistics from which we have collected staffing-level data on the LAUSD and other big city school districts belonging to the Council of the Great City Schools. The second is a survey that the Council used to collect aggregate-salary data for personnel in five broad categories: central and regional staff, classroom teachers, school site leadership, auxiliary professionals, and support staff.

Exhibit 40 presents the NCES staffing level data for the LAUSD and other major city school districts in 2003-04. All staff numbers (in FTEs) have been divided by the number of students to correct for district size. The data show that the LAUSD has somewhat fewer total staff members (1 staff member for every 10.1 students) than does the average Great City School district (9.2). (See Appendix E for data on all cities.) The New York City school district has somewhat more staff members (1 staff member for every 9.5 students) than does the LAUSD; and Chicago has fewer (1 staff member for every 15.7 students).

In addition, the LAUSD has somewhat fewer staff members than do other major city school districts in many major staffing categories: teachers, district administrators, school administrators, guidance counselors, and pupil support staff. On the other hand, the LAUSD appears to have more staff members per pupil than other major urban school districts in some categories: instructional aides, instructional coordinators, and school administrative support.

**Exhibit 40. Comparing LAUSD Staffing Levels per Pupil with Selected Cities, and Urban and National Averages, 2003-2004<sup>15</sup>**

	LA	New York	Chicago	Urban Average	National Average
Total Staff	10.1	9.5	15.7	9.2	8.2
Teachers	21.0	14.6	18.9	16.9	15.9
Instructional Aides	57.2	57.5	NA	80.7	70.8
Instructional Coordinators	512.8	1,072.9	2,711.7	1,162.1	1,101.3
District Administrators	1,673.0	2,782.5	931.8	1,293.2	763.7
District Administrator Supp	310.5	125.5	NA	247.5	271.6
School Administrators	480.2	387.2	306.9	313.7	293.2
School Administrator Supp	179.0	611.8	NA	222.5	197.8
Guidance Counselors	764.3	511.6	500.9	521.9	488.4
Pupil Support	419.2	512.2	358.9	283.9	256.9
Other Support	58.9	NA	NA	54.0	43.0

<sup>15</sup> Source: National Center for Education Statistics, U.S. Department of Education. (Preliminary data) See Appendix E for definition of terms.

**3. Spending**

There is no completely satisfactory way to compare how school districts spend their resources. School districts everywhere count their expenditures in vastly different ways. Some tally federal monies; others do not. Some include charter schools; others do not. Some count adult students; others do not. Moreover, school districts' spending on particular items can vary from year to year. For example, spending on books and materials can spike in a year in which a district has made a major adoption but may drop the year after. Maintenance costs can depend on the age of school buildings and the weather. Interest payments can vary according to how a district has structured its debt. The variations and anomalies are almost endless. And the Los Angeles Unified School District appears to have more anomalies than most.

**Spending by Function**

Still, the question about how a school system's spending patterns compare with other districts is a common one, and is an important part of this analysis. We have attempted to answer the question about how the LAUSD spends its money, in part, by gathering data from the urban school systems throughout the country belonging to the Council of the Great City Schools—including that of Los Angeles—with an instrument adapted specifically for this project. (See Appendix F.) The Council asked the Chief Financial Officer from each city's school system to provide data on his or her district's budgeted spending for the 2004-2005 school year, including spending on instruction, student services, central and regional services, business services and operations, school-site leadership and support, and debt services. A summary of the results from the Council's survey is shown in Exhibit 41 below.

**Exhibit 41. Comparing LA Schools' Current per Pupil Budgeted Spending with Urban School Averages, 2004-2005<sup>16</sup>**

<b>Budget Category</b>	<b>L.A. Average</b>	<b>Percent of Current</b>	<b>Urban Average</b>	<b>Percent of Current</b>
Total Current Expenditures	\$8,750	100.0	\$8,834	100.0
Instructional Expenditures				
• Classroom Instruction	3,677	42.0	3,775	42.7
• Special Education	1,216	13.9	1,114	12.6
• Books & Materials	171	2.0	211	2.4
• Instructional Technology	50	0.6	44	0.5
• Auxiliary Instructional Services	585	6.7	359	4.1
• Curriculum & Staff Development	330	3.8	284	3.2
• Other Instructional Expenditures	160	1.8	164	1.9
Subtotal	\$6,189	70.8	\$5,951	67.4
School-Site				

<sup>16</sup> Source: Council of the Great City Schools.

## Review of the Organization and Operations of the Los Angeles Schools

• Leadership	360	4.1	375	4.2
• Support	323	3.7	207	2.3
Subtotal	\$683	7.8	\$582	6.5
Student Services				
• Health & Attendance	275	3.1	186	2.1
• Transportation	226	2.6	341	3.9
• Food Services (net costs)	1	0.0	64	0.7
• Student Activities (net costs)	0	0.0	23	0.3
• Other Student Services	15	0.2	29	0.3
Subtotal	\$517	5.9	\$643	7.3
Central & Regional Services				
• Board of Education	57	0.7	29	0.3
• Executive Administration	259	3.0	161	1.8
Subtotal	\$316	3.7	\$190	2.1
Operations				
• Fiscal Services	82	0.9	73	0.8
• Business Services	21	0.2	205	2.3
• Maintenance & Facilities	681	7.8	603	6.8
• Energy & Utilities	137	1.6	191	2.2
• Insurance	25	0.3	72	0.8
Subtotal	\$946	10.8	\$1,144	12.9
Other				
• Other Current Expenditures	\$96	1.1	\$325	3.7

The results of the survey indicate that LAUSD spends slightly less per pupil than other urban school systems across the country.<sup>17</sup> The district, however, devoted a somewhat larger share of its dollars to total instructional expenditures, central and regional administration, and school-site administration than the average big city school district. Conversely, the district devoted a slightly lower share of its dollars to student support services and operations than the average big city school district. The district also appeared to spend somewhat lesser amounts per student on direct classroom instruction, and books and materials; and slightly greater amounts on maintenance and facilities. Many of the differences were not large, however.

### Spending on Salaries and Benefits

The Council also looked at the portion of the district's total current expenditures devoted to personnel salaries, benefits, pension, and retirement payments. The results are shown in Exhibit 42 below.

<sup>17</sup> Numbers are not regionally adjusted for differences in the cost of living.

## Review of the Organization and Operations of the Los Angeles Schools

**Exhibit 42. Comparing LA Schools' Salaries and Benefits per Pupil with Urban School Averages, 2004-2005**

Personnel Category	L.A. Average	Percent of Current	Urban Average	Percent of Current APPE
Total	\$7,047	80.5	\$6,578	74.5
• Salaries	5,245	59.9	5,078	57.5
• Benefits	1,402	16.0	836	9.5
• Pension & Retirement	400	4.6	665	7.5
Central & Regional Personnel	\$327	3.7	\$301	3.4
• Salaries	221	2.5	229	2.6
• Benefits	76	0.9	45	0.5
• Pension & Retirement	30	0.3	26	0.3
School Site Leadership	\$342	3.9	\$364	4.1
• Salaries	274	3.1	288	3.3
• Benefits	50	0.6	41	0.5
• Pension & Retirement	18	0.2	34	0.4
Classroom Teachers	\$4,071	46.5	\$4,122	46.7
• Salaries	3,055	34.9	3,194	36.2
• Benefits	821	9.4	515	5.8
• Pension & Retirement	195	2.2	412	4.7
Auxiliary Professional Personnel	\$783	9.0	\$608	6.9
• Salaries	585	6.7	477	5.4
• Benefits	153	1.8	72	0.8
• Pension & Retirement	45	0.5	59	0.7
Support Personnel	\$1,524	17.4	\$1,162	13.2
• Salaries	1,110	12.7	888	10.1
• Benefits	302	3.5	152	1.7
• Pension & Retirement	112	1.3	121	1.4

The data from the survey indicate that the district, LAUSD, devotes a somewhat larger share of its total spending on personnel costs than the average big city school district. This pattern appears to be largely due to personnel costs for auxiliary professional personnel and support personnel. The district spends about the same share of its total spending on teachers as the average district, but less of it appears to go to salaries and retirement costs, and more to benefits. Approximately the same pattern can be seen with spending on school site leadership.

## Review of the Organization and Operations of the Los Angeles Schools

In general, the staffing, spending, and salary data suggest that the district has fewer teachers, guidance counselors, and administrators than one would expect for its enrollment. Conversely, the LAUSD appears to have more instructional aides, supervisors, and school-based administrative support staff than the average big city school district. This pattern probably evolved as enrollment increased over the last twenty years but the numbers of schools and classrooms to accommodate additional teaching staff did not.

### C. Areas of Concern

The Strategic Support Teams made a number of observations about the organization of the Los Angeles Unified School District. Findings are presented in three broad categories: organizational structure, leadership, and decentralization.

#### Organizational Structure

- The organizational structure of the LAUSD is similar to that of other major city school systems across the country; although the LAUSD has not been significantly restructured since Ray Cortines was acting superintendent in 1999. The current superintendent, Roy Romer, has largely inherited the current structure but has not changed it appreciably except for reducing the number of Local Districts from 11 to 8.
- The Strategic Support Teams were presented with numerous versions of the LAUSD's organizational charts. The teams received a series of organizational charts before they made their site visits, but some of these charts differed from the ones presented in the Superintendent's Final Budget Executive Summary, 2004-2005 or the ones the teams received during the on-site interviewing process. (Some charts were dated on the same day as the interviews.) For instance, the teams saw three charts outlining the organization of the superintendent's office—one that indicated that the superintendent had five staff reports (Executive Officer, Communications, Chief of Staff, Government Relations, and General Counsel), one indicating four reports (Staff Relations, Public Information, Government Relations & General Counsel), and one indicating seven reports (Partnerships Adopt-A-School, School Police, General Counsel, Government Relations, Public Information, Environmental Health and Safety, Personnel Commission). The disparate information from the multiple charts suggests that organizational relationships within the Central Support System may not always be clearly articulated, stable, or understood, thereby complicating the ability to provide adequate staff oversight, coordination, and internal control.
- The district's organizational charts do not show schools as direct reports through the eight Local District superintendents to the general superintendent, failing to reflect the superintendent's direct role in schools and school improvement. Local district superintendents indicate that coordination is strong, however, particularly on the instructional side of the house but weaker on the noninstructional side.

## Review of the Organization and Operations of the Los Angeles Schools

- The district’s instructional services are represented in the superintendent’s Executive Cabinet by the Chief Instructional Officer, the Senior Deputy Superintendent for Educational Services, and eight Local District superintendents. The noninstructional side of the house (with its 11 operational functions) is represented by the Chief Operating Officer. This imbalance appears to be making it harder for the noninstructional side of the house to coordinate its work with the instructional side or to raise issues or problems in the operating units to the superintendent at the detail that may be needed. The situation may also be contributing to what the Strategic Support Teams saw as severe silo-like behavior in the noninstructional units at the time of the site visits.
- The superintendent oversees human resources, financial operations, or information technology—functions that are critical to the district’s next steps in the reform process—only through the Chief Operating Officer.<sup>18,19</sup> This indirect oversight might have a negative impact on the ability of the school district to implement its new ERP system, overhaul human resources, and strengthen the financial units. (See subsequent chapters.)
- The relationship of the Senior Deputy Superintendent for Educational Services to the district’s eight Local District superintendents is represented in the organization charts by a solid line. The Chief Instructional Officer and the Chief Operating Officer, however, are not connected in any way to the eight Local District superintendents in the organizational charts, although they clearly have a relationship with one another. The “disconnect” may, in fact, reflect a larger problem in the district’s inability to articulate what the relationship is and thereby solve a number of technical and operating problems that are described elsewhere in this report.
- The Chief Instructional Officer and Senior Deputy Superintendent for Educational Services are portrayed in the organizational chart as equal, reporting directly to the superintendent, but the perception in the field and the differences in the titles suggest that the Chief Instructional Officer plays a secondary role to the Senior Deputy Superintendent for Educational Services.
- The organizational placement of a number of functions is not consistent with some organizational best practices.<sup>20</sup> For example—

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<sup>18</sup> The Council believes, for example, that information and human resources development are critically important to all organizations and especially important to school districts that need access to good quality information and personnel to improve student performance. Consequently, there are some compelling reasons for having both units reporting directly to the superintendent.

<sup>19</sup> The superintendent extended his span of control to include the Chief Financial Officer following the finance team’s site visit.

<sup>20</sup> Some of the primary factors for determining what functions should be assigned to an organizational unit are whether the same types of management skills and expertise are needed to manage the functions, whether a single entity needs to be accountable for related activities, and whether functions need to work closely together if they are to be effective.

## Review of the Organization and Operations of the Los Angeles Schools

- \* Business and operational services and support functions are spread throughout the organization because the district has not clearly delineated what functions need be centrally controlled and which ones need to be placed in the Local District offices.
- \* Responsibility for financial control and records from the district's Facilities Program is not under the control of the Chief Financial Officer.
- Environmental Health and Safety, Risk Management, Business Services, and School Police functions report to the COO. The teams thought this was appropriate. But Planning, Assessment and Research, Partnership, Adopt-A-School, Crisis Counseling, and Youth Relations units are misplaced under the Chief Operating Officer. In addition, the planning, assessment and research division, which the Council thinks highly of, oversees school management services, a function that is often placed under an operating unit rather than a testing and assessment unit.
- The district's human resource functions are splintered by having staff relations reporting to the superintendent and the Personnel Commission being independent.<sup>21</sup>
- Some units, e.g., compensatory education, early childhood, and adult education, appear to be self-contained organizations and function semi-autonomously with very little connection to other departments.
- The district does not have a single functional unit that oversees or coordinates the school system's professional development efforts.<sup>22</sup> The district also has little way to determine or monitor how professional development required by *No Child Left Behind* at the school level is actually used.
- \* There is no central office in the Central Support System with a designated official who is responsible for designing, delivering, and coordinating a coherent ongoing professional development program.
- \* Disparate offices at all levels of the organization provide a myriad of professional development offerings.

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<sup>21</sup> The Personnel Commission is composed of three members, one appointed by the school board, one appointed by the classified employees, and one appointed by the other two. The group oversees district classification, recruitment, selection, training, administration, labor relations, appeals, and retirement of the district's classified employees.

<sup>22</sup> The systemic change model developed through the district's Elementary Reading Plan and Secondary Literacy Plan calls for a coherent academic curricular focus on specific content (the state standards) delivered through specific materials and an instructional system that is well supported with intensive and focused professional development.

## Review of the Organization and Operations of the Los Angeles Schools

- The district has a tendency to add administrative units to its organizational structure each time it begins new initiatives rather than assigning the program or activity to a current or ongoing function in the Central Support Services unit, e.g., Beyond the Bell (with an Associate Superintendent and four direct reports).<sup>23</sup>
- The reorganization of the district from 11 to eight Local Districts has created disparities and equity problems across the new regions; and has created frustration, disruptions, confusion, and new inefficiencies. Staffing of the Local District offices was not adjusted to meet the requirements of the new districts, which are somewhat different in size and composition, and principals and other school-based staff report that service levels have declined since the consolidations.
- Despite efforts by the superintendent to get the Local Districts working off the same page, the regions appeared to the Strategic Support Teams to be working quite independently. There are advantages to this independence and ways in which the district could take advantage of it, but it presents problems as well. It is very clear, for instance, that program implementation is uneven from one local district to the other.<sup>24</sup> Each district is largely free to supplement the basic districtwide reading program and to define its own professional development. It is also clear that the system has not established any sense of “friendly competition” among the regions that could spur better performance.
- Generally, the Strategic Support Teams did not see major “span of control” problems, although there were several cases of one-on-one reporting throughout the organization. In addition, the span of control of the superintendent is wide, but probably needs to be so in order to ensure oversight and supervise reforms.
- Generally, the Central Support System had job descriptions in place, although a number of staff members were unfamiliar with what their respective job descriptions contained.

### Management

- In general, the Los Angeles Unified School District could be characterized as having more centralized control of its staffing and resources than many of its other urban counterparts across the country. Regional offices, by contrast, are generally smaller for the number of students served and have less capacity in the LAUSD than one finds in some other urban school systems.
- The superintendent meets weekly with his eight Local District superintendents to receive reports and discuss issues. The Chief Instructional Officer and Senior

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<sup>23</sup> The 2004 CAFR indicated a number of weaknesses in the financial operations and internal controls of the Beyond the Bell program and the 21<sup>st</sup> Century Community Learning Centers.

<sup>24</sup> One could see this unevenness in the Local Districts’ implementation of the “Action Plan for a Culturally Relevant Education” and in other programs as well.



## Review of the Organization and Operations of the Los Angeles Schools

Deputy Superintendent for Educational Services attend these meetings. However, the superintendent is not seen as providing the same level of oversight and guidance over the district's operational and noninstructional functions. (The superintendent readily admits that he spends about 80 percent of his time on the instructional program and about 20 percent on facilities.) This allotment is consistent with the district's overall priorities, but it contributes to the operating units feeling cut off from the superintendent's regular decision-making process.

- The district's leadership has not always clearly articulated how operational and business functions of the district are interrelated to the system's instructional goals.
- The board of education will periodically approve motions for new programs or initiatives before asking staff members for analysis of their potential effects on programs, staff, or spending.
- Principals and other school-based staff members complained loudly to the Strategic Support Teams that they received inadequate support from the central and regional offices, and that upwards of 80 percent of their time was being spent on noninstructional problems and 20 percent on instruction. Principals also indicate that they have to spend their time this way to fill the void left from an uncoordinated and/or disconnected noninstructional program.
- The Chief Operating Officer and his direct reports only attend the weekly meetings of the superintendent, the Local District leaders, the Chief Instructional Officer, and the Senior Deputy Superintendent for Educational Services when they are invited to discuss specific issues. The result, in part, is that the district's noninstructional operations are not always well connected to instructional, regional, or school-level problems.
- The teams often heard from staff members that the district's management style involved—
  - \* Making districtwide decisions at cabinet-level meetings before priorities were communicated or issues were adequately analyzed.
  - \* Making decisions based on staff recommendations from "shopping lists" of items rather than proper analysis of issues or priority setting.
  - \* Revisiting issues without reaching closure on them in meeting after meeting.
  - \* Expecting the central office to act immediately after decisions were made without clearly defined directives, guidelines, or communications.
- The superintendent works hard at building consensus on pending issues and ownership for decisions among the Local District superintendents, but does not

## Review of the Organization and Operations of the Los Angeles Schools

appear to use the same consensus building process on the operational side of the house. (The teams were unable to determine if the appointment of a new Chief Operating following the site visits has improved collaboration on the operational side of the house.)

- The Strategic Support Teams saw little evidence of cross-functional teaming to work on problems and issues that involved more than one operating unit. This lack of cross-functional collaboration is particularly debilitating in a large organization with as much specialization as LAUSD.
- The noninstructional units appear to spend considerable time and energy trying to engage the Local District superintendents on operational issues and how these issues intersect with instructional priorities. This strategy is being used by the operations staff to win over Local District superintendents on critical noninstructional problems and to get access to the general superintendent, which noninstructional staff members feel they generally lack. Otherwise, it appears the operations staff members do not work directly through regional leaders.
- The district’s internal management and operations are marked by a fair degree of union intrusion in governance and administrative decision making. Parents interviewed by the teams expressed considerable frustration that adult rather than student concerns drove much of the district’s culture.
- Employees often viewed the district’s two main unions—UTLA and AALA—as “go-to” organizations when they wanted to solve problems that they could not get the LAUSD itself to solve.
- The district is often characterized by poor communications from the central office through the Local District offices down to the school level. The result appears to be mistrust, inconsistent information, and a tendency to micromanage and complain.

### Decentralization

- The school district has not clearly articulated what functions it wants to have centrally controlled and what powers, functions, and resources it wants to be decentralized to the local districts and schools.
  - \* One senior staff member indicated to one of the teams that, “We have a tough time delineating what we want centrally and what we want locally. In a district this big, that means chaos out there.”
  - \* The team also heard comments from central office staff members, such as, “Locals don’t do what they’re told;” from local districts, “Central is constantly in our way;” and from schools, “I don’t care; just get them out of our way.”

## Review of the Organization and Operations of the Los Angeles Schools

- The failure to clearly delineate what is centralized and what is decentralized has resulted in most business functions being delivered on a two-tier basis, meaning that operations are often duplicated at both the central and district levels; they complicate school functioning and decision making; and create confusion, inefficiencies and ineffectiveness. For example—
  - \* Principals call their Local District offices, which often do not have answers on centrally controlled functions.
  - \* School-based staff members go to their Local District offices to obtain the practical assistance they need to do their jobs—especially when it relates to instruction, which is a centrally controlled function.
  - \* Some school staff members claim that the *Open Court* reading program started off needing to be implemented centrally but is probably at the point now where it could be implemented locally. Other staff members indicate that there is substantial unevenness in the implementation and monitoring of programs, including *Open Court*, from one region and school to another.
  - \* Information queries from the central office and responses from the Local Districts and individual schools have no central clearinghouse and tend to be handled by fax rather than by e-mail at all levels. It sounded to the Strategic Support Teams that it was very possible for multiple offices at central headquarters to send simultaneous and sometimes contradictory information to Local Districts. Local Districts then often exercised their own discretion about sending the information to schools.
  - \* It is also possible for principals to get bulletins from the central office that Local Districts do not know about.
  - \* Fiscal service managers, who are based in the Local District offices, are responsible for managing school site fiscal specialists but are funded by and get their directions from the central office.
  - \* School-level staff members have to go through the central office to move their resources at the Local District office level.
  - \* School staff members say they can receive instructional support (which is a centrally directed function) from the Local District office, but that operational support (which has been decentralized) does not exist at the Local District offices.
  - \* Attendance reports required by the central office are not shared as high-stakes reports, but are simply passed by the Local District superintendents to schools without comment on their importance.

## Review of the Organization and Operations of the Los Angeles Schools

- District staff members at all levels say that there is no mechanism by which they can referee discussions over what should be handled centrally and what should be handled locally. What appears to have evolved over time is a situation in which district staff members go to their collective bargaining representatives—mainly UTLA or ALA—to resolve operating problems that the system itself will not or cannot address. This “work-around” system appeared to be prevalent across the district and to involve Local District superintendents and principals alike.
- Principals are unable to evaluate plant managers, school police, academic coaches, and other school-based staff members who are organizationally accountable to Central Support Services.

The current organizational structure of the Los Angeles Unified School District is reasonably straightforward, except that it uses a number of charts and tables to describe itself that do not necessarily jibe with each other or with reality. In addition, the noninstructional operations of the district appear to be grossly disconnected to the instructional functions. And the day-to-day vertical operations of the system often seem largely *ad hoc*, reflecting the lack of a cohesive vision or organizing principle by which the system operates. In general, the district is highly centralized, somewhat remote, and oriented largely around issues of compliance and control than issues of performance and achievement. Operational silos have become highly defined and problem solving across units is all too rare. The “work-around” nature of how staff at all levels handle what should otherwise be systemic, moreover, is contributing to a sense of ineffectiveness, isolation, poor communications, fractured operations, and weak accountability. Essentially, the district often works as a series of independently operating units rather than as a system.

### F. Recommendations

1. Revise the district’s overall organizational structure by placing six key functions immediately under the superintendent’s direct supervision and redefine the cabinet around these functions—(See Exhibit 43.)<sup>25</sup>
  - ✚ Chief Academic Officer (Deputy Superintendent for Instruction), who would be immediate responsibility for developing curriculum, managing schools to deliver instruction, and holding staff accountable for ensuring high student achievement.
  - ✚ Chief Operating Officer, who would be responsible for all business and support services, environment health and safety, facilities, and safety and security.
  - ✚ Chief Financial Officer, who would be responsible for overseeing financial controls and records and would be held accountable for the integrity of financial

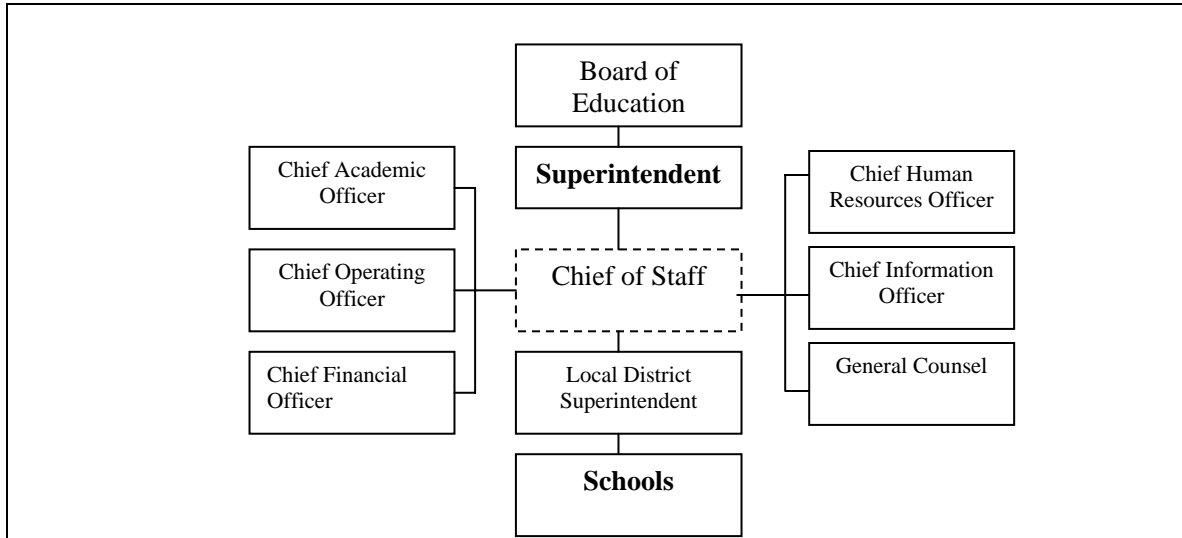
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<sup>25</sup> The Chancellor of the New York City schools has eight direct reports: teaching and learning; operations; finance and administration; education policy; chief of staff, intergovernmental, communications, and general counsel; youth development and community services; strategic partnerships; and the leadership academy.

## Review of the Organization and Operations of the Los Angeles Schools

planning, budget services, accounting, disbursements, investments, and related financial services.<sup>26</sup>

### Exhibit 43. Proposed Central Office Organization Structure<sup>27</sup>



- ✚ Chief Human Resources Officer, who would be responsible for transitioning the division from one limited to personnel functions to a strategic partner responsible for employee recruitment, selection, and certification; compensation, retirement, unemployment, professional development, and training; and employee hearings, staff relations, employee grievances, and disputes.<sup>28</sup>
- ✚ Chief Information Officer, who would be responsible for ensuring the District's information systems seamlessly address the needs of the Board of Education, Superintendent and the senior management team.
- ✚ Local District Superintendents, who would be responsible for managing technical assistance for all instructional, business, financial, human resources, and information services issues in schools.
- ✚ General Counsel, who would be responsible for the district's legal services.

2. Charge the Chief of Staff with the responsibility for providing direct support to the superintendent for overseeing, coordinating, and upgrading internal control systems;

<sup>26</sup> Since the Strategic Support Teams' site visit, the district has reassigned the Chief Financial Officer as a direct report to the Superintendent. The Council applauds the decision and recommends that the district take the same action with the human resources and information technology operations.

<sup>27</sup> Proposed structure would continue to have the general counsel and the head of government relations report to the superintendent.

<sup>28</sup> The success of the district's efforts for continuous improvement will depend, to a great extent, on the quality and commitment of staff at all levels. Consequently, it is important that the human resource function report directly to the superintendent.

## Review of the Organization and Operations of the Los Angeles Schools

managing the decision-making process; implementing processes to systematically ensure continuous communications between Central Support Services and related offices, Local District superintendents, and schools.

3. Have the ERP Project Director report to the superintendent on the status and direction of the ERP project until such time that the position can report back to the Chief Information Officer.
4. Move the responsibilities and staff of the Senior Deputy for Educational Services to the Office of the Chief Academic Officer and consolidate these two previously separate units. Some educational services staff could be redeployed to regional offices.
5. Consolidate the Human Resources and personnel functions over which the district has direct control (i.e., staff relations, early childhood, vocational and adult education, and Beyond the Bell) into a single department—and petition the state to allow the district to consolidate the Personnel Commission into that department.<sup>29</sup>
6. As an alternative to the above, consider moving staff relations to the Office of General Counsel. (Collective bargaining issues are centered in the general counsel's office in New York City.)
7. Move testing, research and evaluation from the Chief Operating Officer to the Chief Academic Officer. Retain some direct management responsibilities of the research unit under the COO.
8. Consider—as an alternative to the above structure—creating a new division reporting to the superintendent that would house research, testing, evaluation, and all reporting, compliance, desegregation, and accountability functions and head it with a Chief Accountability Officer. (See chapter on accountability.)
9. Consolidate professional development into one office responsible for designing, coordinating, delivering, and evaluating coherent and ongoing training programs focused on the district's goals, objectives, and priorities.
10. Retain the current eight regional Local Districts, but substantially boost their capacity to serve schools by redeploying both instructional and noninstructional staff from the central office location to the Local Districts.
11. Redefine the duties and responsibilities of the central office around setting districtwide policy, direction, definition, development, monitoring, and evaluation;

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<sup>29</sup> The California Education Code would apparently allow for the actual dissolution of the district's merit system under either of two circumstances: (a) a petition of 40 percent of the district's classified employees entitled to vote and an election requiring majority approval by the classified employees, or (b) a petition by 10 percent of the number voting in the last election for a member of the board calling for the termination of the merit system and majority approval of those eligible to vote.

## Review of the Organization and Operations of the Los Angeles Schools

and redefine the Local District staff around delivery, program implementation, technical assistance, and support. The responsibilities of a smaller central office would then be more strategic and less transactional in nature.

12. Re-examine the allocation of resources to the individual Local Districts to ensure that their funding, staffing, and resources reflect any variations in student needs seen from region to region.
13. Retain oversight of high schools at the regional office level rather than pulling them out of the regional structure and creating their own centralized division. It did not make sense to the Strategic Support Teams to have elementary schools organized under the regional offices and secondary schools organized centrally. Having all under the regional structure would make lines of accountability cleaner and would make it easier to articulate programs across the grade spans. The Council would recommend, however, keeping staff under the Chief Academic Officer with specific expertise on elementary and secondary schools—as is currently the case.
14. Consider establishing a “Chancellor’s district” type unit focused solely on the academic performance of the school district’s lowest performing schools. The unit should not exceed responsibility for any more than about 30-40 schools at any one time.
15. Integrate the Central Support System’s major operational divisions as “equal” partners into the senior leadership team in the same way that the instructional divisions and the Local District superintendents are included.
16. Create and share single, clear, rational organizational charts for the Central Support System and all related offices with top strategic priorities clearly visible in the organizational structures.
17. Expand the delegation of authority to senior staff members to encourage them and their staff members to be “less risk adverse” and act more like leaders and managers.
18. Cease creating new offices and hiring new staff for each Specially Funded Program (SFP) grant or project that the district obtains or initiates. New programs should only be adopted or accepted if they are consistent with district priorities and goals and such programs should be integrated into the existing structure.

## **Review of the Organization and Operations of the Los Angeles Schools**



## **IV. ACCOUNTABILITY AND METRICS**

### **A. Introduction**

Beginning in 2000, the Los Angeles Unified School District embarked on a comprehensive reform effort designed to revamp the district’s instructional program and to accelerate and expand the building of new school facilities. The effort was outlined in a Five-Year Strategic Plan submitted by Superintendent Roy Romer to the Board of Education and approved in May 2001.

The strategic plan was intended to be a tool that the district could use to focus its “collective energy and efforts to achieve the ultimate goal of preparing our students to succeed as members of our global community and workforce.” It set forth a series of goals and objectives designed to—

- Improve student reading and writing skills across all grade levels.
- Improve student skills and understanding in mathematics across all grade levels.
- Focus professional development as the key to improving classroom practice.
- Maximize delivery of additional classroom seats.
- Provide appropriate support for English Language Learners and standard English language learners.
- Enhance delivery and effectiveness of Special Education Services
- Enhance recruitment and retention of qualified staff.
- Increase use of technology in the classroom and more effective use of technology for instructional support.
- Increase efficiency in the use of resources.
- Improve early childhood education as a foundation for success, particularly in reading and mathematics.
- Expand magnet and academy opportunities in communities with few such programs.
- Expand and enhance after-school programs.
- Involve parents and community

## Review of the Organization and Operations of the Los Angeles Schools

- Improve school safety.
- Enhance health and human services to address barriers to learning.
- Expand arts education.

Superintendent Romer subsequently translated the Strategic Plan into a reform effort that incorporated seven overarching objectives—

- Improve rigorous, standards-based teaching and learning in core curricular areas for all students, prekindergarten through adult, in order to raise student performance and eliminate the achievement gap.
- Effectively use data to measure student learning toward achievement of the standards, to inform instruction, and to gauge professional development needs.
- Strengthen parent and community involvement at all schools by providing opportunities for meaningful parent engagement that supports improved student achievement.
- Enhance efforts to recruit and retain highly qualified staff.
- Effectively utilize a budget supported by voter-passed bonds to build 160 new schools and renovate existing schools.
- Establish Small Learning Communities in secondary schools to provide students and teachers with a more personalized and caring learning environment.
- Align and manage all programs, resources, and services to support student achievement goals.

The Superintendent operationalized the reforms with a “theory of action” that incorporated—

- Adherence to rigorous standards
- Improved professional development
- Reading and math coaching
- Periodic assessments
- An aggressive building program to relieve severe overcrowding

Since 2001, the district’s strategic plan has gone through a number of revisions<sup>30</sup> that have been adopted by the Board of Education as a Statement of Mission, Vision, and Goals, including—

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<sup>30</sup> In December 2004, for example, the district issued a series of three-year goals statements.

## Review of the Organization and Operations of the Los Angeles Schools

- The mission of the Los Angeles Unified School District is to educate all students to a high level of achievement that will enable them to be responsible individuals and productive members of the greater society.
- The Los Angeles Unified School District envisions that it will be known as one of the best urban school districts in this country. It will—
  - \* Offer a stellar education to every student within a safe and caring environment.
  - \* Be among the first major urban districts to eliminate the achievement gap among all subgroups of our student population.
  - \* Dynamically engage parents and the community in the lives of our schools.
  - \* Be the first and best choice of families in the Los Angeles area.
- In achieving its mission and vision, the Los Angeles Unified School District will be guided by the following principles—
  - \* Children *always* come first in our district.
  - \* All students will learn to high levels, maximizing their highest potential.
  - \* All students will have a safe and healthy learning environment.
  - \* Every school will have competent, well-prepared teachers in each classroom and a highly qualified principal as its instructional leader.
  - \* The district will engage parents and community as critical and necessary partners in the success of our students.
- The ultimate goal of the Los Angeles Unified School District is to be one of the top urban districts in the state and nation in 2010 by—
  - \* Eliminating the achievement gap for all student subgroups.
  - \* Securing a seat for every child.
  - \* Increasing the high school graduation rate.
  - \* Providing a modern and safe learning environment.

**B. Areas of Concern**

The effective operation of any organization, especially a large urban school district, and the ability of the organization to meet its mission, vision and goals requires clear goals, measurable indicators of progress on goals, evaluation of efforts towards the goals, and a mechanism for holding people accountable for the attainment of those goals.

- The district and its strategic plan have a clearly articulated set of goals and objectives that are measurable and specific, particularly in the area of student achievement and instruction.
- The extent to which data are used as a tool for managing the Los Angeles Unified School District varies considerably by operational unit. The instructional and business services units have very explicit goals and indicators of progress; the human resources division has few. The result is that accountability in the school district is decidedly mixed.
- Objectives for the instructional program have been established that can be linked directly to the board’s Statement of Mission, Vision and Goals and/or to specific objectives in the district’s strategic plan. (See Exhibit 44 for Program Objectives Linked to Board Goals and Strategic Plan.)<sup>31</sup>

**Exhibit 44. Links between Instructional Program Objectives, Board Goals, and the Strategic Plan**

<b>Board Goal</b>	<b>Strategic Objective</b>	<b>Program Objective</b>
Achievement Gap	Literacy	Grade level proficiency on norm-referenced standardized achievement tests.
Achievement Gap	Math	Grade level proficiency on norm-referenced standardized achievement tests.
Achievement Gap	Educator Quality	Highly trained, fully credentialed teacher for every classroom.
Achievement Gap	Professional Development	Continuous learning focused on improved instruction resulting in increased student achievement.
Achievement Gap	English Language Learners	Elimination of achievement gap between native English-speaking students and English learners
Achievement Gap	Special Education	Content performance standards met and exceeded by all students
Achievement Gap	Classroom Technology	Technology and Internet access for every student in every classroom; and technology literate teaching force
Achievement Gap	Early Childhood	Mastery of pre-literacy and math skills
Achievement Gap	Magnet and Academic Programs	Access to specialized curriculum in neighborhoods with few such programs
Achievement Gap	After School Programs	Extended learning, enrichment and recreation in all elementary and middle schools.

<sup>31</sup> Although the Council has not seen a district document that shows the linkages, it produced a set of exhibits to illustrate that linkages do exist and could be illustrated.

## Review of the Organization and Operations of the Los Angeles Schools

Learning Environment	Campus Safety	Safe and secure schools
Achievement Gap	Student Health /Human Services	Optimal states of social, mental, emotional and physical health
Achievement Gap	Arts Education	Comprehensive, integrated standards-based arts education instructional program

- The district’s strategic plan has a total of 16 major goals, 12 of which are linked to instructional objectives, only four of which are linked to noninstructional objectives, and none of which demonstrate the interdependence or interrelationships of the instructional and operational objectives.
- The Strategic Support Teams saw little evidence that the district’s major program objectives in its noninstructional areas have been linked back to the Board’s Statement of Mission, Vision and Goals or to the district’s Strategic Plan in the same ways that the instructional program has. The best links appear to be in Business Services and the Facilities Program, but most other areas lack the specificity needed to drive improvement efforts.<sup>32</sup> (See Exhibit 45.)
- The district has established quantifiable performance indicators (progress measurements) for each instructional strategic objective and program objective. (See Exhibit 46 for performance measures for instructional operations.)
- It was also clear from the team’s reviews of a limited number of “Single Plans for Student Achievement” that individual school plans sometimes did not contain up-to-date growth targets, or up-to-date targets for *No Child Left Behind* subgroups. Some plans also had very vague, poorly articulated instructional strategies for meeting goals or addressing student needs. Plans, in general, however, appeared to have very good descriptive data. Plans are developed in conjunction with School Site Councils (SSC), but a number of principals interviewed by the teams indicated that the plans did not necessarily drive instruction in the way they were envisioned.
- Each school has a School Accountability Report Card (SARC) that was first authorized by Proposition 98 in November 1998.
- The district has implemented quarterly assessments in reading and math at the elementary school level. The superintendent reviews results.
- The Strategic Support Teams saw little evidence that quantifiable performance standards have been established for most district operational programs, with the

<sup>32</sup> The team identifies in [brackets] how the linkages could be demonstrated. While the “Program Areas and Objectives” of the Business Services Division are not linked directly to the Board’s Statement of Mission, Vision and Goals, some of the priorities in its performance plan are based on priorities articulated in Board policies and resolutions. The tracking of Small Business Enterprise, for example, resulted from a new policy of the Board to establish a SBE program. The tracking of competition through the RFP process resulted from the Board’s pressure to require policy reforms initiated by the division to get away from sole-sourcing contracts.

## Review of the Organization and Operations of the Los Angeles Schools

notable exceptions of the Business Services division and some aspects of Facilities Construction and Campus Safety. (See Exhibit 47 for performance measures for noninstructional operations.)

- While one of the 16 goals in the district’s strategic plan is to establish “efficient and effective business processes,” the district appears to pay little if any attention to linking the information it collects on program performance and costs to assessments of the cost-effectiveness of program operations, except for Business Services. There also does not appear to be any districtwide efforts to measure or maximize economies of scale in district operations.
- The district has developed and implemented systems for comparing student academic assessments with state accountability standards and student academic assessments in peer districts.<sup>33</sup> The Strategic Support Teams, however, saw little evidence that benchmarking is performed to assess the performance of noninstructional programs or to improve operating efficiencies or control costs.<sup>34</sup> In general, there appears to be little information on or interest in how the district compares to peer institutions.

### Exhibit 45. Links between Non-Instructional Program Objectives, Board Goals and the Strategic Plan

Board Goal	Strategic Objective	Program Area	Program Objective
	[Efficiency]	Benefits Administration	<ul style="list-style-type: none"> <li>• Update provider systems in a timelier fashion.</li> <li>• Enhance COBRA compliance.</li> <li>• Maintain district benefits costs.</li> <li>• Establish online benefits enrollment program.</li> <li>• Improve the employee support environment.</li> </ul>
	[Efficiency]	Food Services	<ul style="list-style-type: none"> <li>• Achieve fiscally stable operations.</li> <li>• Increase student access to breakfast and lunch.</li> <li>• Demonstrate enhanced organizational effectiveness.</li> <li>• Increase the use of technology to obtain more accurate and timely information.</li> </ul>

<sup>33</sup> The Council of the Great City Schools annually compiles and publishes this information for its member districts.

<sup>34</sup> The Council of the Great City Schools has initiated a project with the district’s Business Services Division to benchmark areas of Transportation, Food, Maintenance and Operations, and Purchasing.

## Review of the Organization and Operations of the Los Angeles Schools

	[Efficiency]	Transportation	<ul style="list-style-type: none"> <li>• Enhance customer satisfaction.</li> <li>• Complete the centralized Routing Center system.</li> <li>• Complete the Special Education transportation system.</li> <li>• Implement a school bus replacement program.</li> <li>• Encourage enhanced vendor competition.</li> <li>• Establish a workplace safety program.</li> <li>• Reduce overall bus emissions.</li> <li>• Establish a customer service program with providers.</li> </ul>
	[Efficiency]	Purchasing	<ul style="list-style-type: none"> <li>• Streamline schools' procurement processes and ensured timely payment to vendors.</li> </ul>
	[Efficiency]	Materiel Management	<ul style="list-style-type: none"> <li>• Institute operational efficiencies and reduce costs to schools and offices.</li> <li>• Improve quality and lower costs.</li> </ul>
	[Efficiency]	Contract Administration	<ul style="list-style-type: none"> <li>• Increase usage of the RFP process.</li> <li>• Improve contracts reporting and processing for professional services.</li> </ul>
	[Efficiency]	Vendor Services	<ul style="list-style-type: none"> <li>• Increase participation by small business enterprises.</li> <li>• Implement controls for district travel and conference activities.</li> </ul>
Seats for Children	Classroom Space	Facilities Campus Safety	<ul style="list-style-type: none"> <li>• Secure a seat for every child.</li> <li>• Modernize school facilities with quality material and workmanship on schedule and within budget.</li> <li>• Ensure that the highest safety standards are uncompromised in building, modernizing, and maintaining school facilities.</li> <li>• Protect and maintain the physical assets of the district and ensure maximum utilization of the assets.</li> <li>• Improve the process to meet contracting requirements to build, modernize, and</li> </ul>

## Review of the Organization and Operations of the Los Angeles Schools

			<p>maintain schools.</p> <ul style="list-style-type: none"> <li>• Provide fiscal and financial services, resource management, and project management support for new construction, modernization, and maintenance programs.</li> </ul>
	[Efficiency]	Finance	<ul style="list-style-type: none"> <li>• Improve the budget process by communicating better with schools.</li> <li>• Make the budget development process easy to understand and implement.</li> <li>• Make it easy for schools to manage their budgets.</li> <li>• Improve shareholder access to financial information by augmenting printed budget material and expanding use of the Web.</li> <li>• Capitalize on opportunities to expand and create sources of income.</li> <li>• Improve grant management.</li> <li>• Increase efficiency, timeliness, and accuracy of the various payment systems.</li> <li>• Expedite the availability of funds to schools.</li> <li>• Enable schools to access accounting reports locally.</li> <li>• Increase efficiency in fee collection and refunds; improve communications between staff and developers.</li> <li>• Maximize reimbursements for services performed under MediCal and state mandates.</li> <li>• Streamline the budget transfer process.</li> </ul>
Achievement Gap; Modern Learning Environment	Educator Quality	Human Resource	<ul style="list-style-type: none"> <li>• Increase the number of newly hired credentialed teachers in underperforming schools.</li> <li>• Increase employment of emergency permit teachers by enrollment in the pre-intern and/or intern programs.</li> <li>• Improve employment processes, procedures, and practices through enhanced technology and staff development.</li> </ul>



## Review of the Organization and Operations of the Los Angeles Schools

			<ul style="list-style-type: none"> <li>Expand technology uses to improve service to customers and to strengthen data resources.</li> </ul>
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**Exhibit 46. Performance Measures for Instructional Program Goals and Objectives**

Strategic Goal	Program Objective	Performance Measures
Literacy	Grade-level proficiency by achieving 50th percentile on norm-referenced Standardized Achievement Tests	<ul style="list-style-type: none"> <li>Track gains in mean percentile score in reading on Stanford 9.</li> <li>Use growth model to measure actual growth of individual students from year to year.</li> <li>Monitor API growth targets by ethnicity.</li> </ul>
Math	Grade-level proficiency by achieving 50th percentile on norm-referenced Standardized Achievement Tests	<ul style="list-style-type: none"> <li>Track gains in mean percentile score in reading on Stanford 9.</li> <li>Use growth model to measure actual growth of individual students from year to year.</li> <li>Ensure that gains of underachieving students exceed gains of higher performing students</li> </ul>
Professional Development	Continuous learning focused on improved instruction, resulting in increased student achievement	<ul style="list-style-type: none"> <li>Monitor demonstrated growth in Academic Performance Index scores.</li> <li>Measure percentage of schools meeting growth targets and gains toward overall score of 800.</li> </ul>
English Language Learners	Elimination of achievement gap between native English-speaking students and English learners	<ul style="list-style-type: none"> <li>Measure progress through English Language development standards.</li> <li>Monitor percentage of schools meeting Academic Performance Index growth targets</li> </ul>
Special Education	Content performance standards met and exceeded by all students	<ul style="list-style-type: none"> <li>Track percentage of special education students educated at least 80% of the day with non-disabled peers.</li> </ul>
Classroom Technology	Technology and Internet access for every student in every classroom; and technology-literate teaching force	<ul style="list-style-type: none"> <li>Measure percentage of classrooms that have Internet access.</li> <li>Measure the “student to classroom computer ratio.”</li> <li>Measure percentage of teachers offered technology training in a classroom.</li> </ul>
Early Childhood	Mastery of pre-literacy and math skills	<ul style="list-style-type: none"> <li>Assess mastery of pre-literacy and math skills of four-year-olds in Early Literacy Pilot.</li> </ul>
Magnet and Academic Programs	Access to specialized curriculum in neighborhoods with few such programs	<ul style="list-style-type: none"> <li>Track number of seats newly designated as magnet or academy seats each year.</li> </ul>
After School Programs	Extended learning, enrichment, and recreation components in all elementary and middle schools	<ul style="list-style-type: none"> <li>Measure number of students in elementary and middle schools with a minimum three-hour after-school program.</li> <li>Measure number of students with access to a high-quality after-school program.</li> <li>Track number of participants in after-school programs.</li> </ul>
Parent Involvement	Full parent participation	<ul style="list-style-type: none"> <li>Measure parents’ judgments regarding effective leadership and classroom instruction (80%</li> </ul>

## Review of the Organization and Operations of the Los Angeles Schools

		<p>judging schools to be effective).</p> <ul style="list-style-type: none"> <li>• Measure parents' engagement in children's education.</li> </ul>
Student Health/Human Services	Optimal states of social, mental, emotional, and physical health	<ul style="list-style-type: none"> <li>• Measure vision, hearing, dental, physical, and scoliosis as health indicators.</li> <li>• Measure expansion of student health insurance, and MediCal reimbursements.</li> </ul>
Arts Education	Comprehensive, integrated standards-based arts education instructional program	

### Exhibit 47. Performance Standards for Non-Instructional Goals and Objectives

Program Area	Operational Goals	Performance Standards
<b>Business Services</b>		
Benefits Administration	<ul style="list-style-type: none"> <li>• Update providers' systems in a timelier fashion.</li> <li>• Enhance COBRA compliance.</li> <li>• Maintain district benefits costs.</li> <li>• Implement an online enrollment program.</li> <li>• Improve employee support environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease number of days it takes to identify eligible (overnight)/ineligible participants (one week).</li> <li>• Mail a COBRA package within 45 days.</li> <li>• Notify vendors of COBRA cancellations within one week on month end.</li> <li>• Reduce employee benefits costs as a percentage of the General Fund (.1-9.4%).</li> <li>• Increase percent of enrollees using the Web compared with those requesting hard copies over telephone.</li> <li>• Increase number of employees enrolled in voluntary benefits (5%).</li> </ul>
Food Services	<ul style="list-style-type: none"> <li>• Establish a fiscally stable operation.</li> <li>• Increase student access to breakfast and lunch.</li> <li>• Enhance organizational effectiveness.</li> <li>• Increase the use of technology to obtain more accurate and timely information.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease districtwide labor costs to 45% of revenue.</li> <li>• Decrease districtwide food costs to 40% of revenue.</li> <li>• Increase breakfast participation for reduced lunch-eligible students to 31% of ADA.</li> <li>• Increase secondary lunch participation to 40%</li> <li>• Offer training sessions to staff based on new curricula.</li> <li>• Implement a Point-of-Sale contract.</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Enhance customer satisfaction.</li> <li>• Complete the Centralized Routing Center.</li> <li>• Complete the Special Education Transportation System.</li> <li>• Implement a school bus</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce customer telephone hold time in Dispatch Center to 1.25 minutes.</li> <li>• Achieve a 50% reduction in customer-abandoned calls in Dispatch Center.</li> </ul>

## Review of the Organization and Operations of the Los Angeles Schools

	<p>replacement program</p> <ul style="list-style-type: none"> <li>• Enhance vendor competition.</li> <li>• Establish a workplace safety program.</li> <li>• Reduce overall bus emissions.</li> <li>• Establish a customer service program with providers.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the number of routes needed to transport students by 3%.</li> <li>• Reduce the number of days to begin student transportation after the receipt of Pupil Route Location to 3 or fewer days.</li> <li>• Increase routing accuracy to 99% of all students routed accurately.</li> <li>• Replace 24% of buses that exceeded their economic life.</li> <li>• Reduce contractor-liquidated damages by 10%.</li> <li>• Reduce number of Workers' Compensation claims by 20%.</li> <li>• Replace 5% of bus fleet.</li> <li>• Retrofit 300 1994 or new buses with particulate traps.</li> </ul>
Purchasing	<ul style="list-style-type: none"> <li>• Streamline schools' procurement processes and ensure timely payment to vendors</li> </ul>	<ul style="list-style-type: none"> <li>• Implement full P-Card Program.</li> <li>• Increase monthly spending on P-Card.</li> <li>• Reduce labor cost per School Purchase Order transaction.</li> <li>• Reduce vendor payment time to 3 business days.</li> </ul>
Materiel Management	<ul style="list-style-type: none"> <li>• Improve operational efficiencies and reduce costs to schools and offices.</li> <li>• Achieve higher quality and lower costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a consolidated warehouse.</li> <li>• Prioritize and expand strategic sourcing to 11 commodities.</li> <li>• Increase cost-savings for strategically sourced goods to \$13.5 million.</li> </ul>
Contract Administration	<ul style="list-style-type: none"> <li>• Increase usage of the RFP process.</li> <li>• Improve contracts reporting and processing for professional services.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve a 25% reduction in waiver approvals for contracts as a percent of total contracts over \$100,000.</li> <li>• Achieve a 20% reduction in after-the-fact contracts as a percent of total contract requests.</li> <li>• Reduce processing time to an average of 30 working days or less for contracts under \$5,000.</li> <li>• Reduce processing time to an average of 30 working days or less for contracts between \$5,000 and \$60,000.</li> <li>• Reduce processing time to an average of 60 working days or less for contracts between</li> </ul>

## Review of the Organization and Operations of the Los Angeles Schools

		\$60,900 and \$100,000.
Vendor Services	<ul style="list-style-type: none"> <li>• Increase participation by small business enterprises.</li> <li>• Implement controls in district travel and conference activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase dollars awarded to SBE firms to 25% of total contract awards.</li> <li>• Increase SBE payments to 100% of total SBE contracts awarded and received.</li> <li>• Achieve a 10% SBE increase at the Los Angeles Vendor Fair.</li> <li>• Negotiate discounts with hotel service providers to reduce travel costs.</li> <li>• Increase use of district facilities to reduce rentals for training and professional development.</li> <li>• Select a district travel agent.</li> <li>• Implement a travel card to allow for group rate reductions, initiate 2% user savings, and reduce use of reimbursements.</li> </ul>
Campus Safety	<ul style="list-style-type: none"> <li>• Maintain safe and secure campuses conducive to learning.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain Safe School Plans at 100% of individual school sites.</li> <li>• Reduce crimes against persons by 0.05 crimes per 1000 students at elementary and middle schools.</li> <li>• Maintain low crime rates at 4.99 per 1,000 high school students.</li> </ul>
Facilities	<ul style="list-style-type: none"> <li>• Secure a seat for every child.</li> <li>• Modernize school facilities with quality material and workmanship on schedule and within budget.</li> <li>• Ensure that the highest safety standards are uncompromised in the building, modernizing, and maintenance of school facilities.</li> <li>• Protect and maintain the physical assets of the district and ensuring maximum utilization of the assets.</li> <li>• Improve the process to meet contracting requirements to build, modernize, and maintain schools.</li> <li>• Provide fiscal and financial services, resource management, and project management support for new construction, modernization, and maintenance programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete 243 new construction projects, which include 79 new schools, 61 on-site building additions, 17 playground expansion projects, 34 early childhood education center expansions, 4 new early childhood education centers, and 48 defined sites.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Improve the budget process by communicating better with schools.</li> </ul>	

## Review of the Organization and Operations of the Los Angeles Schools

	<ul style="list-style-type: none"> <li>• Make the budget development process easy to understand and implement.</li> <li>• Make it easy for schools to manage their budgets.</li> <li>• Improve shareholder access to financial information by augmenting printed budget material and expanding use of the Web.</li> <li>• Capitalize on opportunities to expand and create sources of income.</li> <li>• Improve grant management.</li> <li>• Increase efficiency, timeliness, and accuracy of the various payment systems.</li> <li>• Expedite the availability of funds to schools.</li> <li>• Enable schools to access accounting reports locally.</li> <li>• Increase efficiency in fee collection and refunds; improve communications between staff and developers.</li> <li>• Maximize reimbursements for services performed under MediCal and state mandates.</li> <li>• Streamline the budget transfer process.</li> </ul>	
Human Resource	<ul style="list-style-type: none"> <li>• Increase the number of newly hired credentialed teachers in underperforming schools.</li> <li>• Increase employment of emergency permit teachers by enrollment in the pre-intern and/or intern programs.</li> <li>• Improve employment processes, procedures, and practices through enhanced technology and staff development.</li> <li>• Expand technology uses to improve service to customers and strengthen data resources.</li> </ul>	

- The district tracks performance of instructional programs against goals on an annual basis and in some cases at more frequent intervals. (See Exhibit 48 for frequency of tracking performance of instructional programs.)

## Review of the Organization and Operations of the Los Angeles Schools

### Exhibit 48. Tracking of Instructional Programs and Performance against Goals

Goal	Objective	Performance Measure	Frequency
Literacy	Grade Level Proficiency	<ul style="list-style-type: none"> <li>• Stanford 9 Mean Percentile</li> <li>• Expected Matched Individual NCE Reading Gains</li> </ul>	Annual
Mathematics	Grade Level Proficiency	<ul style="list-style-type: none"> <li>• Stanford 9 Mean Percentile</li> <li>• Expected Matched Individual NCE Math Gains</li> </ul>	Quarterly
Professional Development	Improved Classroom Practice	<ul style="list-style-type: none"> <li>• Percent of Schools Meeting API Growth Targets</li> </ul>	Annual
Classroom Space	Seat Space	<ul style="list-style-type: none"> <li>• Number of Seats to Deliver</li> </ul>	Annual
English Language Learners	Achievement Gap	<ul style="list-style-type: none"> <li>• Percent of Students Meeting ELD Level Targets</li> <li>• Percent of Schools with Significant African-American Population Meeting API Growth Targets</li> </ul>	Annual
Special Education	Appropriate Services and Instruction	<ul style="list-style-type: none"> <li>• Percent of SPED Students Educated with Non-Disabled Peers 80% or More of Time</li> </ul>	Annual
Classroom Technology	Access to Technology and the Internet; Technology Literate Teaching Force	<ul style="list-style-type: none"> <li>• Percent of Schools with Internet Access in All Classrooms</li> <li>• Percent of Schools Meeting Target of 6:1 Ratio of Students to Computers</li> <li>• Percent of Teachers Receiving Technology Training</li> </ul>	Annual
Early Childhood Education	Student Mastery of Pre-literacy and Math Skills		TBD
Magnet and Academy Programs	Enriched Educational Opportunities	<ul style="list-style-type: none"> <li>• Number of Magnet and Academy Seats</li> </ul>	Annual
After School Programs	Extended Learning, Enrichment and Recreation	<ul style="list-style-type: none"> <li>• Percent of Elementary and Middle Schools with 3-Hour After-School Program</li> <li>• Number of Youth Service Programs Targeted for Enhancement to Comprehensive Programs</li> </ul>	Annual
Parent Involvement	Full Parent Participation	TBD	TBD
Student Health and Human Services	Optimal States of Social, Mental, Emotional and Physical Health	<ul style="list-style-type: none"> <li>• Actual and Projected Health remediation rates</li> <li>• Projected Percent Increase in Student MediCal Health Insurance</li> <li>• Projected Increase in LEA MediCal Billing</li> </ul>	Annual

- Performance results are not used, by-and-large, except in Business Services and Facilities, to streamline operations and improve efficiencies and effectiveness in

## Review of the Organization and Operations of the Los Angeles Schools

- most noninstructional areas because performance measures have not been established.
- The district also has not established start and end dates—or specified the financial resources needed—to complete the tasks required to meet its instructional or noninstructional goals.<sup>35</sup>
  - The team saw little evidence that performance expectations on program costs are articulated or systematically tracked.
  - The Strategic Support Teams also saw little evidence that district staff at any level—central, regional, or school—was evaluated explicitly on the ability of the district, region, or schools to attain any of the goals and benchmarks that were specified in any of the strategic planning documents.
  - The teams also saw no evidence that staff at any level had been terminated for failure to meet any performance goals. Staff members had sometimes been terminated or reassigned for failure to acculturate themselves to the district, but few had been released in the recent past for failure to perform.
  - Local district plans also lack comprehensive goals, objectives, benchmarks, and targets, do not necessarily align with the district’s overall strategic plan, and do not reflect explicit linkages to the budget.
  - Individual school plans, like the local district plans, are not tied explicitly back to the districtwide plan and do not necessarily reflect LAUSD budget priorities or goals.
  - Staff members reported to the teams that “learning walks” (to monitor program implementation) had been abandoned by many schools, making it more difficult to determine what was actually going on in the classrooms.
  - The teams did not see a clearly articulated districtwide strategy for boosting the performance of its lowest-performing schools. The district did have a number of components that could be used to formulate a broader strategy in this area, including the regular school improvement plans, the “Academic English Mastery” program, local district corrective action plans, “Red Teams” and other various school intervention teams.
  - The district does have a “Standards-Based Promotion Policy” for Grades 2 and 3 in literacy and Grades 4 and 5 in math. Retention in grade is mandated in Grades

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<sup>35</sup> The lack of timelines and estimates of required financial resources suggests that improving operating efficiencies may not be a district priority. This lack might also suggest that the management infrastructure needed to manage resources effectively is not currently available; and, most importantly, this lack underscores the imperative that the district move aggressively forward with its implementation of the Enterprise Resource Planning (ERP) project discussed in Chapter IX of this report.

## Review of the Organization and Operations of the Los Angeles Schools

- 2, 3, 4, 5, and 8 for students not meeting identified criteria. Students are required to attend summer school or intersession if they are in danger of being held back. An individual teacher can override the promotion criteria, however, by completing a Justification for Promotion Form and meeting with school administrators and the parents of the affected student.
- The Independent Analysis Unit performs evaluations on behalf of the district's educational and operational departments. Over the four-year period from January 2000 to January 2004, the unit completed more than 50 program reviews (some of which were revisions to earlier reviews), including—
    - \* Student Outcomes and Educational Issues
      - 📄 Quantity Versus Quality of Instructional Time (October 23, 2003)
      - 📄 2001-02 Advanced Placement (AP) Enrollment versus Pass Rates (August 28, 2003)
      - 📄 Schools with Less Than 5 AP exams Passed in 2002 in Biology, Chemistry, English Literature and United States History (August 6, 2003)
      - 📄 Local AP Results Compared to National Averages (July 16, 2003)
      - 📄 Revised School-by-school AP Reports (July 16, 2003)
      - 📄 Conversion Charter Schools - Revised (May 12, 2003)
      - 📄 Criteria for Approving a Conversion Charter (April 3, 2003)
      - 📄 Advanced Placement Enrollment and Test Results - School-by-school Comparison for 2000-01 (July 23, 2002)
      - 📄 Post-Secondary Outcomes for LAUSD Seniors (February 1, 2000) - PowerPoint Presentation
    - \* Human Resources and Staffing
      - 📄 Counselors and their Funding Sources in 2002-03 (August 28, 2003)
      - 📄 Estimated Cost of Certificated Professional Development (July 31, 2003)
      - 📄 Location of Nonschool Employment Growth (June 20, 2003)
      - 📄 Changes in Full-Time Equivalents (FTE) at Local Districts Compared to Total Nonschool Growth (June 12, 2003)
      - 📄 Staffing Trends - 1989-90 through 2002-03 (All Funds) (May 20, 2003)
      - 📄 Teacher Paper Workload (April 17, 2003)
      - 📄 Professional Development: Input from the Field (March 12, 2003)
      - 📄 Teacher Quality (February 6, 2003)
      - 📄 State Teachers Retirement System (November 12, 2002)
      - 📄 Identifying Effective Elementary Teachers: A Preliminary Report to the Human Resources Committee (October 10, 2002)
      - 📄 Request for Additional Staffing Information (October 10, 2002)
      - 📄 History of Recent Salary and Benefit Increases (October 8, 2002)
      - 📄 Cost of Health and Welfare Benefits Per Employee (October 3, 2002)
      - 📄 Staffing at LAUSD Elementary Schools (August 15, 2002)
      - 📄 Beginning Teachers at LAUSD: The Hiring Process (December 18, 2001)



## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Principals' Recommendations regarding Their Recruitment, Preparation and Training (October 18, 2001)
- ✚ School Support Employees (August 21, 2001)
- ✚ Districtwide Staffing at School and Nonschool Locations: 1996-97 to 2000-01 (July 27, 2001)

### \* Fiscal

- ✚ Workers' Compensation Program Reform and Initiatives Update (January 28, 2004)
- ✚ Weighted Student Formula: The Basics (December 1, 2003)
- ✚ LAUSD Expenditures Compared to Other Districts (September 2, 2003)
- ✚ LAUSD's 2003-04 Budget Is Not Yet Balanced (June 6, 2003)
- ✚ Integration Expenditures (May 30, 2003)
- ✚ IAU Role in Developing 2003-04 Budget Estimates (May 30, 2003)
- ✚ Proposed Budget for Maintenance (May 29, 2003)
- ✚ Review of Proposed 2003-04 Budget (May 20, 2003)
- ✚ Is California Really a High-Tax State? (April 28, 2003)
- ✚ Expenditures at School and Non-school Locations (April 4, 2003)
- ✚ California's General Fund Revenues (March 7, 2003)
- ✚ Information Technology 5-Year Cost Projections (March 5, 2003)
- ✚ Preliminary Analysis of the 2002-03 Final Budget (September 3, 2002)
- ✚ 2001-02 Actual Income and Expenditures Compared to 2001-02 Second Interim Estimates (August 13, 2002)
- ✚ LAUSD Expenditures Compared to Other District (August 5, 2002)
- ✚ Health Benefits for Retired Employees (August 2, 2002)
- ✚ Our View of the 2002-03 Budget (April 20, 2002) - PowerPoint Presentation

### \* Facilities

- ✚ Central Los Angeles New Learning Center No. 1 (Ambassador) (July 1, 2003)
- ✚ K - 12 New School Construction Report (April 14, 2003)
- ✚ Reopening Hughes Middle School as a High School (April 3, 2003)
- ✚ Phase II Construction Needs in Local District A and C (April 3, 2003)
- ✚ Criteria for Approving a Conversion Charter (April 3, 2003)
- ✚ Data for Selected Elementary and Middle Schools (January 14, 2003)
- ✚ LAUSD Response to Passage of School Bond Issues (November 12, 2002)
- ✚ Proposition (Measure) K Information and Campaign Activities (September 24, 2002)
- ✚ Number of Classrooms to Be Built with Bond Funds (August 9, 2002)
- ✚ Geographic Distribution of 2002 Local Bond Funds (July 23, 2002)

## Review of the Organization and Operations of the Los Angeles Schools

\* Other

- ✚ Revised Memo Regarding Ethics Office (August 15, 2002)
- ✚ Modification of Ethics Office (August 7, 2002)

- It did not appear from the above-listed reports that the work of the Independent Analysis Unit was focused consistently on the programs and priorities of the district or assessing which programs worked and which ones did not. The reports, moreover, contained few, if any, recommendations for improvement or next steps.
- The team could not identify any program evaluations that were performed by the Independent Analysis Unit to improve program quality or cost-effectiveness in such major operational areas as Benefits Administration, Food Services, Transportation, Purchasing, Materiel Management, or Contract Administration.
- District initiatives and performance goals are not aligned with and/or connected to the budget. For example, the district has not adequately assessed the long-term budget effects of the new schools and Small Learning Communities initiatives on maintenance and operating (M&O) costs.
- The teams did not see any evaluations of the effectiveness of the district's professional development offerings on student achievement. The Strategic Support Team also saw little evidence of "return on investment" (ROI) or "cost benefit" analyses of program effectiveness or evidence that program evaluation results were tied explicitly to budget decisions.
- Principals do not have authority to evaluate plant managers, school police, academic coaches, and other school-based staff members.
- The evaluation of district administrators, including principals, is governed by a contract with the Associated Administrators of Los Angeles (AALA). Administrators are evaluated at least once a year in the first two years of service and once annually thereafter. Areas of evaluation include such items as oral communication, written communication, analysis, judgment, decisiveness, extraorganizational sensitivity, development of staff members, leadership and influence, instructional leadership, planning and organizing, delegation and follow-up, and initiative/innovativeness. An employee's final evaluation also shall include an overall evaluation (including but not limited to progress toward established district objectives) and a record of punctuality and attendance. (See Article VII, Section 1.4.) There is no component for evaluation of principals on student achievement goals.
- The evaluation of teachers is largely governed by a contract with United Teachers of Los Angeles (UTLA). Teachers on probation are evaluated every year; all other teachers are evaluated every other year. Criteria for evaluation include a) support for student learning, b) planning and designing instruction, c) classroom

## Review of the Organization and Operations of the Los Angeles Schools

performance, d) developing as a professional educator, e) punctuality, attendance, and record keeping. Procedures are highly proscribed, particularly in circumstances in which an employee is about to receive a Notice of Unsatisfactory Service from a site administrator. Such notices are subject to grievance procedures. (See Article X of contract.) There is no explicit component for the evaluation of teachers on student achievement goals.

- The district has done some limited benchmarking, but the results have not been used in any systematic way to improve operating efficiencies or to control costs.
- It does not appear that anyone in the system is evaluated for coordinating the work of their units with other units in the district.

### C. Recommendations

1. Establish goals and objectives for the Central Support System and related offices that are linked to the goals and priorities articulated by the Board of Education's Statement of Mission, Vision, and Goals and the district's strategic plan and other operational plans by—
  - \* Articulating the role of each office in achieving overall district goals and objectives.
  - \* Establishing performance measures that can be used to assess the extent to which each office is achieving its goals.
  - \* Assessing the strengths and shortcomings of each office in achieving its goals.
  - \* Setting priorities based on systematic assessments of where improvement is most needed.
2. Establish quantifiable performance indicators that are linked to the goals and objectives for the Central Support System and related offices (which, in turn, are linked to the Board's goals and priorities identified in the district's strategic plan and other operational plans) by—
  - \* Identifying performance indicators.
  - \* Determining information needed to track performance against those indicators.
  - \* Working with the Chief Information Office to modify systems to track performance using these indicators.
  - \* Developing procedures for recording information on performance indicators.
  - \* Implementing monitoring systems and procedures.

## Review of the Organization and Operations of the Los Angeles Schools

3. Perform benchmark comparisons on an ongoing basis to help calibrate the level of performance that should be provided by the Central Support System and related offices, Local District offices, and schools—
  - \* Identify high-performing organizations in each noninstructional area.
  - \* Identify data needed for comparisons.
  - \* Develop data collection templates.
  - \* Contact other organizations to gather data.
  - \* Summarize data and assess implications.
  - \* Identify “lessons” learned from benchmark organizations.
  - \* Develop plans to implement lessons.
  - \* Implement improvement plans.
  - \* Repeat this process every two to three years.
4. Develop and implement an overall framework for evaluating performance and cost-effectiveness of all major educational and operational programs that—
  - \* Identifies the types of factors that should be considered when evaluating the performance of a major educational and/or operational program.
  - \* Identifies the type of factors that should be considered when determining whether a program is cost-effective.
  - \* Identifies the factors that should be considered when making trade-offs between program costs and program effectiveness.
  - \* Provides a framework with guidelines that all managers can use when evaluating program performance and effectiveness.
  - \* Charges the leaders of each organizational unit to use this framework to develop guidelines for evaluating the performance and cost-effectiveness of their operations.
  - \* Includes a schedule for completing programs evaluations for each organizational unit.

## **Review of the Organization and Operations of the Los Angeles Schools**

- \* Evaluates the performance and cost-effectiveness of each major educational and operational program.
  - \* Develops improvement initiatives based on the evaluation.
  - \* Creates and implements plans to implement needed improvements.
  - \* Reevaluates program performance and cost-effectiveness every two-to-three years.
5. Place senior staff members in the central office on performance contracts tied explicitly to the attainment of districtwide academic goals specified in the strategic plans or revamp the evaluation process to ensure that staff members are evaluated explicitly on these goals.
  6. Modify the goals and objectives of all senior managers in the Central Support System and related offices so that controlling costs without compromising services are included in their performance expectations and evaluations.
  7. Place Local District superintendents on performance contracts tied explicitly to their attainment of regional academic goals and benchmarks. All Local District superintendents should be evaluated on their regions' movement toward their goals.
  8. Revisit all regional and school plans to ensure that they align with districtwide goals, and that all goals are measurable, explicit, and have timelines for progress.
  9. Evaluate school principals explicitly on their progress toward attainment of their achievement goals, but grant them additional latitude to hire and fire school-based personnel.
  10. Give parents an explicit role in the evaluation of school staff.

**Review of the Organization and Operations of the Los Angeles Schools**

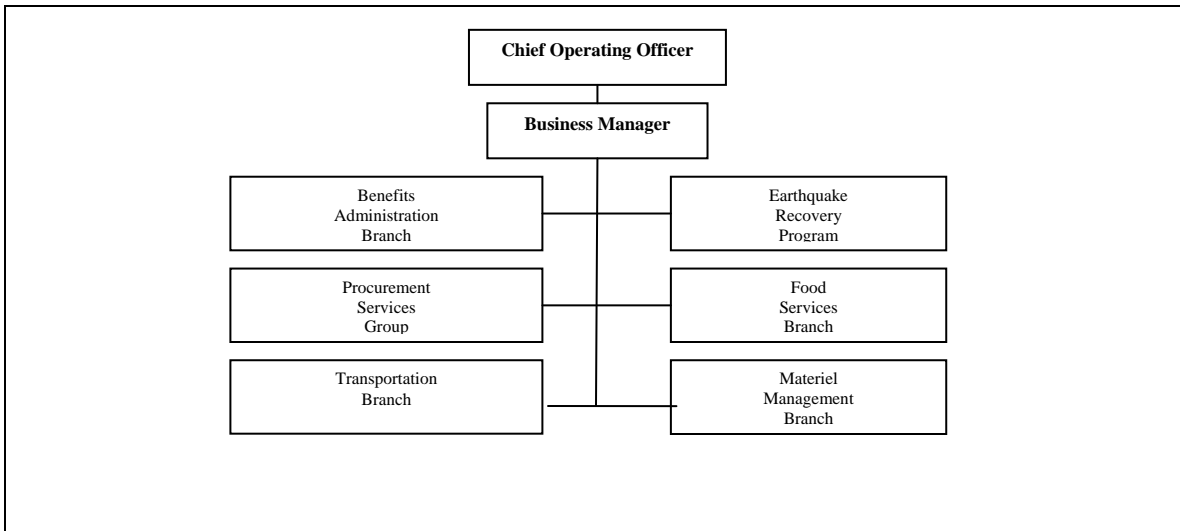
## V. BUSINESS SERVICES

### A. Introduction

The district's Division of Business Services reports directly to the Chief Operating Officer and is responsible for the following functions— (See Exhibit 49 for the Organization of the Business Services Division.)

- Operating the National School Breakfast and Lunch Programs, Child Care Feeding Programs, Summer Food Services, and After-School Snack Programs.
- Administering busing services for some 50,000 students daily, including field trips, late activities, and athletics.
- Administering health benefits for district employees, dependents, and retirees.
- Handling professional services and other contracts.
- Acquiring and distributing goods and services needed by schools and offices.
- Administering the financial recovery from the Northridge earthquake.

**Exhibit 49. Organization of the Business Services Division**



The major goals of the Business Services Division include—

- Developing a marketing partnership program to provide increased revenue for the district.
- Increasing student meal participation by improving student access, food quality, and menu selection.

## Review of the Organization and Operations of the Los Angeles Schools

- Developing a workable life-cycle and bus replacement strategy to improve the quality of buses transporting students and to reduce maintenance costs.
- Coordinating and overseeing district physical asset utilization/reutilization and space allocations.
- Expanding the district’s strategic sourcing program to enhance vendor services and reduce costs.
- Streamlining the district’s health benefits programs and providing added services at a reduced cost to employees, retirees, and their dependents.<sup>36</sup>
- Establishing the warehouse as a reseller of materials to reduce district costs.
- Implementing multiyear point-of-sale systems.

The operational budget of the Business Services Division was approximately \$56.5 million in FY 2004-2005—up nearly 21 percent from FY 2003-2004. (See Exhibits 50 and 51.) The operating budget in this area has been largely immune to changes in student enrollment, new legal requirements, or expanded programming.

**Exhibit 50. Business Services Budget Summary, FY 2005<sup>37</sup>**

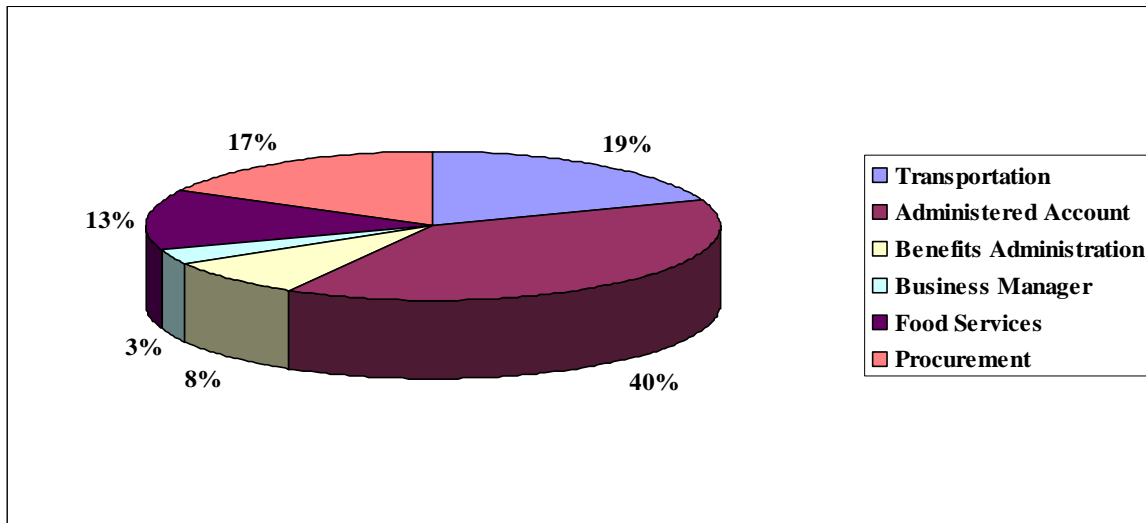
	Regular Program			SFP
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	2,052.2	1,997.4	-2.7%	0.0
Sal./Benefits	\$22,138,242	\$25,958,074		\$10,000
Exp/Equip.	7,890,760	8,411,996		25,000
Total Oper. Bud.	\$30,-29,002	\$34,370,070		\$35,000
Administered Account	\$16,753,747	\$22,159,577		\$10,000
Total Operating & Adminst.	\$46,782,749	\$56,529,647	20.8%	\$45,000

<sup>36</sup> The former Chief Operating Officer moved the health benefits branch to risk management in February 2005.

<sup>37</sup> The all-funds budget for the business services division was \$540 million in FY 2004-2005, including cafeteria funds. This amount was a 1 percent increase over FY 2003-2004 and included a 2 percent salary increase offset against a 1 percent decrease in budgeted positions.



Exhibit 51. Business Services Budget Distribution, FY 2005 (Amounts in Percentages)<sup>38</sup>



❖ **Food Services Branch**

The Director of Food Services reports directly to the Business Manager and is responsible for feeding children. The branch operates the second largest National School Lunch and Breakfast Program in the nation, serving 500,000 meals daily. The total number of meals it served during the 2003-2004 school year exceeded 106 million. The branch employs approximately 4,200 individuals who serve the district's students, 77 percent of whom are eligible for a free or reduced-price meal.

Key functions of the unit include— (See Exhibit 52 for the organizational structure of the Food Services Branch.)

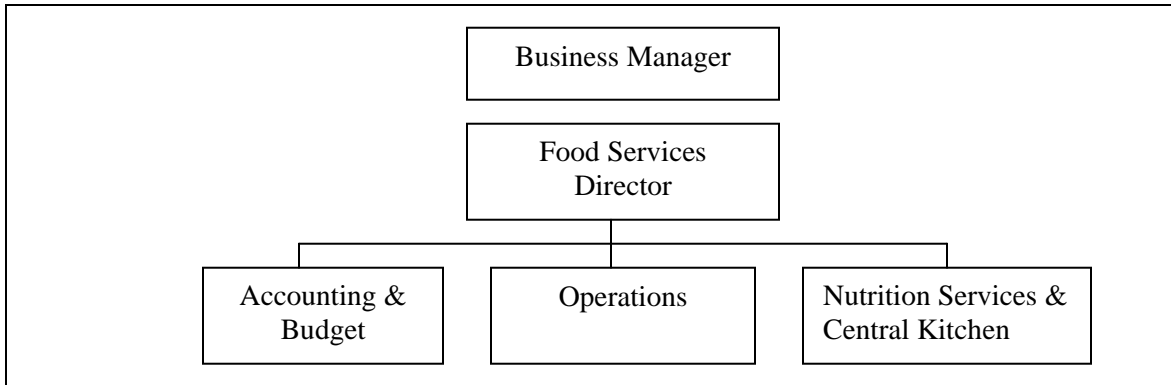
- Administering the National School Lunch Program and Breakfast Program at 749 schools, serving grades K-12, and the Child Care Feeding Program, serving 110 early education centers.
- Overseeing the Summer Food Program, which is available at 121 schools for all children under the age of 19.
- Providing the After-School Snack Program, which is available at selected schools.
- Providing meals on Saturday at select schools throughout the district.
- Overseeing a large central kitchen, which produces about 100,000 meals daily.
- Providing disaster-relief meals in Los Angeles in the event of a catastrophe.

<sup>38</sup> The former Chief Operating Officer moved the health benefits administration to risk management in February 2005.

## Review of the Organization and Operations of the Los Angeles Schools

- Planning and preparing recipes and menus, testing food and related products, implementing quality control, developing specifications, recommending pricing, conducting nutrition education and student taste panels.

### Exhibit 52. Organization of the Food Services Branch



The major goals of the Food Services Branch include—

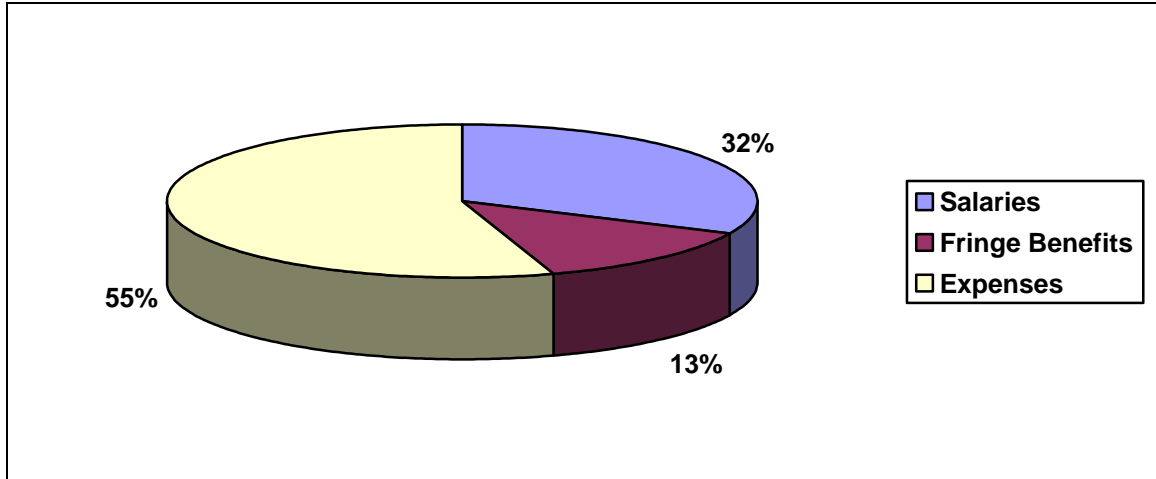
- Operating school cafeterias within federal, state, and local income requirements and in accordance with sound business practices.
- Maximizing the nutritional value of meals while maximizing student participation in school meal programs.
- Providing a comfortable, pleasant, and safe environment for students during breakfast, lunch, and break periods.

The Food Services Branch operated on a total budget of approximately \$238 million in FY 2004-2005. The budget for the unit increased by about 3.5 percent between FY 2004 and FY 2005. The budget for the Food Services Branch is summarized in Exhibits 53 and 54.

### Exhibit 53. Food Services Budget Summary, FY 2005

	Regular Program		SFP	
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	3,362.8	2,677.0		0.0
Sal./Benefits	\$121,729,051	\$91,356,613		\$0
Exp/Equip.	107,786,747	186,583		0
Total Oper. Bud.	\$229,515,798	\$91,543,196		0
Administered Account	\$0	\$146,105,516		0
Total Operating & Administ.	\$226,515,798	\$237,648,712	3.5%	\$0

**Exhibit 54. Food Services Budget Distribution, FY 2005 (Amounts in Percentages)**



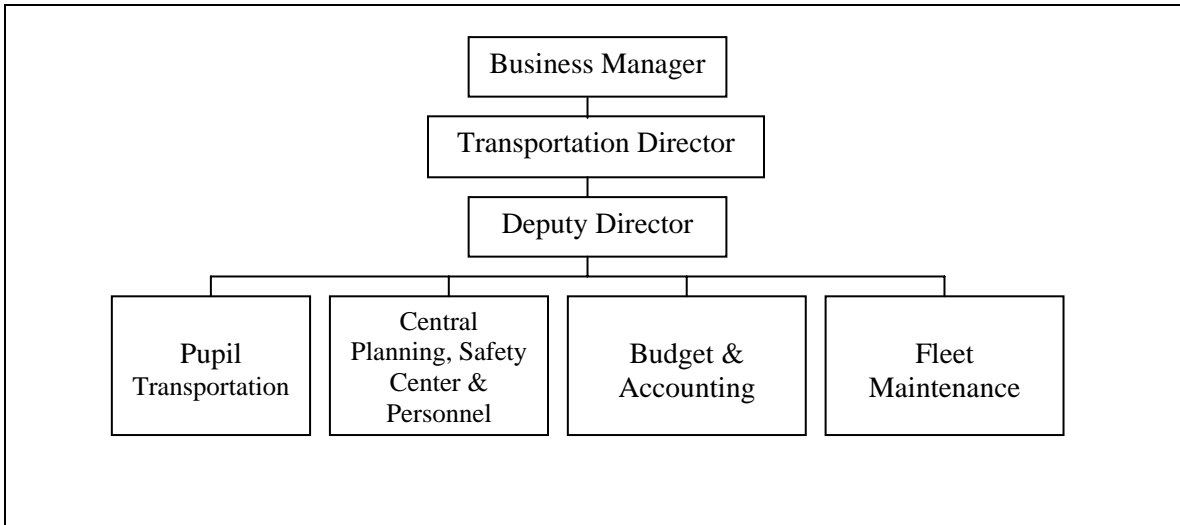
### ❖ **Transportation Branch**

The Director of the Transportation Branch reports directly to the Business Manager and has the responsibility for providing safe, dependable, efficient and cost-effective transportation to the district's children. The Transportation Branch provides home-to-school/school-to-school busing services for approximately 80,000 students every day on more than 2,100 routes. In addition, the branch provides approximately 103,000 other types of bus trips each year, such as class field trips, academic shuttles, parent buses, late activity buses, and athletic team buses. The Transportation Branch buses travel more than 38.4 million miles annually in support of the district's student transportation program. In addition, the branch operates the largest Compressed Natural Gas bus fleet in California, with 84 buses.

Key functions of the unit include— (See Exhibit 55 for the organizational structure of the transportation branch.)

- Providing home-to-school transportation for 80,000 students along 2,378 routes and 38.4 million miles annually.
- Processing requests, scheduling buses, and tracking expenditures for approximately 103,000 instructional and other bus trips.
- Operating five major garage facilities required to service more than 2,774 district-owned buses, trucks, and autos.
- Providing a continuous program for the training of bus drivers that exceeds the requirements mandated by California law.
- Responding to emergencies, including accidents, and resolving problems and complaints from parents, school administrators, and the public.

**Exhibit 55. Organization of the Transportation Branch**



Major goals of the Transportation Branch include—

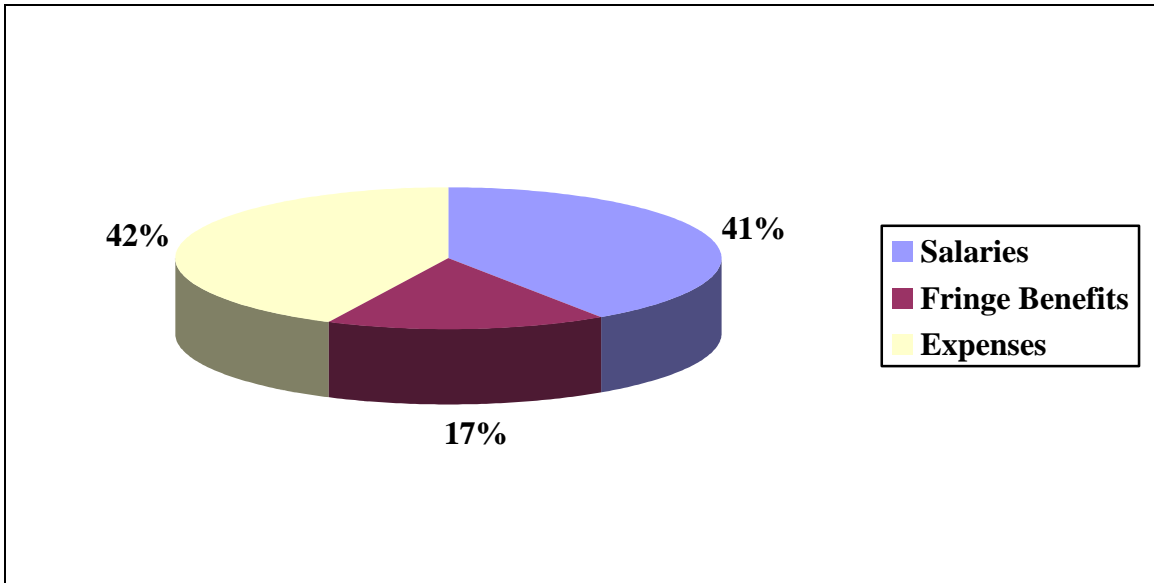
- Purchasing new buses to replace those that have exceeded their useful life.
- Analyzing the cost of district versus contract bus operations.
- Transporting students in a safe, dependable, efficient, and cost-effective manner.
- Maintaining the district’s vehicle fleet.

The Transportation Branch operated with a budget of approximately \$191.5 million in FY 2004-2005, about the same as the year before. See Exhibits 56 and 57 for summaries of the budget.

**Exhibit 56. Transportation Branch Budget Summary, FY 2005**

	Regular Program			SFP
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	1,589	1,575		\$1,000,000
Sal./Benefits	\$9,383,664	\$9,763,489		\$0
Exp/Equip.	1,243,343	1,143,463		0
Total Oper. Bud.	\$10,627,007	\$10,906,952		0
Administered Account	\$180,342,048	\$180,580,135		0
Total Operating & Administered	\$190,969,055	\$191,487,087	0.3%	\$1,000,000

Exhibit 57. Transportation Budget Distribution, FY 2005 (Amounts in Percentages)



❖ **Procurement Services Group**

The Chief Procurement Officer also reports directly to the Business Manager and has responsibility for a number of departments with somewhat overlapping and/or interrelated functions. The Procurement Services Group consists of the following three units—

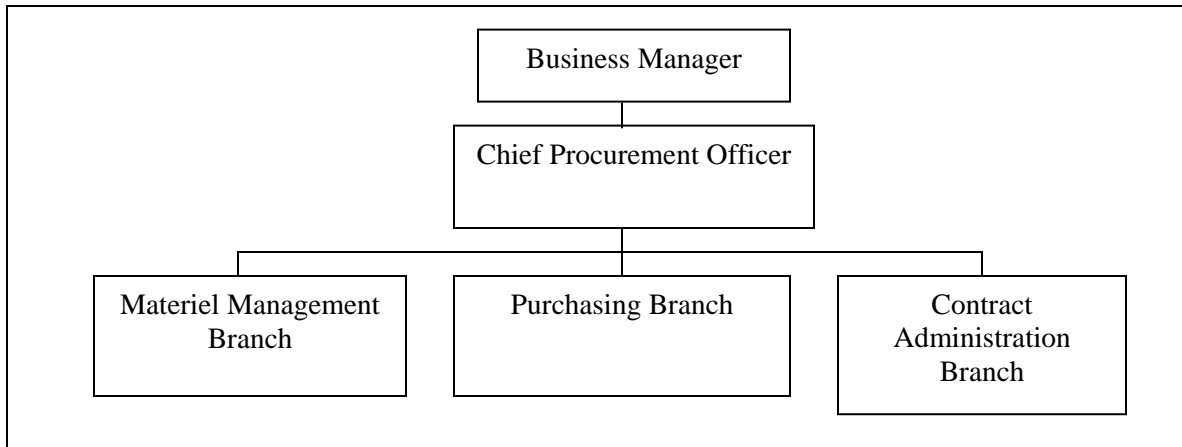
- Purchasing Branch
- Materiel Management Branch<sup>39</sup>
- Contracts Administration Branch

Key functions of the unit include—(See Exhibit 58 for the organizational structure of the group.)

- Administering the purchase, lease and rental of all goods and services (with the exception of land).
- Ordering and distributing supplies, equipment, furniture, food, and school mail.
- Picking up and transferring salvage items.
- Overseeing contracts for the disposal of rubbish and recyclable material.
- Providing printing services to all schools and offices.
- Preparing and executing district contracts.

<sup>39</sup> Unit was moved from the Procurement Services Group to a direct report to the Business Manager in January 2005.

**Exhibit 58: Organization of the Procurement Services Group**



❖ **Materiel Management Branch**

The Director of the Materiel Management Branch reports to the Business Manager through the Chief Procurement Officer and has overall responsibility for acquiring district products and services and supervising the district's supplies warehouse, food warehouse, distribution, and school mail, as well as has management responsibility for supporting education with quality products and services.

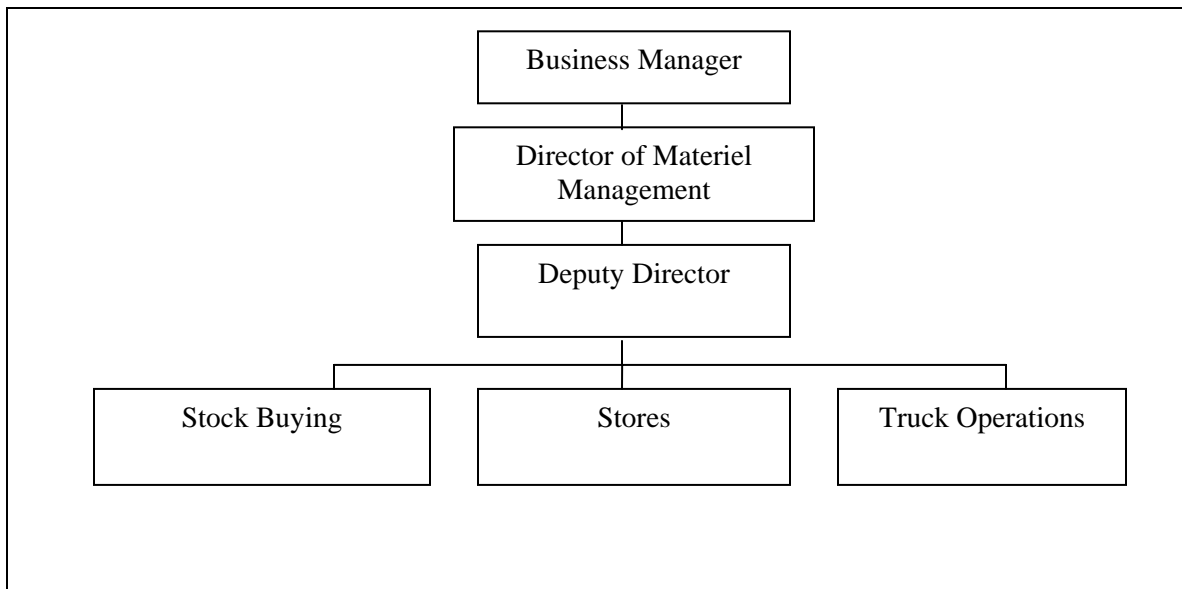
Some of the key functions of the Materiel Management Branch include—(See Exhibit 59 for the organizational structure of this branch.)

- Maintaining a supply and equipment warehouse and a maintenance warehouse. The warehouse handles about \$100 million in goods each year.
- Assessing and determining items to be stocked and preparing an annual catalog.
- Delivering supplies and equipment to schools and offices. The unit makes some 1,658 truck or van deliveries a day.
- Maintaining a food warehouse for grocery, cafeteria supplies, and produce.
- Delivering food, produce, meat, and cafeteria supplies to schools. The unit provides some 61.7 million 8-oz. containers of milk annually.
- Developing and executing contracts for supplies, equipment, and food.
- Conducting periodic price surveys to assure that the warehouse items are priced competitively.

## Review of the Organization and Operations of the Los Angeles Schools

- Sorting, processing, and delivering interoffice and U.S. mail to schools and offices. The unit delivers some 24.4 million pieces of mail a year.
- Administering contracts for the collection of rubbish and recyclable materials from schools and offices, and ensuring delivery of rubbish to landfills or transfer stations and the delivery of recyclable materials to processing plants.
- Receiving salvage supplies and equipment and determining the appropriate disposition.

### Exhibit 59. Organization of the Materiel Management Branch



Major goals of the Materiel Management Branch include—

- Increasing sales in the warehouse to reduce the cost of goods to the schools.
- Reducing postage costs.
- Minimizing or eliminating the cost of salvage operations.

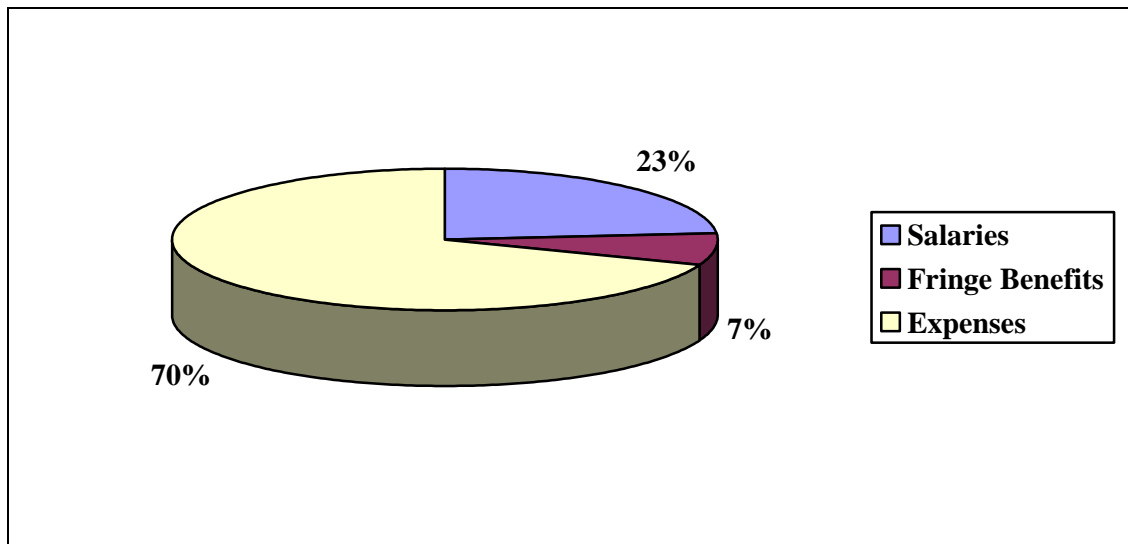
The FY 2004-2005 budget for the Materiel Management Branch was approximately \$14.8 million, about the same amount as the year before. The unit operates with a staff of about 366 people. The budget for the branch is summarized in Exhibits 60 and 61.

**Review of the Organization and Operations of the Los Angeles Schools**

**Exhibit 60: Materiel Management Branch Budget Summary, FY 2005**

	<b>Regular Program</b>		<b>SFP</b>
	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>% Change</b>
Positions	337	366	
Sal./Benefits	\$894,199	\$1,150,160	
Exp/Equip.	4,080,969	4,551,618	
Total Oper. Bud.	\$4,975,168	\$5,701,778	
Administered Account	\$9,650,113	\$9,109,694	
Total Operating & Administered	\$14,625,281	\$14,811,472	1.3%

**Exhibit 61. Materiel Management Budget, FY 2005 (Amounts in Percentages)**



**❖ Purchasing Branch**

The Director of the Purchasing Branch reports directly to the Chief Procurement Officer and is responsible for the Buying Section, Textbook Procurement Section, Procurement-Card (P-Card) Unit, and the Document Production Services Section. In an average year, the Purchasing Branch issues about 130,000 purchase orders with a value of approximately \$550 million. Because of the substantial amount of public funds involved, the California Public Contract Code, Education Code, Government Code, and district policy guide the Purchasing Branch.

Key functions of the Purchasing Branch include— (See Exhibit 62 for the organizational structure of the Purchasing Branch.)



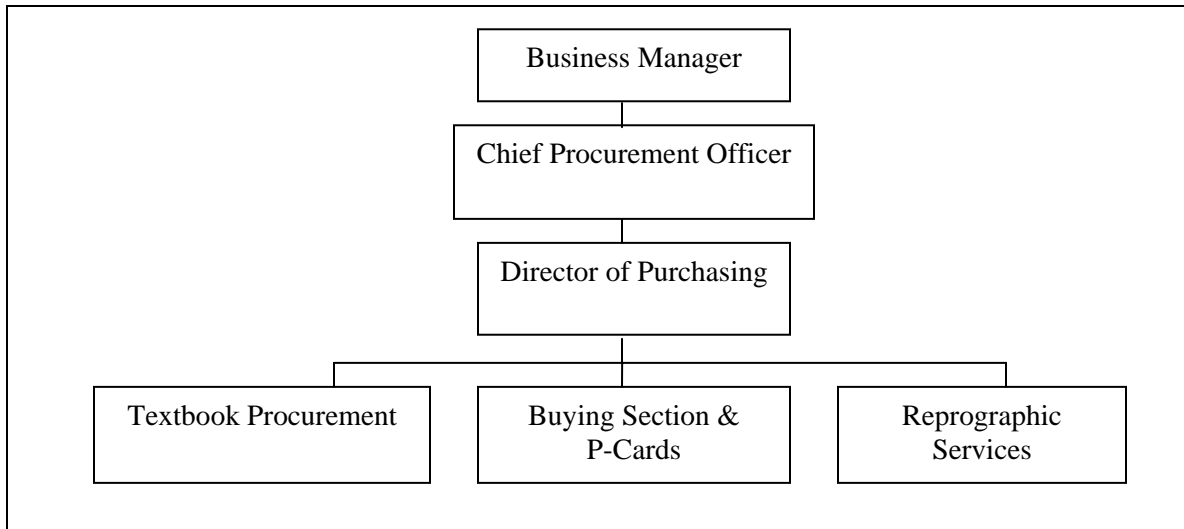
## Review of the Organization and Operations of the Los Angeles Schools

- Ensuring that all district purchases comply with state laws, such as the Public Contract Code provision requiring formal bids for any purchase exceeding state bid limits and board policy.
- Acquiring goods and services utilizing a competitive bid process, at the lowest possible price.
- Preparing specifications for supplies, equipment, and services to ensure that applicable laws, safety regulations and product-toxicity guidelines are observed.
- Providing technical procurement support to field Purchasing Services Coordinators performing procurement activities to ensure compliance with state law and board policies.
- Providing contract oversight and assistance to district schools and offices to prepare, execute, and review contracts for maintenance and renovation; and reviewing contracts for transportation, food, supplies, and equipment.
- Monitoring and researching changes in the procurement industry and implementing technological innovations (e.g., E-commerce) that streamline existing district purchasing processes.
- Providing technical oversight in the procurement and inventory control of textbooks and other instructional materials. The unit handles about 13,700 textbook transactions annually.
- Administering the district's Procurement Card (P-Card) program for low-value purchases. The district has about 1,690 active cardholders.
- Providing printing services to schools and offices. The unit gets some 6, 800 work requests a year.

Major goals of the Purchasing Branch include—

- Improving textbook ordering and control systems.
- Transitioning the Purchasing Branch to a business-based enterprise operation.
- Establishing strategically sourced contracts for ASB purchasing needs.

**Exhibit 62. Organization of the Purchasing Branch**



The FY 2004-2005 budget for the Purchasing Branch is summarized in Exhibits 63 and 64. The unit operated on a budget of about \$3.4 million that year with some 60 staff members.

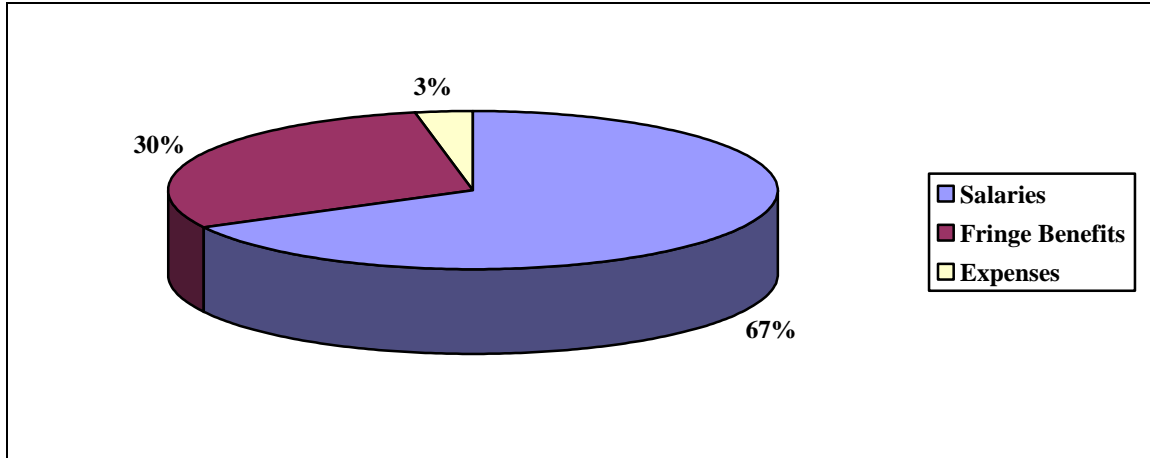
**Exhibit 63. Purchasing Branch Budget Summary, FY 2005**

**Regular Program**

**SFP**

	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>% Change</b>	<b>FY 2004-2005</b>
Positions	69	60		1
Sal./Benefits	\$3,263,146	\$3,304,474		\$10,031
Exp/Equip.	121,489	53,784		0
Total Oper. Bud.	\$3,384,635	\$3,358,258		\$10,031
Administered Account	\$0	\$0		\$0
Total Operating & Administered	\$3,384,635	\$3,358,258	-0.8%	\$10,031

Exhibit 64. Purchasing Branch Budget, FY 2005 (Amounts in Percentages)



❖ **Contract Administration Branch**

The Chief Procurement Officer also reports directly to the Business Manager and has overall responsibility for processing all contracts and amendments to contracts for the district's instructional and non-instructional operations.

Major functions of the Contract Administration Branch include—(See Exhibit 65 for the organizational structure of the contract administration branch.)

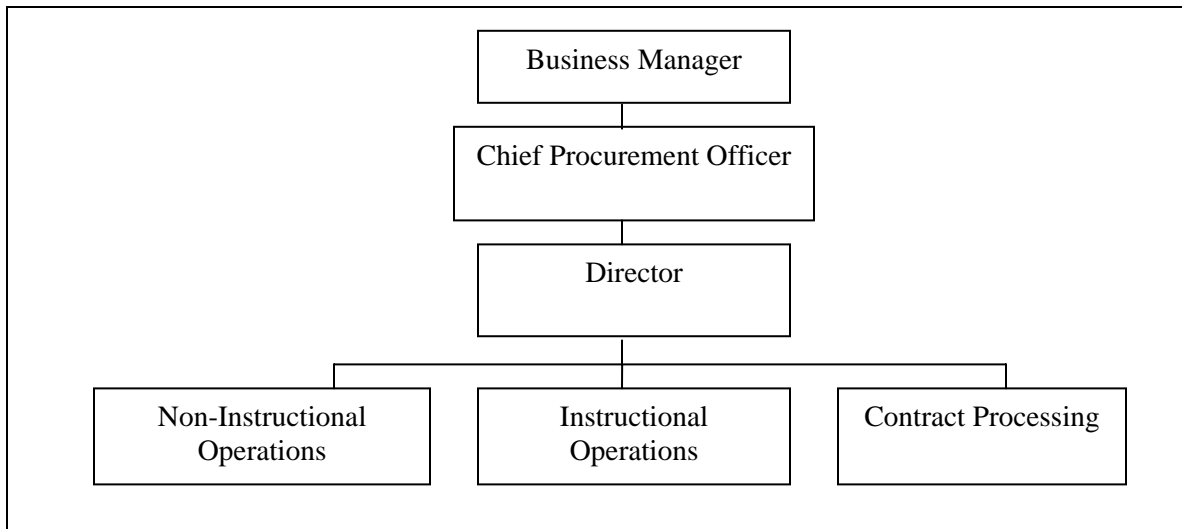
- Processing of all contracts and amendments—about 2,400 contracts annually.
- Administering Master Service Agreements for enrichment and professional services.
- Competing services through Request for Proposal (RFP) processes.
- Assisting schools and offices in obtaining favorable pricing through negotiations.

Major goals include—

- Enhancing strategic contracting for instructional professional development.
- Reducing the lead time for the initiation of centralized RFPs.
- Increasing availability and usage of contract reports.
- Implementing procedures in the grants process to reduce processing time by 50 percent by June 30, 2006.

## Review of the Organization and Operations of the Los Angeles Schools

**Exhibit 65. Organization of the Contract Administration Branch**

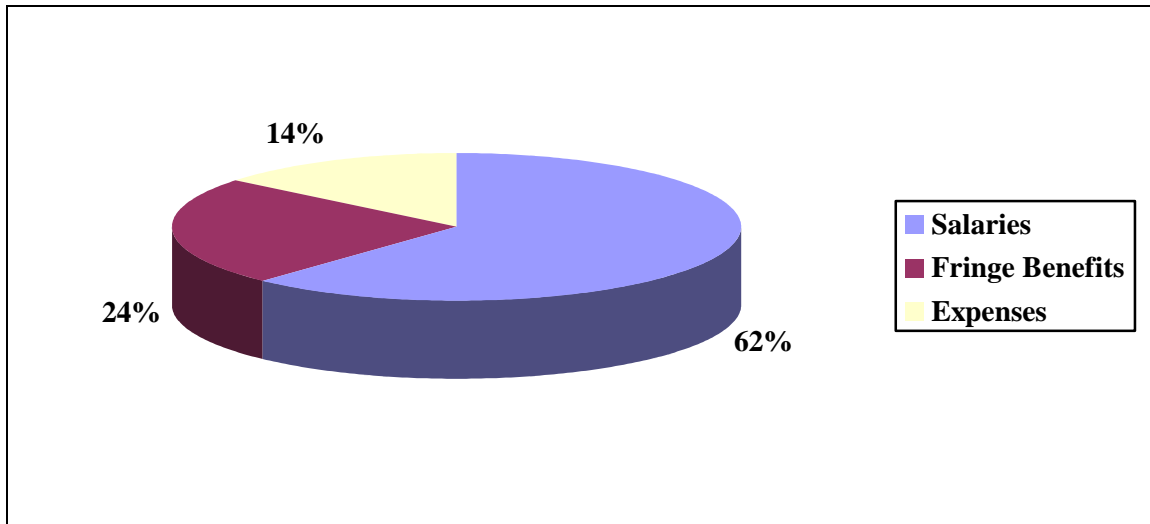


The FY 2004-2005 budget for the Contract Administration Branch, which is summarized in Exhibits 66 and 67, totaled some \$2.0 million. The unit employs some 23 staff members.

**Exhibit 66. Contract Administration Branch Budget Summary, FY 2005**

	Regular Program			SFP
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	19	23		1
Sal./Benefits	\$1,361,873	\$1,809,464		\$85,182
Exp/Equip.	107,724	233,505		0
Total Oper. Bud.	\$1,469,597	\$2,042,969		\$85,182
Administered Account	\$0	\$0		\$0
Total Operating & Administered	\$1,469,597	\$2,042,969	39.0%	\$85,182

**Exhibit 67. Contract Administration Branch Budget, FY 2005 (Amounts in Percentages)**



## **B. Major Accomplishments**

The Business Services unit has had a number of notable accomplishments over the last several years under the Romer administration. For example, it has—

- Developed a “systems” approach to goal and performance measurement and standards through *Managing for Results/Service Efforts & Accomplishments*.
- Created a new mission statement for the food services unit to clarify its role in supporting academic achievement.
- Expanded expertise in cafeteria operations by adding registered dietitians, training specialists, meal compliance audit clerks, and equipment specialists to the staff.
- Put the food services unit on a self-sufficient basis financially.
- Revamped the policies, procedures, and training materials of the food services branch.
- Expanded the distribution of transportation contracts to avoid putting all “eggs in one basket.”
- Improved the training program for school bus drivers to exceed state requirements.

## **Review of the Organization and Operations of the Los Angeles Schools**

- Received recognition from SAP Public Services, Inc., of Washington, D.C., for being ahead of other school districts in the state and nation in the use of technology to manage the bus fleet.
- Improved the use of data and goal metrics for management purposes.
- Retrofitted newer buses with diesel-particulate traps that use only ultra-low sulfur diesel fuel.
- Improved the computerized system for routing and scheduling of school buses, scheduling of curricular trips, tracking of drivers' licenses, and accident data.
- Strengthened communications with sponsors through standardized training in the Procurement Services Group.
- Expanded technology in the procurement group to simplify contracting duties.
- Consolidated warehouse and delivery operations, and lowered prices on warehouse goods.
- Reduced permit and metered postage costs using District Mail Unit.
- Made materiel management branch independent of General Fund budget
- Expanded savings to district under P-Card program.
- Saw improvements in customer satisfaction ratings.
- Installed a Document Administration System (DAS) in the purchasing branch.
- Implemented a new employee benefits system, which is integrated with Human Resources.
- Transferred COBRA administration to an outside vendor.
- Strengthened the capacity of senior staff in analysis, program development, and implementation.
- Partnered with Information Technology Division (ITD) and Accounts Payable to provide more accurate reports on PSG and LAUSD operations.

### **C. Areas of Concern**

The superintendent asked the Strategic Support Team to review the structure, organization, policies, and practices of the district's Business Services Division and to make recommendations to better align the district's priorities with its budget in a clearly

## Review of the Organization and Operations of the Los Angeles Schools

communicated and transparent manner. The team’s analyses resulted in specific findings with recommendations in the following categories—

1. Organizational Culture
2. Strategic Planning
3. Communications
4. Organization
5. Procedures, and Processes

The Council also conducted a second assessment that involved having the division rate itself on a series of “best practices” that were then compared with the self-assessments from other major urban school systems across the country. The results are shown in Appendix G.

### Organizational Culture

- The Strategic Support Team noted that most functions in the Business Services Division, as in many other areas of the district, operate in silos with little cross-unit collaboration, planning, or problem solving.
- There seemed to be more of an emphasis in the division on technical performance measures than customer service. The Materiel Management Branch was the notable exception to this, with a clear customer service orientation.
- The team heard numerous complaints that there was little incentive for the division to find efficiencies because savings were routinely seized to balance the overall budget.
- The team found qualified and experienced leadership in many units of the division, but felt that much of the talent was being underutilized.
- Many principals have “go to” people in the Business Services Division to help resolve problems. Informal “underground” processes fill the void, however, when formal systems are unresponsive to school needs.

### Strategic Planning

- The Business Services Division does not have its own strategic plan, but does utilize the *Managing for Results* document for strategic planning, goal setting, performance measurement, and it does compile outcomes in its “Services Efforts and Accomplishments” reports.
- The Business Service Division feels it has encountered resistance from the Local Districts towards its efforts.

## Review of the Organization and Operations of the Los Angeles Schools

### Communications

- The team was told by any number of people it interviewed that decisions by the division were often made in isolation with very little communication to schools or stakeholder groups. For example—
  - \* A policy of returning improperly prepared mail had a negative impact on schools, but schools had not been adequately informed of changes in the practice before implementation.
  - \* The transition of the Materiel Management Branch into a self-funded enterprise center seems to have been made without significant departmental input.
  - \* The instructional division initiated early-release planning days without discussing the operational or fiscal impact they would have on the Transportation Branch.
  - \* The Purchase Branch was not consulted on the new obesity and beverage policy prior to its approval.
- The team heard repeatedly that central office service providers believe that they are providing good services, but their customers (the principals) perceive services to be lacking.
- The lack of involvement by the Transportation Branch in designing the logistics required to provide “common planning time” obliged some schools to use their own funds to provide transportation, and denied other schools that lacked the financial resources from participating.

### Organization<sup>40</sup>

- The team found a general lack of clarity in the lines of responsibility, authority, and accountability across divisions. For example, no clear delineation exists between instructional and operational responsibilities. Local District administrators and principals both described a wide range of noninstructional duties that they perform.
- The team observed that some issues have not been resolved related to the reorganization of the district from 11 regions to eight. For example, the change in the reporting relationship of the Project Managers from the Local District Facility Directors to the central office remains somewhat unresolved. In addition, the 11

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<sup>40</sup> The Business Services unit currently does not maintain oversight responsibilities for local district facilities staff, school police, or M&O personnel or functions.



## Review of the Organization and Operations of the Los Angeles Schools

- Project Manager districts do not align with the eight Local Districts, creating unnecessary confusion about who is responsible for what.
- The team found organizational issues in the district that are inhibiting its ability to accomplish its mission and goals. For example—
    - \* The Local District Facility Directors had control of the entire maintenance and operations (M&O) process and reconstruction projects, but now control only M&O.
    - \* The Business Services Director has no direct control of the Local District business managers.
    - \* The Business Services Division offered assistance to schools for school student-body stores but has no direct control over them. People in the division feel that schools are resistant to their involvement in school business matters.
  - There are few consistent procedures manuals for business operations. The procedures manuals that do exist come from individual departments and vary in their degrees of quality and comprehensiveness.
  - Principals believe that they spend a disproportionate amount of time on business issues. It is clear that many of them lack the training to perform business and financial tasks effectively.
  - A lack of consensus exists on the most effective organization for the Local District Facility Directors. The Facility Services Division would like the Local District Facility Directors to report to the Chief Facilities Executive, while the Local Superintendents want to retain their current autonomy.
  - The scope of responsibilities for principals appears ill defined. The team heard concerns that the sheer volume of issues related to the construction program has overwhelmed principals. It was suggested that establishing a “school business and facilities manager” at each school would free the principals to focus on instruction.
  - The team observed that there are organizational accountability problems. For instance, principals cannot evaluate the plant manager, school police, academic coaches, and other school-based staff members.
  - The long-term impact of the new schools and the Small Learning Communities on the budget and on maintenance and operating (M&O) costs have not been assessed adequately.
  - There is a lack of clarity on the most effective reporting relationships for school-based food service personnel. Control of school assignments and professional

## **Review of the Organization and Operations of the Los Angeles Schools**

development rests with the schools and not with the Food Services Branch. The Food Services Branch has some ability to transfer food service staff, but principals can be a roadblock in this process. The team heard that there is little incentive for efficiency in school food service operations because the cafeteria manager reports directly to the principal.

- There is a lack of clarity regarding the responsibilities of the food services staff and the school custodians in maintaining cafeteria areas.
- The team heard that there was considerable redundancy or lack of clarity in who to call for maintenance and operation services. Principals also indicated that the people they called were not necessarily the people who did the work.
- The principals stated they would prefer to have a “Help Desk” for central office services rather than the multiple layers of bureaucracy that they are now required to navigate.
- The creation of the new school operations division (Facilities Division) outside of the regular district structure reflects significant internal problems.

### **Procedures and Processes**

- The division appears to be heavy on staffing and light on technology. Many functions are performed manually.
- The division attempts to function in a district that has multiple and disparate databases that do not connect for any meaningful analysis. Internal systems do not talk to each other, and data warehouses are not connected.
- There are numerous noncompliance issues in food services and with Title I data.
- The Food Services Division has no effective Point-of-Sale control technology. Business is conducted based on a paper-intensive management system. Students manually turn in tickets for each meal that are then tallied by hand.
- The 2004 Comprehensive Annual Financial Report (CAFR) indicated that the food service program had some mathematical errors in meal and participant counts. (The current process involves hand counting more than 350,000 meal tickets and entering the weekly reports on meal counts by hand into the computer systems.) The CAFR also indicated problems in reporting food commodities and some weaknesses in income verification procedures.
- The Service Efforts and Accomplishments initiative requires significant staff activity. Divisions claimed they had to hire an additional analyst to keep up.

## **Review of the Organization and Operations of the Los Angeles Schools**

- The team did not see any evidence that the division used any return on investment (ROI) or cost benefit analysis as part of its routine planning.

### **D. Recommendations**

The Council recommends a number of strategies and steps to improve the operations and organization of the Business Services Division—

1. Develop an integrated and comprehensive strategic plan for the Business Services Division, which is linked the superintendent's goals and incorporates customer-centric objectives with measurable outcomes.
2. Move to resolve and clarify organizational reporting relationships among the schools, Local Districts, and central units to achieve clearly defined and well-coordinated operational units. This process should clarify the role of the principals and use this definition as the basis for future restructuring decisions. This process also should resolve the accountability issues created by the principals' inability to evaluate their plant managers, school police, academic coaches, and other school-based staff members who report to central support units.
3. Update, streamline, and communicate the district's standard operating procedures, and upgrade antiquated internal controls to reduce the need for system "work-arounds" that have been employed by Local District superintendents and school principals.

## **Review of the Organization and Operations of the Los Angeles Schools**

4. Create the position of Campus Business Manager with the appropriate skills and responsibilities to relieve the principal of certain administrative burdens, allowing him or her to focus on instructional leadership
5. Create a one stop “Help Desk” to handle all noninstructional issues faced by the schools.
6. Make greater use of cross-functional teams to resolve problems and develop operational plans for improved efficiencies.
7. Charge the leaders of the Business Services Division with developing a plan for improving customer relations and hold them accountable for implementing it. Units need to be certain that the service that they are delivering effectively is the service that their customers actually want.
8. Institute a mechanism for recognizing and rewarding individual, group, and unit performance, creativity, and efficiency within the division.
9. Reduce organizational redundancies and flatten the organizational structure of the division by eliminating one-to-one reporting relationships.
10. Incorporate USDA requirements to strengthen procedures, improve accuracy, and update Free and Reduced Price Lunch Program eligibility and student counts so that current information is available for use by Title I and other programs.
11. Implement Point-of-Sale technology for the school-based food service program to improve efficiency by reducing the manual effort in handling paper lunch tickets.
12. Increase internal controls over purchasing by—
  - \* Using employees who are independent of the purchasing department to review purchase prices periodically.
  - \* Considering competitive bids by other agencies in making purchasing decisions.
  - \* Rotating the areas of responsibility of contract or purchasing officers on a regular basis.
  - \* Maintaining a record of suppliers who have not met quality or other performance standards.
  - \* Documenting and publishing the selection criteria and processes for awarding personal service or construction contracts.
13. Establish controls to ensure that goods are received and meet quality standards, and that include—

## Review of the Organization and Operations of the Los Angeles Schools

- \* Procedures for filing claims against carriers or vendors for shortages or damaged materials.
  - \* A process for accurately counting and examining received goods to ensure that they meet quality standards.
  - \* Receiving reports that account numerically for or are otherwise controlled to ensure that all receipts are reported to the accounting department.
  - \* Designating a district representative to monitor and evaluate contractor performance and approve receipt of services for special purpose materials, services, or facilities.
14. Review the district's inventory levels periodically and compare them with other school districts to ensure that excessive levels are not maintained.
  15. Develop a broadly approved strategic and operational plan that aligns the Food Services Division with the new policy direction on healthier foods selections and nutrition education that has been adopted by the Board of Education.
  16. Increase the span of control of the Food Services Division with clear lines of responsibility, sufficient authority, and appropriate staffing levels to promote the success of the program.<sup>54</sup>
  17. Develop sound cash, account and programmatic management practices to ensure that the food services program can operate with a cash flow budget in place and sufficient unreserved fund balance to meet planned needs.
  18. Use ongoing market research to improve food quality and needs assessments to develop training programs to improve food service that meet basic program needs.
  19. Continue to take advantage of all significant opportunities to comply with U. S. Department of Agriculture (USDA) regulatory policies, improve management, increase efficiencies and effectiveness, and reduce costs, including submitting and receiving federal reimbursements in a timely manner.
  20. Develop and present to the Board of Education and the public better data on the student transportation cost implications of district educational program decisions, such as school choice and magnet schools, charter schools, and other special programs.
  21. Consider staggered school start-times to help ensure that the district's buses are serving as many students as possible (i.e., maximize the district's average bus

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<sup>54</sup> As part of this effort, return the responsibility for selecting, managing, and supervising the cafeteria managers to the division.

## Review of the Organization and Operations of the Los Angeles Schools

occupancy). Alternatively, demonstrate through a financial analysis that staggered school start-times would not make student transportation more cost-efficient.

22. Periodically review the organizational structure (including reasonable spans of control and reasonable lines of authority) and staffing levels of the Transportation Branch to ensure the administrative layers and processes are appropriate.
23. Assess the turnover rate for drivers and attendants and make changes to retain drivers and recruit replacements effectively. As part of the effort, collect information on wages and benefits offered by adjacent school districts and by local employers that compete for the pool of applicants.
24. Consider adopting and enforcing policies that—
  - \* Establish when or if school bus drivers with traffic violations charged against them are able to continue driving.
  - \* Recoup training costs for bus drivers who terminate their employment within one year from being hired.
25. Develop a process to ensure that sufficient vehicles are acquired economically and are available to meet current and future transportation needs, including—
  - \* A cost-effective vehicle replacement policy for school buses and other district vehicles that uses criteria such as age, mileage, and maintenance costs versus value.
  - \* Maintenance of multiyear records of district vehicle purchases to document that replacement standards are being met and that sufficient allowance has been made for both projected growth and accommodation of school board program decisions that have an impact on the need for district vehicles.
26. Review the sufficiency and efficiency of transportation physical facilities periodically and evaluate the feasibility and desirability of satellite vehicle servicing areas.
27. Adopt and implement policies on the circumstances under which a bus driver may discharge a student at any stop other than the one the student usually uses and on when exceptional education students who cannot be accommodated on district school buses may be provided suitable alternative arrangements.
28. Increase the division's span of control with clear lines of responsibility, sufficient authority, and sound cash and account management to ensure the program operates with a cash flow budget in place and a sufficient unreserved fund balance to meet planned needs.

## **Review of the Organization and Operations of the Los Angeles Schools**

29. Return the responsibility for selecting, managing, and supervising the cafeteria managers to the division.
30. Continue to take advantage of all significant opportunities to comply with USDA regulatory policies, to improve management, increase efficiencies and effectiveness, and reduce costs, including submitting and receiving federal reimbursements in a timely manner.

**Review of the Organization and Operations of the Los Angeles Schools**



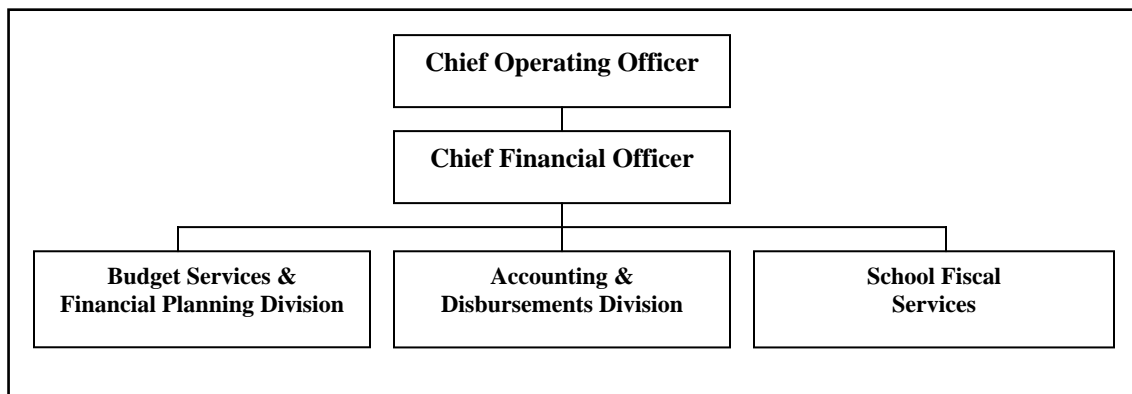
## VI. FINANCIAL MANAGEMENT

### A. Introduction

The district's Chief Financial Officer reported directly to the Chief Operating Officer when the Council made its site visit,<sup>55</sup> and is responsible for the following functions—

- Monitoring the district's financial performance, including reporting financial results of investments and controlling the district's financial resources. (See Exhibit 68 for the organizational structure of the financial services division.)
- Assisting schools in the management of their financial activities, including student-body stores, imprest funds, cafeteria funds, and trusts.
- Administering and directing district budget preparation and administration activities.
- Administering and directing the collection, control, and reporting of information related to student enrollment and attendance.
- Supervising multiyear district financial forecasting activities.
- Receiving, disbursing, and accounting for funds, including payroll.

**Exhibit 68. Organization of the Financial Services Division**



The major goals of the Chief Financial Officer include—

- Improving the budget process by communicating better with schools.
- Making the budget development process easy to understand and implement.

<sup>55</sup> The Council commends the district for repositioning the Chief Financial Officer as a direct report to the superintendent after the site visit.

## Review of the Organization and Operations of the Los Angeles Schools

- Making it easy for schools to manage their budgets.
- Improving stakeholder access to financial information by augmenting printed budget material and expanding use of the Web.
- Capitalizing on opportunities to expand and create sources of income.
- Improving grant management.
- Increasing efficiency, timeliness, and accuracy of the various payment systems.
- Expediting the availability of funds to schools.
- Enabling schools to access accounting reports locally.
- Increasing efficiency in fee collection and refunds, and improving communications between staff and developers.
- Maximizing reimbursements for services performed under MediCal and various state mandates.
- Streamlining the budget transfer process, including payroll functions.

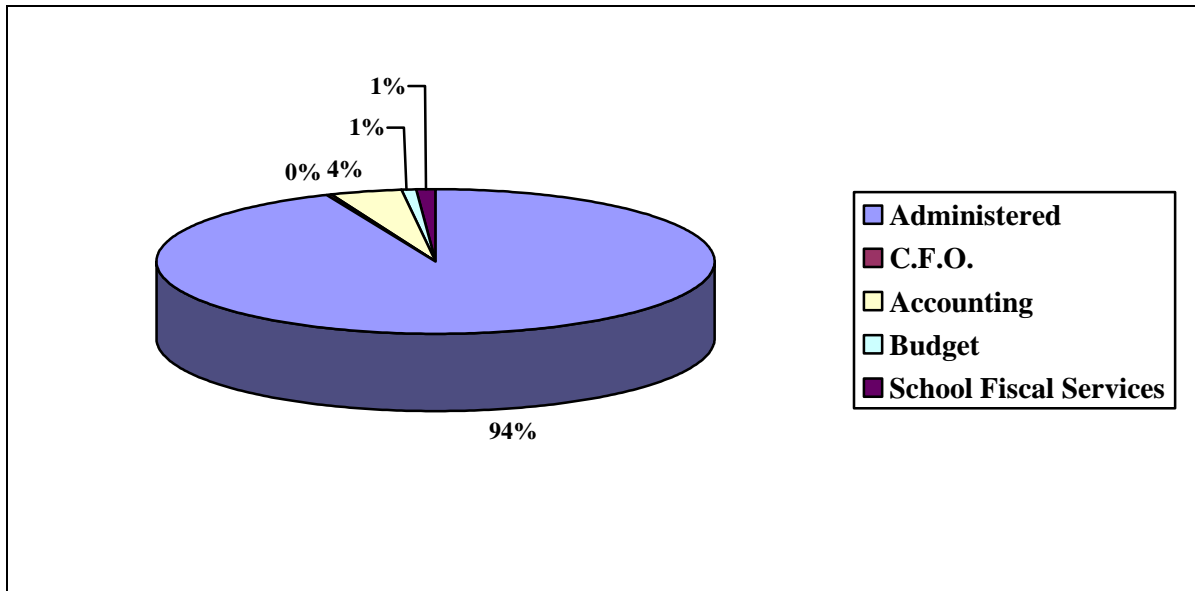
The Financial Services Division works with a FY 2005 budget of about \$578 million and a staff of about 457. (See Exhibits 69 and 70.) The division has cut a number of positions since 2004 to help balance the budget. The result has been greater workloads, exacerbated in part by new legal requirements, efforts to improve services, and the integration of new and existing computer systems.<sup>56</sup>

### Exhibit 69. Financial Services Budget Summary, FY 2005

	Regular Program	SFP		
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	478.49	456.87		27.02
Sal./Benefits	\$30,897,729	\$31,417,434		\$2,158,229
Exp./Equip	50,504,995	\$5,928,795		\$2,158,229
Total Oper. Bud.	\$81,402,724	\$37,346,229		\$2,566,179
Administered Account	\$489,061,948	\$540,729,470		\$1,121,095
Total Oper./Adm	\$570,464,672	\$578,075,699	1.3%	\$3,687,274

<sup>56</sup> The Budget Services and Accounting and Disbursements Divisions, for example, reduced positions and other resources in their operational budget to meet the requirements for a balanced FY 2005 Budget.

**Exhibit 70. Financial Services Budget Distribution, FY 2005  
(Amounts in Percentages)**



## **B. Major Accomplishments**

The Financial Services unit has had a number of notable accomplishments over the last several years under the Romer administration, including having—

- Established a stronger unit focus on communication and customer service.
- Reduced cycle time for accounts payable from 90 days to fewer than 30 days.
- Distributed budget allocations to schools prior to start of school to maximize the effective use of resources.
- Consolidated school budgets to provide a single view of resources available to principals.
- Implemented a position control system to provide a single database for use by Budget, Human Resources, and the Personnel Commission for control of staffing.
- Established a support organization in the field (School Fiscal Services) to assist schools in budget development, staffing, and payment activity with current and uniform information.
- Issued a guide for the appropriate use of Student Body Funds
- Automated student attendance reporting to facilitate accurate and timely reports for state aid.

## Review of the Organization and Operations of the Los Angeles Schools

- Automated budget development to minimize the work demanded of principals.
- Eliminated the July budget transfer “blackout” period to allow principals at year-round schools greater flexibility in administering their budgets.
- Increased the level of collaboration among principals and local offices to maximize the use of resources through recurring cross-functional committees, including a series of back-to-school readiness meetings that laid the groundwork for a relatively painless opening of year-round schools.
- Reduced reliance on nonvoter-approved debt to finance facilities and equipment.
- Increased interest earnings on workers compensation reserves.
- Balanced the budget while maintaining cash reserves at a level that has been deemed adequate in the eyes of the ratings agencies.

### C. Areas of Concern

The Council of the Great City Schools conducted two kinds of reviews on the operations of the Financial Services Division. The first assessment involved a site visit by the Council’s Strategic Support Team to interview staff and review documents. The second assessment allowed the division to rate itself on a series of “best practices” that were then compared with the self-assessments of other major urban school systems across the country. The results of the self-assessment are shown in Appendix H.

The first method the Council used to assess the district’s financial operations involved a site visit to the Financial Services Division by the organization’s Strategic Support Team. The team’s analysis resulted from a number of findings, observations, and major concerns in the following categories—

1. Organizational Culture
2. Strategic Planning
3. Communications
4. Operational Procedures and Processes

#### Organizational Culture

- Organization charts for the unit are not well maintained, which suggests that the charts do not necessarily reflect how the division is really organized.
- The financial services unit, however, has a highly skilled and dedicated staff that is struggling to keep the school district in good financial condition.
- The district’s leadership has brought in a number of new managers from outside the district to lead the financial services unit. Current staff members have received

## **Review of the Organization and Operations of the Los Angeles Schools**

some of these managers better than others; and some managers have acculturated themselves into the district better than others. The unit exemplifies the “insider” versus “outsider” split that one often sees in the school district. The advantage of bringing in outsiders, of course, is that they help pump new ideas into the organization; the disadvantage is that they sometimes lack a sense of institutional history and may be distrusted by long-time staff members.

- The financial services unit, like other operating units, is sometimes hampered by the district’s slow decision-making process—something that is common in such large organizations—and by a reluctance to “create waves” at lower levels of the organization.
- The Strategic Support Team noted little sense of teamwork, collaboration, or coordination in the unit under its previous leadership.
- The district’s Board of Education does not appear to have a separate audit committee, although functions for such a committee are handled by a larger committee covering audit, business, and transportation.

### **Strategic Planning**

- The district often has to develop its budget without knowing how much money the state will provide, because of untimely state budget decision making.
- The district’s overall strategic plan is not explicitly tied to its spending priorities. One is unable to tell how the budget reflects the district’s overall goals, priorities, and targets.
- Tying budget allocations to district priorities and goals does not appear to be a systemwide priority, and no one has been charged with this responsibility. In other words, the district’s budget is not driven or shaped by the board’s instructional priorities and goals.
- The district does not conduct any meaningful analysis of how its resources are being spent at the Local District and school levels to determine if systemwide priorities are being addressed financially.
- The district appears to use its general operating funds for ongoing operations and its categorical resources for strategic priorities. In other words, the district’s strategic priorities may be shaped as much by how categorical funds are allowed to be spent as by the district’s actual priorities.
- Changes in districtwide priorities are not necessarily reflected in the budget in a timely fashion.

## Review of the Organization and Operations of the Los Angeles Schools

- The district's budgeting process appears to be handled almost exclusively at the central office level with very little input from schools and principals.
- Budget cutting is often done by making across-the-board cuts with little analysis of impact on schools and without sufficient analysis of program priorities, utility, or effectiveness.
- The district's total net assets decreased by \$10.7 million from FY 2003 to FY 2004 due to higher salaries and benefit obligations. The system also ran a reserve fund of about 2.6 percent in FY 2004.<sup>57</sup>
- The team heard numerous reports that legacy grants were not aligned with the superintendent's priorities.
- Federal Title I funds are allocated too late in the school year to be fully utilized effectively by the schools, resulting in large carryover amounts.
- The 2004 CAFR also indicated that the district did not have a policy in place to perform required analyses to determine compliance with federal supplement/supplant regulations and numerous other mandates under the 21st Century grant program.

### Communications

- The district's comprehensive budget document is not user-friendly, and appears to be designed almost solely for accountants rather than school or community users. No citizens' guide to the budget is available.
- The district's budget lacks standard reporting formats across the organizational units. District staff members often develop and disseminate their own customized reports for the Local District superintendents.
- Division leaders complained that they lack the documentation and written procedures necessary to compile their annual budgets.
- The district continues to lack effective technology to get financial information out to schools, negatively affecting schools' ability to manage their resources. This issue, however, is being addressed in the Enterprise Resource Planning (ERP) project.
- Principals repeatedly complained to the team that financial services staff members in the central office were delinquent in returning phone calls about budget matters.

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<sup>57</sup> Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2004. The board has established a reserve goal of 5 percent.

## **Review of the Organization and Operations of the Los Angeles Schools**

- The district's Financial Reporting Data Base (FRDB) is not widely known or used because of lack of training and communications from the central office.
- There appears to be little financial benchmarking of the district against other peer organizations and institutions.
- There appears to be minimal effort to take advantage of the district's economies of scale in the budgeting process.
- How budget cutting is done at the central office level is not well communicated to the field. One round of sizable budget cutting in the 2004-2005 school year came without detailed annotations or explanations, and came midyear—resulting in further uncertainty at the school level about the status of local spending.
- Overall, the district's budgeting appears to lack credibility and transparency to the public and to staff members at the Local District and school levels.

### **Operational Procedures and Processes**

- Standard operating procedures, business rules, internal controls, training, and uniform usage guidelines appear to be lacking in the financial services unit.
- The operating systems within the division are somewhat fractured and exacerbate the lack of coordination across units.
- Grant writing across the district is highly fragmented, occurring at schools, Local Districts, and at central offices. Schools seek grants without central controls even if grants work at cross-purposes with district goals.
- The General Fund is significantly encroached upon by external categorical programs with inadequate funding streams. For example, the special education budget is \$1.5 billion of which \$500 million is from the General Fund; and the early childhood budget requires \$7 million from the General Fund to complete its program.
- Substantial overlap exists in the financial functions of the Budget Division and virtually every other office in the district. Schools and departments often maintain their own books, believing that their own information is better than that of the budget office. Principals, likewise, often feel that they are better informed than are their fiscal specialists.
- The Budget Office appears to have very capable technicians but many seem to lack strong managerial skills. The work of most of the staff is transactional in nature rather than analytic or strategic.

## Review of the Organization and Operations of the Los Angeles Schools

- The district lacks a treasurer’s position. Instead, the treasurer’s function is part of the Controller’s job.
- The Strategic Support Team noted that \$350 million of risk management funds are sitting in money market accounts.
- All Local District Fiscal Services Managers have the same job descriptions, but there appears to be fairly wide variance in their assigned roles and responsibilities.
- Administration of the district’s budget appears to be very labor intensive, manual, and very “technology light.” Many tasks could be done faster, better, and at minimal cost—in spite of technological limitations—by using Web-based resources.
- There are multiple and disparate databases within and across organizational units that do not talk with one another and do not connect for any meaningful financial analysis. In addition, data warehouses are not connected.
- The district appears to have trouble tracking financial data across years, especially external grant data.
- The FY 2004 CAFR indicated that the district had a number of security weaknesses in terms of access to its financial databases. The district agreed to implement a corrective plan.
- Principals have limited latitude to make budget modifications and transfers over the course of the year. Complex rules apply.
- The district does not always field-test or pilot financial programs before rolling them out to Local Districts and schools.
- The budget process is done largely as “continuation budgeting” from year-to-year, rather than being formed by district priorities and goals. Most of the school-site budgets, moreover, are based on “norm” formulas. Finally, General Fund allocations to schools are not driven by enrollment in a direct and consistent manner.
- The district has a budget forecasting and analysis function, but does not have a formal financial forecasting unit. Staff members doing budget forecasting use two-year-old salary averages in their projections and analyses. In addition, the forecasting appear to be done without adequate analysis of step-advancement costs, unfilled positions, or the effects retirees on budget allocations.



## Review of the Organization and Operations of the Los Angeles Schools

- Variance analysis of the budget appears to focus mainly on the central offices and not on programs. Variance analysis of school-level budgets is not done from year-to-year.
- District compliance with the use of federal funds appears to be left largely up to the individual schools and Local Districts.
- Payroll and benefit expenditure data are not posted in a timely manner for analysis. Payroll data are not known for a month and benefit data for six weeks after the fact.
- Proposed budget cuts are developed by budget staff, and do not involve input from the Planning and Research unit. Instructional staff members, moreover, do not recommend cutting programs that may affect school staffing. It appears that budget reductions do not incorporate information on program effectiveness that might lead to entire programs being eliminated. Instead, across-the-board cuts are made to a point at which individual programs are reduced to ineffectiveness.
- The district appears to have been deficit spending over the past four years.
- Schools have no direct access to budget transfer technology. Instead, access is limited to the Local District level.
- Schools do not have access to detailed budget transactions. Schools often do not know how much money they have at any given time. End user access to financial data continues to be weak.
- Schools appear to spend restricted funds first and carry over nonrestricted funds, while central offices appear to spend nonrestricted funds first and carry over restricted dollars.
- The position control system is used differently in the classified and certified divisions, and does not perform control functions that might be expected. For example, position control is turned off each payday, so that all employees get paid without regard to whether they are in an authorized position.
- The Strategic Support Team was told repeatedly that Human Resources and payroll records often do not match. However, some of the discrepancy appears to be due to the timing of data transfers between the two departments.
- Notifications to affected employees of staff reductions due to lower grant funding are often not made on a timely basis. The result is that employees default to the General Fund when the grant ends. The General Fund, therefore, ends up paying for salaries that should have been grant funded.

## Review of the Organization and Operations of the Los Angeles Schools

- There appears to be some delay in posting comprehensive expenditure data by location, resulting in inaccurate projections of available funds.
- Principals complained that they do not obtain real-time expenditure data until the end of the year.
- Administered accounts appear to be budgeted centrally and expended locally, resulting in position control and staff hiring problems since a position is required to exist in the location where funds are budgeted.
- There is no consistent set of procedures manuals for business and finance operations in the Local Districts. The procedures manuals that do exist come from individual departments in varying degrees of quality and comprehensiveness. Directives come from individual offices *via* memo and bulletins.
- Schools hire personnel and pay them directly from school funds. This practice has significant potential financial impact because of federal and state reporting requirements (e.g., FICA, income tax withholding, 1099, W-2, unemployment insurance, workers compensation insurance, etc). If schools do not comply with these requirements the district could be subject to penalties or fines.
- The current IFS system is underutilized. For example, the grants module has never been turned on. The best data that the central office has for major decision making is compiled on an in-house Access database.
- The district does not appear to use anything like a weighted student formula by which funds are distributed to local schools.
- There is inadequate training for financial and budget management staff members in all areas.

### D. Recommendations

The Council recommends a number of strategies and steps to improve the operations and organization of the Financial Services Division—

1. Develop an integrated and comprehensive strategic plan for the Financial Services Division that is linked to the superintendent's goals and priorities and that incorporates measurable objectives and outcomes.

## Review of the Organization and Operations of the Los Angeles Schools

2. Restructure the district's budget to clearly articulate the strategic direction and priorities of the district. The budget document should communicate how the budget relates to the district's mission, goals, and operational activities and who is accountable organizationally for specified outcomes.<sup>62</sup>
3. Tie Local District and school budget explicitly to the district's instructional goals and priorities.
4. Develop a "citizen's budget" or other accessible synopsis of the budget that can be used for communitywide distribution.
5. Expand participation in the budget development process. This expansion should extend to utilization of the information and resources of the Planning and Research department to develop objective criteria for the evaluation of programs in the budgetary process.
6. Establish a clearer process to solicit input from Local District personnel, principals, and others on the annual budget process and to pilot-test ideas before they are rolled out to the field.
7. Base decisions on program expansions or cuts on goal-driven and measurable criteria. Ineffective programs should be eliminated, not simply reduced in funding, and programs should not be continued based solely on the impact that their discontinuance might have on personnel.
8. Charge the leadership of the financial services unit with making a greater effort to understand the district's past fiscal issues, problems, challenges, and accomplishments in order to gain additional perspective on how to guide the district in the future.
9. Establish effective controls for safeguarding assets from unauthorized use, theft, and physical damage by—
  - Providing annual reports detailing all missing property items and their total costs at all cost centers or sites for review by the Board of Education.
  - Properly identifying all equipment by metal number tags or other means for positive identification.
10. Develop a process that sets objectives for risk-management activities, identifies and evaluates risks, and reduces the impact of losses, including—
  - A management policy related to risk-financing and related insurance coverage to provide reasonable coverage for risks of loss.

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<sup>62</sup> See Appendix J for a description of how the Charlotte-Mecklenburg public school district aligns its budget with its instructional goals.

## **Review of the Organization and Operations of the Los Angeles Schools**

- A comprehensive disaster recovery plan to ensure continued operations.
  - Comprehensive policies and procedures for risk-management programs that are administered by trusts or other school-related associations, if applicable.
11. Establish controls to ensure that the district's financial resources are managed properly, including—
- Monthly financial reports for fiscal management and decision making for the Board of Education.
  - Periodic reviews of and formal authorizations for district's depositories.
  - Adequate fidelity-bonding for employees responsible for cash management.
  - Cash flow analyses to determine the extent of idle funds available for investments.
  - Controls related to electronic funds transfers.
12. Establish controls for recording, collecting, adjusting and reporting receivables, including the monitoring, if applicable, of—
- The timeliness and reasonableness of property taxes and fees collected by other government units.
  - Charge-offs of delinquent accounts.
  - Aged accounts-receivable balances.
  - Billings and collection activities by the accounting department.
13. Establish tighter controls to account for payment of salaries and benefits that include—
- Implementing a mandatory direct deposit process for payroll.
  - Comparing of W-2 forms and payroll records
  - Investigating returned W-2s.
14. Monitor and report grant activities on a regular basis that includes—
- Timely investigation when financial reporting requirements are not met.

## Review of the Organization and Operations of the Los Angeles Schools

- Centralizing and fixing the monitoring of all grant activities to ensure compliance with the use of funds, and all financial reporting and billing requirements.
15. Use the district's annual external audit to improve district operations, including—
    - The timely review and follow-up of findings, development of corrective action plans, and implementation of corrective actions.
    - Presentation of audit findings and corrective action plans to the Board of Education.
  16. Created a central clearinghouse for grant applications to ensure adherence to district policies and financial practices and consistency with the district's goals, objectives, and methodologies.
  17. Hold external grant managers explicitly accountable for exceeding program budgets and not informing grant staff in a timely manner of the expiration of grant funds.
  18. Establish a more effective automated position control system for both certificated and classified personnel to prevent payments for unauthorized positions.
  19. Develop a districtwide budget calendar to ensure that finance decisions are made on a standard basis and can be made early enough to avoid midyear financial disruptions.
  20. Institute the necessary technology to provide timely, useful, and accurate standardized financial reporting to Local District and school personnel to enable them to manage their resources better and to preclude the need for school sites to maintain their own separate financial records. This technology should allow budget transactions and have budget transfer capabilities.
  21. Establish uniform comprehensive financial procedural manuals for school sites, Local Districts, and central offices and conduct appropriate training for users.
  22. Reexamine how the district manages and spends its federal Title I resources. This should include—
    - An examination how central control points in the organization are hampering the effective utilization of these funds.
    - An analysis of whether funds are being used to support the district's priorities at the school site level.
    - An analysis of whether funds are being allocated on a timely basis.

## **Review of the Organization and Operations of the Los Angeles Schools**

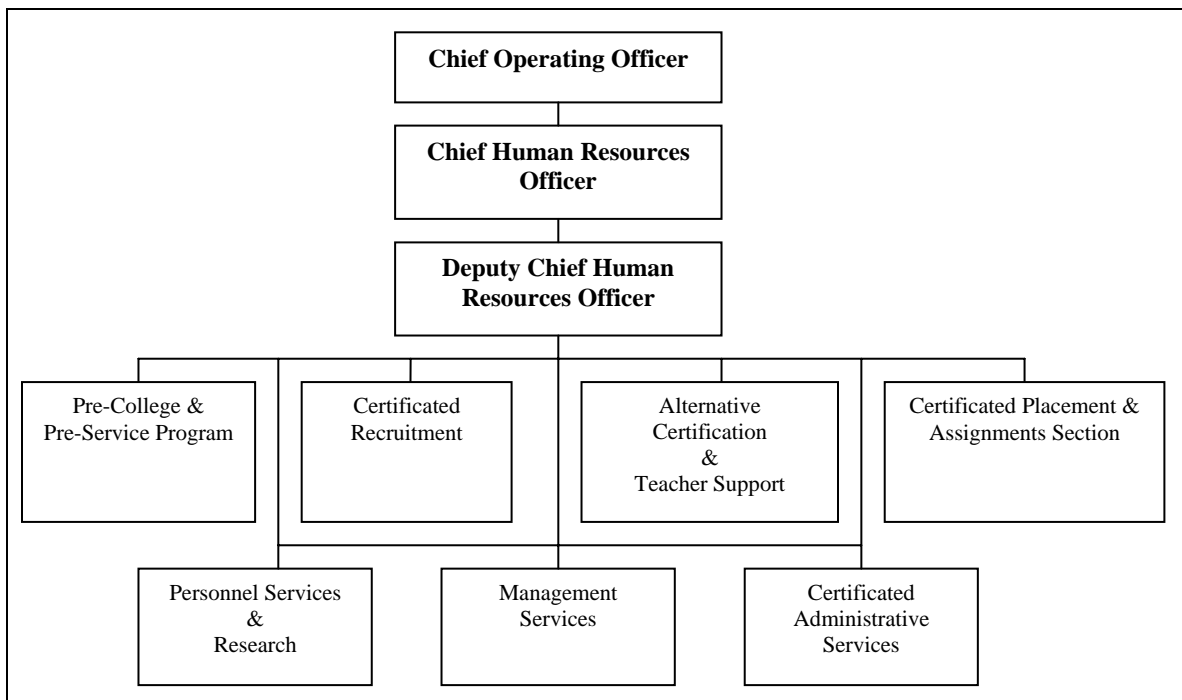
## VII. HUMAN RESOURCES

### A. Introduction

The school district's Chief Human Resources Officer reports directly to the Chief Operating Officer and is responsible for the following—(See Exhibit 71 for the organizational structure of the Human Resources Division.)

- Providing human resources support, including benefits and payroll, for some 80,000 district employees.
- Developing policies related to the operations of the Human Resources Division.
- Administering all activities related to the recruitment, selection, assignment, and compensation of certificated employees.
- Providing technical resources in all areas related to certificated and unclassified personnel matters.
- Coordinating employee medical clearance processes, discipline, demotion, and dismissal transactions of employees.
- Administering a comprehensive teacher training and support program.

**Exhibit 71. Organization of the Human Resources Division**



## Review of the Organization and Operations of the Los Angeles Schools

The major goals of the Chief Human Resources Officer include—

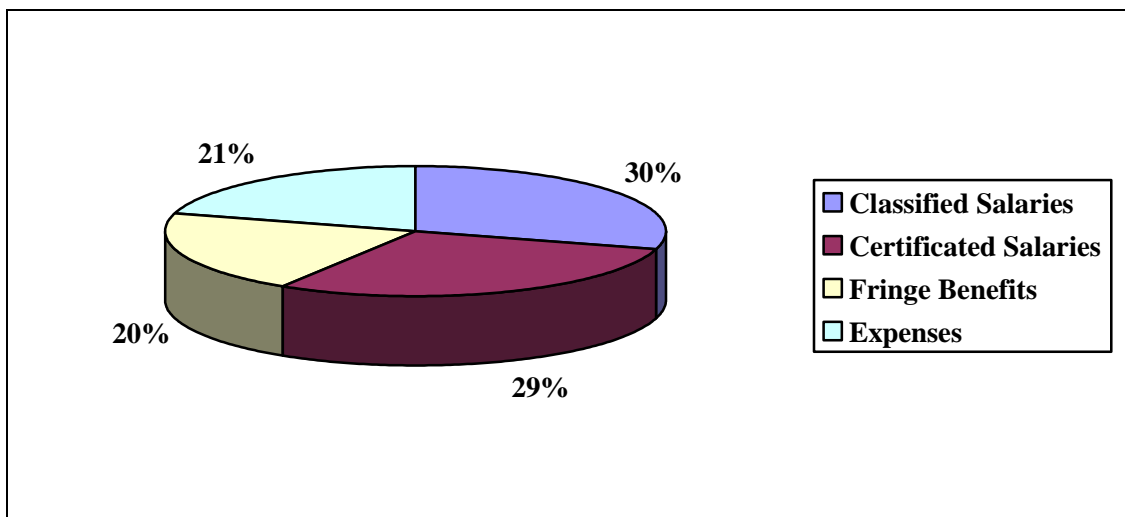
- Increasing the number of credentialed teachers in underperforming schools.
- Increasing employment of emergency permit teachers in the pre-intern and/or intern programs.
- Improving employment processes, procedures, and practices through enhanced technology and staff development, and strengthening data systems.

The Human Resources Division operated with an FY 2005 budget of about \$31.8 million in FY 2005 and a staff of about 383. The unit sustained a 10 percent (\$3.1 million) budget cut between FY 2004 and FY 2005. (See Exhibits 72 and 73.)

**Exhibit 72. Human Resource Services Budget Summary, FY 2005**

	Regular Program	SFP		
	FY 2003-2004	FY 2004-2005	% Change	FY 2004-2005
Positions	382.74	382.74		75.02
Sal/Benefits	\$29,954,821	\$25,135,835		\$15,427,260
Equip/Expenses	\$4,718,205	\$6,566,726		\$9,808,976
Total Oper. Bud.	\$34,673,026	\$31,702,561		\$25,236,236
Non-School Admin. Accts.	\$760,952	\$123,179		\$0
Total Oper./Admin.	\$35,433,978	\$31,825,740	-10.2%	\$25,236,236

**Exhibit 73. Human Resource Services Budget Distribution, FY 2005 (Amounts in Percents)**





### B. Major Accomplishments

The Human Resources Division has had a number of notable accomplishments over the last several years under the Romer administration,<sup>63</sup> including having—

- Increased the number of fully credentialed teachers at LAUSD from 77.1 percent (27,620) in 2002 to 91.7 percent (32,536)
- Decreased the number of emergency-permitted and pre-intern teachers (categories that are not highly qualified) from 6,349 (18 percent) to under 500 (1.6 percent).
- Increased the number of highly qualified teachers (defined as those possessing either a full credential or having passed an appropriate subject matter test and serving as an intern) from 82 percent to 98.4 percent.
- Reduced the percentage of teachers who were “emergency credentialed” from 10.5 percent in 2002 to 1.4 percent in 2004.
- Improved the distribution of highly qualified teachers across all Local Districts. (No Local District has less than 97 percent highly qualified teachers. In contrast, previously nearly one-third of Local District teachers were permitted to teach on an emergency basis.)
- Increased the quality of new applicants/teachers by recruiting the best “early” and offering them an “early contract.” Only the top 20 percent of all applicants are offered this type of contract.
- Implemented a six-week Pre-service Orientation Training program for all new teachers who are not fully credentialed before they enter the classroom to enhance their knowledge of classroom management and district instructional priorities and programs.
- Purchased and/or designed and adopted new technology to enhance efficiency, productivity, and accountability. Examples include—
  - \* A \$65,000, online teacher application system to reduce the wait-time for receiving acknowledgement of applications from approximately six weeks to 24 hours.
  - \* A system to allow for the analysis of applicants by needed subject areas.

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<sup>63</sup> The school district won one of ten Optimas Awards in 2005 for reforms and improvements in the way the LAUSD recruits and trains employees.

## Review of the Organization and Operations of the Los Angeles Schools

- \* An automated teacher assignment “Green Book”. (Previously teacher assignments were kept “current” via pencil in green binders.) This system has been connected electronically with payroll.
  - \* An online teacher and administrator appraisal (STULL) system. (Instead of receiving 20,000 teacher paper STULLs a year, the online system allows the district to track who has submitted a form and to conduct trend analysis on grading.)
  - \* An online Summer School Application system for teachers and an online substitute teacher renewal process that replaces paper processes.
  - \* An electronic credential/authorized subject monitoring system to comply with the *No Child Left Behind* law.
  - \* A “Virtual Interview” system so principals can view interviews of teacher applicants online. (Service is provided through Interview USA, Inc.)
  - \* A self-service portal for teachers to review salary records, confirm receipt of new salary claims, and track salary questions.
- Brought the Salary Allocation Unit into compliance with Bargaining Unit agreements.
  - Posted “People of the Month” pictures of Customer Service employees in the lobbies of each floor of the central office.
  - Began monitoring customer feedback reports weekly.
  - Improved the Human Resources Web site and implemented an online customer feedback capability.
  - Implemented new telephone and e-mail protocols.
  - Implemented new initiatives to increase the number of qualified teacher applicants in critical shortage areas (math, science and special education), resulting in better fill-rates in each area.
  - Folded the school district’s 14 Teacher Training Academies (High School Small Learning Communities/Academies) under Human Resources sponsorship, allowing the unit to deepen its “Grow Our Own” program for prospective teachers.
  - Offered the LAUSD’s top 75 graduates “early contracts” that guarantee them a teaching position in the district if they successfully complete college and their teacher preparation programs.

### C. Areas of Concern

The Council of the Great City Schools conducted two kinds of reviews on the operations of the Human Resources Division. The first assessment involved a site visit by the Council's Strategic Support Team to interview staff and review documents. The second assessment involved the Human Resources Division rating itself on a series of "best practices" that were then compared with the self-assessments of other major urban school systems across the country. The results of the self-assessment are shown in Appendix I.

As noted, the first method the Council used to assess the district's Human Resources operations involved a site visit to the division by the organization's Strategic Support Team. The team's analysis resulted in a number of findings, observations, and major concerns in the following categories—

1. Organization
2. Leadership, Management and Communications
3. Operational Policies and Procedures

#### Organization

- The Human Resources Division is not positioned at a high enough level within the organizational structure to ensure that its functions are aligned with the district's goal of ensuring that "(E)very student will be taught by a highly qualified teacher and all para-educators shall meet rigorous standards. All principals will have the skills, and the time, to be instructional leaders."
- There are at least four other organizational entities with stand-alone personnel functions outside the Human Resources Division (i.e., the Personnel Commission, Early Childhood, Vocational and Adult Education, and Beyond the Bell).
- The Personnel Commission is responsible for the employment of the district's classified employees and is independent of the H.R. unit.
- The main priority and function of the Human Resources Division appears to be teacher recruitment and employment.
- The district's professional development functions appear to be fractured across multiple departments, which have their own training programs. The lack of a coordinated professional development effort weakens the district's ability to achieve its strategic instructional goal. This fractured focus and coordination is seen in—
  - \* Personal growth plans that are not linked to school improvement plans.

## Review of the Organization and Operations of the Los Angeles Schools

- \* Professional development and training programs that are tracked by the Human Resources Division but are not linked adequately to the work of the instructional division.
- The district's employee relations activities are divided under two separate administrative units. The Employee Relations Office under the Human Resources Division is responsible for employer-employee relations, disciplinary actions, and grievance issues related to non-represented district employees. The Staff Relations Office, on the other hand, reports directly to the superintendent and is responsible for all issues related to the district's bargaining units.
- The operation of the Teacher Intern (Alternative Certification) Program is split between the Human Resources Division, which is responsible for the administrative and legal aspects of the program, and the Office of Instruction, which oversees training content.
- There appears to be a weak functional connection between the Human Resources Division, which is responsible for staffing, and the Budget Office, which is responsible for position control.
- The services provided by the Medical Unit—e.g., X-rays, TB and drug testing, physicals—are arguably not human resource functions, and providing these services may unnecessarily expose the district to a wide array of potential liability issues.

### Leadership, Management, and Communications

- The Human Resources Division does not appear to play a strong strategic role in attaining the Board of Education's goals of 1) eliminating the achievement gaps, 2) securing seats for every child, 3) increasing the high school graduation rate, and 4) providing a modern and safe learning environment.
- The district has not strongly articulated how human resources functions relate to its instructional mission and goals, or to its budgeting. For example, a number of staff members told the Strategic Support Team that the Human Resources Division does not play a strong role in the district's budget development process.
- The division—with the possible exception of the recruiting unit—lacks a comprehensive set of goals, objectives, benchmarks, and targets that are aligned with the district's goal to "recruit and retain highly qualified staff." It also appears that most benchmarks used by the division lack indicators.
- The division has not developed an operational plan that aligns and manages its programs, resources, and services to support the superintendent's student achievement goals.

## Review of the Organization and Operations of the Los Angeles Schools

- Those goals that have been developed by the Human Resources Division have not been well articulated to the staff. Staff members in the division were unable to identify their unit's goals when asked by the Strategic Support Team.
- Human Resources staff members interviewed did not or could not articulate how their work aligned with the division or the district's priorities.
- The division—with the possible exception of the recruiting unit—has not developed a performance management system with the requisite tools or metrics to ensure accountability in the day-to-day work of the staff.
- The division's managers do not appear to know the functional responsibilities of each other's units, resulting in units performing similar functions (e.g., personnel placement).
- The division appears to be placing a great deal of reliance on the upcoming Enterprise Resource Planning (ERP) system to solve some of its current functional issues.
- The division has purchased off-the-shelf software without assessing its potential relationship to the impending implementation of the district's ERP system or its need for customization, or without assessing whether it might duplicate other emerging ERP functions.
- The division's Personnel Research Unit lacks focus and familiarity with "best practices" across industry lines, and does not appear to be proactive in developing or administering programs or services.
- The division demonstrates little imperative to staff schools in a timely manner. The team heard repeatedly that "We just need to get them staffed by September" and "It's a lot better than it used to be."
- The division's management has shown recent concern with the payroll problems caused by the late staffing of schools, but it is not clear that this concern has filtered down adequately. The division deserves credit, nonetheless, for its progress in reducing payroll errors and participating in meaningful cross-functional improvement teams.
- There appear to be only a handful of individuals in the district with in-depth knowledge of how the payroll system functions, and there is little training in place to increase that capacity. In addition, payroll procedures appear to be poorly documented.
- The division does not have a plan to tie technology training to its developmental needs.

## Review of the Organization and Operations of the Los Angeles Schools

- The team saw little evidence of cross-functional training of staff members to ensure that the functions of each operational unit were known across the division.
- There appears to be little commitment to the state's requirement for 150 training hours over five years to maintain certification. No single mechanism exists to track professional development hours or to ensure that the training addresses deficiencies or areas of need identified in the appraisal process.
- The division appeared to be marked by spotty coordination between units.
- The division does not have a meaningful presence in the regional offices. Regional offices have staff relations representatives, who work on grievances and other labor issues, but there are no positions at this level that would help prevent problems.
- The district does not appear to have any systemwide succession planning process.
- The data maintained by the Human Resources Division on what subjects teachers actually teach appears to be suspect.
- The evaluation of personnel districtwide appears to be weak, time-consuming, and often delayed. Conversely, the process to separate an employee is expensive and lengthy. (See chapter on accountability.) The district, moreover, does not appear to have in-depth training for administrators on conducting personnel evaluations.
- The district does not appear to have a regular process for training or evaluating substitute teachers. (The district uses between about 2,600 and 4,000 substitute teachers a day.)
- The district does have a teacher induction program that appears to handle about 1,500 teachers a year. The effort gets generally good reviews.
- The district also does not appear to have a systemwide program or initiative to reduce teacher absenteeism.
- The district does not appear to maintain a single database to track or analyze grievances that have been brought against it.

### Operational Policies and Procedures<sup>64</sup>

- The team saw little evidence that the division has adequately attempted to improve its back office operations, despite some progress in position controls, summer school applications, and electronic personnel records.

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<sup>64</sup> The Strategic Support Team was in accord with many of the findings and challenges identified in the LAUSD Human Resources Process Mapping, January 2003, prepared by TechGnosis.

## Review of the Organization and Operations of the Los Angeles Schools

- The district’s human resources operations appear to be largely transactional in nature rather than being strategic or tied to districtwide goals.
- There was little evidence that the operating policies of the Human Resources Division, which date back to 1981 (with the majority dating back to 1991), have been reviewed and/or updated. The lack of periodic or annual review and revisions could lead to a misalignment and misuse of resources, and potentially expose the district to additional risks.
- The division is marked by numerous cases whereby duplicate efforts are performed to meet a single business function, e.g., assigning substitute teachers and tracking employment applications.
- The division continues to operate with antiquated technology and relies to an unusual degree on manual, overlapping, and nonstandardized processing of paperwork, thereby risking high error rates.
- The manual processing of paperwork in the division is perpetuated and exacerbated, at least in part, by numerous and overly complex staff codes, hiring dates, salary differentials, incentives, leave types, stipends, benefits, adjustments, payroll deductions, training options, and other requirements that are hard for a generic Enterprise Resource Planning (ERP) system to accommodate. Many of these procedures have evolved over many years without regard to the feasibility of implementation.
- The 2004 Comprehensive Annual Financial Report (CAFR) indicated that the human resources/payroll system lacked controls to ensure that data transferred from one operating system to another were complete.
- The district staffs teachers at its schools through a “norming” process called the Roadshow. This process takes place in March and April of each year and is used to determine the initial number of teachers that each school will need the following school year. Projections are based on school enrollment and capacity, and are adjusted by special education needs, integration requirements, program improvement efforts, the Rodriguez case,<sup>65</sup> contract provisions, and other factors. The team was concerned that the process results in more errors than necessary in projecting staff members because of spotty synchronization between the human resources and budget processes and the use of out-of-date salary information.
- The division devotes little attention or priority to employee retention, and does not appear to have a staff retention plan as such.

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<sup>65</sup> Rodriguez v. LAUSD found that the district spent more money on schools that had more experienced teachers because their salaries were higher and more per student on smaller schools because administrative costs were spread among fewer children—resulting in schools serving poorer minority students receiving fewer resources and more inexperienced teachers.

## Review of the Organization and Operations of the Los Angeles Schools

- There is little evidence that recruitment efforts, as aggressive and successful as they are, are guided sufficiently by hard data, grade-level requirements, or core subject areas. The division does target math, science, and special education teachers, but the overall recruitment effort is less data-driven than the team would like to see.
- The substantial lag time between recruitment, hiring, and placement probably results in the district's loss of highly qualified teachers to other school districts and an inability to fill hard-to-staff positions. The division keeps no data on this loss.
- Professional development districtwide, which is not the purview of the HR division, does not appear to be tightly aligned with district goals and school improvement plans, and is not widely differentiated by experience, subject, or skill level. The team also did not see any reports or analyses of the impact of professional development on student achievement.
- It appears possible for the district to complete the hiring process without having a valid position control number for the new hire. The process creates problems for both payroll and budget.
- The division's screening and selection processes are not standardized or automated.
- There was little certainty among staff about how long it takes to hire an employee. It was evident that there was little understanding of what constitutes a "hired" employee, and no metric was in place by which data to answer the question could be gathered and tracked. (It appears that hiring can take anywhere from a day or so to six months or more.)
- The process for determining salaries for new hires is extremely complex and appears to sometimes occur after an employee is hired, not before.
- The division has no personnel call center, centralized help desk, or a clearly defined "one stop shop" center. As a result, prospective and current employees move from unit to unit to complete the hiring process or to resolve outstanding personnel issues.
- The division's early contracting and online application system has front-end utility but still requires accompanying hard copy résumés that are not available online. Prospective employees cannot yet use the online system to check the status of their applications.
- The division has implemented a unique video system that allows principals to download initial interviews and resumes on perspective employees. The system promises to be a "best practice" but the division should conduct any necessary



## Review of the Organization and Operations of the Los Angeles Schools

- analyses to determine if all interviewees participate in the taping and whether there are meaningful data gaps in the information available to principals on all candidates. Some principals interviewed by the team indicated that data were incomplete on some candidates.
- The division has a strong priority on recruiting and signing teacher candidates, but shows little follow up to facilitate placement or handle payroll processes after candidates sign their employment contracts.
  - The Strategic Support Team questions the value of the 45-minute interview process conducted by the Human Resources Division, when the results are not seen by principals, who actually do the hiring.
  - The division’s personnel evaluation process for principals, teachers, and school-based auxiliary personnel is not adequately tied to system goals, school targets, or student achievement. Few teachers are moved out of schools or are released because of poor performance.
  - The Human Resources Division is making an increasing effort to ensure that “hard-to-staff” schools have the highest quality personnel. Efforts include making early contracts contingent on the willingness of candidates to serve where needed; priority use of the “virtual interview” system by hard-to-staff schools; early job fairs for these schools; and the use of Teach for America instructors in PI 4-5 schools. These are excellent strategies, but they are likely to result in the placement of the best new teachers into these schools, not the district’s most seasoned and best qualified teachers. The team saw inadequate—
    - \* Effort to place the district’s best and most veteran teachers in hard-to-staff schools.
    - \* Use of monetary or other incentives to encourage some of the best and most experienced teachers to work in low-performing schools.
    - \* Direct placement of teachers.
    - \* Actions plans to reduce staff turnover in “hard-to-staff” schools or to retain the best teachers in these schools.
  - Seniority provisions in the teacher contract have considerable influence on the placement and assignment of teacher across the system.
  - The district has no program or incentives to place its many National Board Certified teachers or other highly qualified teachers in hard-to-staff schools. Region 7 appears have the most frequent vacancies.

## Review of the Organization and Operations of the Los Angeles Schools

- The complex job-classifications process requiring specialized staff members to fill positions may be leading to overstaffing in the Human Resources Division and the Personnel Commission.
- Teacher Interns (alternative certification) are required to develop portfolios that may not be aligned with the district's curriculum.
- There is no clear district policy for staffing new schools and managing employee transfers to these schools.
- The instructional division may not know if the professional development and training programs conducted by the Human Resources Division are aligned with or meet the district's instructional needs because the latter division tracks the training, holds the records, and maintains the database.
- The division maintains two disparate databases (HRS and TAS), which are not in sync with one another, require duplicate entries, and expose the district to potentially different answers to the same policy questions.
- There are no set dates by which administrators and teachers are required to announce their pending retirements from the district. The result may be midyear retirements and late hiring practices.
- Norming of positions in October effects the hiring of new personnel and is detrimental to year-round schools. For example, new teachers, many of whom may be the most highly qualified, are displaced first following the norming process.
- Faculty prerogatives and collective bargaining agreements have limited the ability of principals to select their own staff. For example, the team was told that 80 percent of the schools use committees to interview and select staff members. It is hard to imagine that these committees are not able to override the principal, who may want certain staff members.
- Principals told the team about a number of concerns—
  - \* The right of teachers who have been on leave to return to the district has an impact on hiring in peak times. Specifically, vacancies can't be filled with new hires because positions must first be filled with must-place teachers returning from leave.
  - \* The ease of teacher-initiated transfers to different schools makes it difficult for principals to manage coherent instructional programs.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The Rodriguez court decree requires that locations with higher costs and more experienced teachers must downsize their average teacher cost and results in schools hiring less experienced, lower-cost staff.
- The division employs 27 people to make salary adjustments; and it takes eight weeks to process such changes (including six weeks to receive, evaluate, and enter them into the system). Sometimes the delays will affect benefit coverage.
- The Personnel Commission takes phone calls, but lacks a coherent approach to better informing customers or communicating changes and direction in service delivery.
- The Personnel Commission has procedures that hinder the timely hiring of personnel, including—
  - \* Overly detailed, inflexible, and obsolete job descriptions.
  - \* Apparent creation and maintenance of multiple job classifications to prevent bumping during budget cuts
- No systemic program has been developed to train site-based staff to appropriately enter data that would reduce the district's annual 42,000 payroll adjustments.
- The district does not appear to have a single source or mechanism by which it can track the employment history of an employee in the system.

### **D. Recommendations**

The Council recommends a number of strategies and steps to improve the operations and organization of the Human Resources division—

1. Charge the Chief Human Resources Officer to develop a comprehensive multiyear strategic plan that aligns all functions, goals, priorities, major initiatives, and resource allocations of the division with the Board's mission and vision and the superintendent's strategic plan.
2. Review the division's comprehensive staff development plan for instructional employees to ensure that it includes—

## Review of the Organization and Operations of the Los Angeles Schools

- Training records on individual staff members.
  - Analyses of the aggregated results of employee evaluations to plan training programs.
  - An annual staff development plan and calendar.
  - An evaluation component on the impact of in-service training activities on student outcomes and employee feedback.
3. Assess staff development for school-based administrators, including—
    - Leadership training for administrators and school-based managers.
    - Training programs for new school administrators, including a mentoring component.
    - Retention of school administrators.
  4. Address and remedy factors that contribute to increased turnover by—
    - Linking pay increases to performance, at least in part.
    - Developing incentive programs to encourage and reward effective teachers, critical shortage teachers, and teachers in hard-to-place schools.
  5. Maintain clear and effective channels of communications with employees, including articulating the responsibilities of each district-level office so that LAUSD employees, parents, and the school board can determine the functions of those offices.
  6. Develop and provide a regular, districtwide, professional development program for teachers who substitute on an extended basis.
  7. Acquire an automated personnel system in conjunction with the Enterprise Resource Planning (ERP) project that would enable officials at school sites to access and amend personnel records.
  8. Revamp the system by which the school district evaluates its employees, including—
    - Performance contracts for senior-level staff tied to districtwide improvement goals and benchmarks with specific measures and indicators.
    - Specific and written information for staff members on goals and expectations at the beginning of the rating periods.

## Review of the Organization and Operations of the Los Angeles Schools

- A 360-degree evaluation procedure to solicit input from parents, peers, subordinates, and other stakeholders.
  - An evaluation process to inform poorly performing employees that their performance does not meet district expectations.
  - Linking a portion of employee salaries to attainment of student performance and districtwide operational goals.
9. Develop and enforce procedures for removing employees who fail repeatedly to meet district performance expectations, or whose behavior or job performance is potentially harmful to students, including—
- Training, guiding and coaching managers on the procedures and issues associated with working with poorly performing employees.
  - Monitoring the progress and performance of students who are under the instruction of teachers identified as poor performers.
  - Detailing an official to work with principals to document poor performance and to provide administrative and legal consultation to principals who are making and implementing decisions to terminate employees.
10. Manage absenteeism and the use of substitute teachers and other substitute personnel by allowing officials at school sites to access and amend personnel records.
11. Consolidate all human resources and personnel functions—including staff relations, early childhood, vocational and adult education, and Beyond the Bell—into a single department reporting directly to the superintendent to ensure the functions sustain the district’s top-to-bottom reform effort.<sup>68</sup> Petition the state to allow the district to consolidate the Personnel Commission into this consolidated department.
12. Reorganize the consolidated Human Resources Division into four core functions designed to—
- Recruit and employ personnel (employee recruitment, selection, and certification).
  - Retain and maintain personnel (compensation, retirement, unemployment, professional development, and training).

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<sup>68</sup> The Strategic Support Team recognizes that the superintendent has a very wide span of control that may preclude additional oversight responsibilities. Regardless of the district’s organizational positioning, however, it is imperative for the school system to consolidate all human resource development and personnel functions into a single office.

## Review of the Organization and Operations of the Los Angeles Schools

- Employee relations (employee hearings, staff relations, employee grievances and disputes).
  - One-stop customer services with a Call Center and Central Help Desk.
13. Restructure the department's responsibilities to ensure that there are no multiple entities with conflicting and competing functions.
  14. Consider moving some personnel specialists, fiscal specialists, and staff relations personnel to regional offices.
  15. Charge the Chief Human Resources Officer with developing and implementing quantifiable goals, targets, metrics, timelines, responsibility centers, and resource allocations, including "return on investment" (ROI), "cost benefit analysis" (CBA), and other analytical tools, to determine the value of personnel, financial and time commitments. In addition, these tools should become part of the division's standard operating procedures and will drive the work of staff.
  16. Require senior managers of core functional units (Pre-employment, Employment Support, and Employee Services) to focus, connect, align, and direct all activities, tasks, and functions to support the division's long-term direction.
  17. Review and update district human resources policies and procedures, and establish a process to keep them current.
  18. Establish a recruitment calendar and planning process (involving principals and key central offices) that use critical information elements to project new certificated employee requirements for each school year; authorize the Human Resources Division to issue contracts and expedite the placement process to fulfill these needs.
  19. Streamline the district's recruitment, hiring, and placement procedures to ensure the timely filling of all positions and to minimize the payroll problems.
  20. Simplify and standardize the job descriptions to expedite the hiring of classified staff.
  21. Assign personnel specialists to the Local District offices as liaisons to address staffing and placement issues, and reassignment concerns of principals.
  22. Document, evaluate, and modify key human resources functions to eliminate inefficiencies; establish quality assurance control points; specify conventions and standards to be used in each process; and provide cross-functional staff training.
  23. Use a comprehensive personnel evaluation system that assesses performance based on specific functions and responsibilities that are tied to system goals, school targets, or student achievement.

## **Review of the Organization and Operations of the Los Angeles Schools**

24. Tailor professional development and training to the needs identified in the evaluation process.
25. Develop a comprehensive communications program to improve service delivery and to better inform internal and external customers of major changes.
26. Outsource the medical unit's functions to minimize potential liability issues.

## **Review of the Organization and Operations of the Los Angeles Schools**



## **VIII. THE ENTERPRISE RESOURCES PLANNING (ERP)**

### **A. Introduction**

The Los Angeles Unified School District has made significant strides over the last few years in increasing student achievement and constructing school facilities. Both are critical to its ability to make future gains. It now faces two equally daunting challenges as it moves to improve its management and operations. The first involves the district's Enterprise Resource Planning (ERP) efforts and the second involves its business operations. These two functions are inextricably linked, of course, for the decisions the district makes now will shape its management and operational effectiveness and efficiencies well into the future.

The district's history with ERP, however, is a long and checkered one. It acquired an integrated financial system in 1993 with procurement, general ledger, and related capabilities. Unfortunately, the district customized more than 50 percent of the code, rendering the system virtually impossible to upgrade effectively. Later implementations of human resources and position control systems employed significantly less customization, but failed to yield hoped-for results in terms of business efficiencies. In all, the district was unable to break free of old processes, business requirements, habits, and the complexities of practices rooted in various collective bargaining agreements, legal requirements, and other mandates.

Largely as a result of the inflexibility of the systems and the increasing complexities of the business requirements, users turned to a variety of home-grown and stand-alone databases and systems to support their information processing needs. Duplicative data, redundant processes, and manual work-arounds multiplied. The redundant processes and manual work-arounds were not only inefficient, but also costly in terms of additional central staffing that would not have been necessary if modern technology and best business practices had been employed.

The district recognized that replacement of its financial and human resources systems was required to break the cycle of inefficiency. It acquired an off-the-shelf integrated financial and human resources (ERP) system in an effort to implement the best business practices that were used in large corporations and governmental agencies. These enterprise-wide systems automate workflow, employ data warehousing techniques, expand access to information through the use of the Web-based technologies, and empower organizations to manage and control their financial and human resources proactively.

A systems replacement initiative of this magnitude is a high-risk endeavor. For that reason, the Los Angeles Unified School District requested that the Council of the Great City Schools include a Strategic Support Team comprised of senior managers with administrative and project management experience with ERP systems as part of this project. The district wanted to learn as much as it could from those who had already

## Review of the Organization and Operations of the Los Angeles Schools

implemented an ERP system or who were in the process of implementing one, so the LAUSD could replicate successes and avoid predictable mistakes. It also wanted recommendations that would assist the district in implementing its Enterprise Resource Planning (ERP) system.

The Strategic Support Team reviewed documents and conducted extensive interviews with senior managers and line staff in departments that had been and/or would be involved in the implementation of the Enterprise Resource Planning project. Based on their reviews, interviews, and observations, the team developed a set of strategic and tactical recommendations. The “Strategic Recommendations” are directed toward the Board of Education and superintendent because the proposals provide a framework to drive the changes necessary for continuous improvement.<sup>69</sup> The “Tactical Recommendations” are directed toward project sponsors and managers who are directly responsible for the implementation of the ERP project.

### **B. Recommendations**

#### **Strategic Recommendations**

1. The overarching recommendation is that the district move aggressively to replace its antiquated and fragmented business systems with the Enterprise Resources Planning (ERP) system that it has acquired. The related strategic recommendations follow.
2. Publicly adopt an “official charter” that formally recognizes the importance of the ERP project to the district’s continuous improvement effort; commits the support of the Board of Education, superintendent, and senior management to the project; and provides the long-term resources for its successful implementation.
3. Assign reporting responsibilities of the ERP Project Executive Office to the superintendent because the project’s Executive Officer will need the superintendent’s direct involvement to manage an initiative of this magnitude successfully.<sup>70</sup>
4. Fully integrate the ERP effort into the district’s strategic goal and objectives to “increase efficiency in the use of resources” so that the project is, in reality, strategically driven; and tie the work plans and activities of the business units into the implementation plan so that it is owned by the functional users.
5. Adopt a sophisticated and comprehensive “change management” strategy to streamline and standardize the district’s core business processes based on the results

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<sup>69</sup> The Council’s format for this section of the report varies from its normal “discovery” approach, which is to identify gaps between “what is” and “should be” procedures to resolve deficiencies in business operations. Because the district is proceeding with a new initiative, the Council’s approach in reviewing the district’s ERP project was to outline a blueprint or “pathway” with recommendations to ensure the success of the project.

<sup>70</sup> At the time of the site visit, the project office and project executive who is a knowledgeable and skilled decision maker reported through the Chief Information Officer<sup>70</sup> who had other multiple major responsibilities to the Chief Operating Officer.

## Review of the Organization and Operations of the Los Angeles Schools

of the “as is” assessment (including detailed workflow maps) of the district’s core business processes.

6. Develop consistent, organizationwide procedures that take advantage of efficiencies and maximize the ability of the ERP to improve services at equal or lesser cost. The district needs to examine how the resulting changes will have an impact on the various organizations and those who are responsible for implementing the new processes as the business processes are being redesigned. These impacts should include consolidations, realignments of operating divisions and the staff required to manage the workloads, changes in the nature and content of jobs, budgetary realignments to support the processes, and possible redeployment of savings.
7. Reorganize current policies and operating procedures. In redesigning business processes, determine which of the potential changes require adherence to current operating procedures and which ones might affect significant portions for the larger organization. Effectively reengineering and realigning district business processes will require both restructuring district operating policies and procedures and reorganizing district oversight and leadership functions to ensure thoughtful and clear channels of communication.

### Tactical Recommendations

8. Integrate the ERP project into the district’s long-range comprehensive Technology Plan that encompasses an operational two-five year “roll-out” of the project with appropriate timelines, responsibility centers and costs; and submit the entire plan to the Board of Education for formal adoption.
9. Conduct an organizational and management study of the Information Technology Division’s capacity to sustain the ERP environment long-term and make any structural and administrative changes necessary to do so.
10. Conduct a feasibility study to ensure that the network capacity and reliability of the district’s technology infrastructure can support the ERP project and any other major technology initiatives that may be undertaken.<sup>71</sup>
11. Absorb or eliminate as many homegrown or third-party systems as possible and discontinue the acquisition of all new third-party systems as part of the ERP implementation.<sup>72</sup>

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<sup>71</sup> The impact can be catastrophic if there are costs involving infrastructure, staff, and training that are beyond the scope of the projects’ budgets.

<sup>72</sup> The Personnel Commission, for example, has created a Web-based examination to allow individuals to apply for job online; is testing a Web-based eligibility list to assist in the automation of assignments of employees to positions; and, in conjunction with the Special Education Division, is moving to automate the assignment process of special education assistants dictated by Individualized Education Programs.

## **Review of the Organization and Operations of the Los Angeles Schools**

12. Develop a detailed project budget with costs estimates, timelines, risk mitigation strategies, and contingency plans for various levels of funding and phased implementation associated with the variable opportunities, issues, and potential hazards of the ERP system that the Board of Education and all others can easily understand.
13. Align or consolidate different divisions or units, e.g., human resources, conducting similar business functions as part of the pre-project implementation effort.
14. Require the commitment and active and consistent participation of executive-level managers, core functional users, and business owners on the ERP Project Steering Committee, which meets monthly, and the Advisory Committee which meets biweekly; and find replacements for those who chose not to attend.
15. Develop and deliver pre-project and project training programs to prepare staff for a Windows environment, and create end-user readiness for the new business processes prior to, during, and in six to 12 month intervals following the rollout.
16. Involve end users (principals and office managers) in the planning, configuration, and rollout of the project.
17. Retain expert and experienced project management support from the outside, and commit a dedicated team of full-time district staff members, including both user experts and technology professionals to manage the project at the task and resource levels.
18. Prepare a comprehensive communications plan with regular reports that track ERP project objectives, scope, timelines, and progress to inform the Board, parents, and all others. Ensure that these reports can be understood and accessed easily.
19. Map and post work flows of existing processes “As-Is” and the required changes to the “To Be” processes as Central Support Services and related offices migrate to the ERP system.
20. Establish regular cross-functional and intradivisional meetings around offices that will be impacted by the ERP system.
21. Design new standard operating processes aligned with the new processes. The creation of these new procedures is critical because staff will likely resort to “the way we’ve always done it.”
22. Rewrite job descriptions and titles that are aligned with the new business processes to help articulate what will be needed from existing and prospective employees. This step also will help with reclassification of jobs and pay schedules.

## **Review of the Organization and Operations of the Los Angeles Schools**

23. Continually realign and monitor the use of all new business processes as greater functionality is achieved in the ERP software and the necessary changes in the business processes are made.

**Review of the Organization and Operations of the Los Angeles Schools**

## **IX. SYNOPSIS AND DISCUSSION**

The Los Angeles Unified School District has made substantial progress over the last five years. It has moved forward most noticeably in improving student achievement, particularly in reading and math. All of the district's academic indicators are moving in the right direction: the API, the California Standards Test, and the National Assessment of Educational Progress. LAUSD is now one of the faster improving urban districts in California. None of the gains on these measures happened by accident. The district has put in a strong new reading program and accompanied it with quarterly tests, coaches, and training. The challenge for the district now is to begin accelerating these gains.

In addition, the district has seen voters approve a number of bond issues—including a recent measure—that have allowed the school system to open a large number of new buildings. The capital program in the district is now one of the largest public works projects in the nation and is critical if the district is going to build an infrastructure for future progress.

The school district has also seen progress in some of its noninstructional operating areas. LAUSD has substantially improved its capacity to recruit new teachers; it has developed new business services indicators; it has started to revamp its food services; it has received national recognition for the use of technology in its transportation systems; it has outsourced its COBRA administration; it has reduced its accounts payable cycles; it has strengthened its position control systems; it has strengthened its consolidated school budgets; and it has reduced the number of emergency-credentialed teachers.

These priorities—student achievement and facilities—form the district's most important gains over the last several years. Strides on both fronts lay the foundation for movement in the years ahead. The challenges that face the district now could not be solved unless progress had occurred on these two critical items.

It is now time for the Los Angeles Unified School District (LAUSD) to take the next steps in its reforms. These steps are critical if the district is to sustain and accelerate the progress that it has already made. And they are important if the LAUSD is to broaden and deepen its reforms.

The next steps for the district will be no easier than the steps that it has already taken. In fact, they may be harder to take because there are sizable barriers blocking the path. The district has some of the best staff members that the Council's teams have seen anywhere in the country, but the system is not well-structured to meet its strategic goals. And its noninstructional operations are not working in tandem with the instructional side of the house to support faster gains. LAUSD continues to work in very isolated silos, with one unit often not well coordinated with another. It does not respond quickly to external demands or innovations. It does not take responsibility for its outcomes, although those outcomes are improving. It has limited capacity to solve its own problems. And it lacks a way to coordinate its work.

## **Review of the Organization and Operations of the Los Angeles Schools**

The teams working on this project were particularly struck by the lack of a clear sense of teamwork across the system, something that is almost inevitable with the political and financial pressures that the district has been under. This lack of coordination is most evident in the disconnection between the instructional and noninstructional sides of the school system, and the lack of clarity about what gets housed centrally and what is best left to the regional offices and schools.

It is critical in an organization as large and specialized as is LAUSD that it value and emphasize cross-functional operations and integration. Systems integration is always the hardest thing for a large, diverse, service-oriented organization to do. Yet, interdepartmental coordination is more important in organizations that are large and service oriented than it often is in organizations that are small and product-driven. The LAUSD has reasonably well-defined vertical structures to organize its work but has weak horizontal connections that would help integrate its work and communicate its direction. Diagonal connections across levels and functions are particularly difficult for the district.

Other large organizations, as well, often rely heavily on their management information systems and other ERP solutions to help staff members at all levels see and understand the whole organization, not just their respective functions or offices. This technology can foster a sense of teamwork and communications in a large organization and usually involves the panoply of voice mail, email, shared data bases, computer networks, teleconferencing and the like. LAUSD, however, is surprisingly manual in its operations, technologically-averse, and overly protective of division-based information. The district's new ERP project, which is just beginning, is critical to its next steps and cannot happen fast enough.

The district is also surprisingly clumsy at being able to solve its own problems. There are few systems in place by which problems, particularly on the operational side of the house, are solved. Staff members resort to a number of creative “work-arounds” to get things done. Employees at all levels often use the district's two main unions—UTLA and AALA—to solve problems, because the school system lacks problem-solving capacity. This inability to solve problems stems, in part, from its lack of cross-functional coordination.

The school system is also marked by a lack of accountability at almost all levels, except for that of the superintendent. The district has developed very strong goals, particularly on the instructional side, but almost no one is held responsible for meeting them. This includes senior office staff, regional staff, principals, and teachers. Personnel evaluation systems are not well-tailored to or focused on improving student achievement. And benchmarks on the noninstructional side of the house are spotty and not well-integrated with the instructional imperative of the school system. Next steps for the school system should involve not just the development of performance indicators across the district but an integration of those indicators to ensure that they define a whole system built around stronger student achievement.



## **Review of the Organization and Operations of the Los Angeles Schools**

The district also has put few policies or structures in place to ensure that its best-prepared staff members work in its toughest settings. And the system is largely rigged to stay this way.

The main purpose of this review was to look at the district's organizational structure and broad operations. The teams could not look at everything, of course. But they have made a number of proposals to improve the organization and operations of the central office. But the district's organizational problems are not found solely at the central office. Some of the structural problems exist in the regional offices and in the lack of clarity about what the district wants these units to do. The district has had a very difficult time deciding what should be housed at the central office and what should be located at the regional and school levels. They are currently mid-sized operations that have too little capacity to do the job that is asked of them. We have tried to address this problem by proposing a number of organizational changes at the central level and have suggested redefining the central office around policy setting, program definition, standards, data collection and monitoring, and accountability—and recasting the regional offices in a way that would emphasize service delivery. This would mean a smaller central office but a regional structure that had more capacity to implement programs and services.

The Council also suggests that the school district use the process of implementing a new Enterprise Resource Planning (ERP) system to help reengineer and streamline the district's very complex operating systems and to determine which staff members could be reassigned to the regional level.

There is no one best way to organize and structure a large organization. Institutions as large and public as LAUSD are particularly susceptible to pressure from the outside to adopt structures that work well in some settings but may not be effective for the school district. The school district, for its part, needs to be more open to ideas from the outside but skeptical of popular political proposals that may sound good on the stump but have little promise for moving the system forward.

Some of the proposals made in this report are indeed dramatic, but they hold the potential of moving the district ahead by substantial margins. The district has laid the foundation; it now needs to build on what it has done so far. There is no reason why the LAUSD, with all the tools and talent it has, cannot be one of the best urban school districts in the nation. It need only take the next steps.

## **Review of the Organization and Operations of the Los Angeles Schools**

**APPENDIX A. STRATEGIC SUPPORT TEAM BIOS**

**Michael Bookman**

**Michael Bookman** is the Chief Business Officer for the School District of Hillsborough County, Florida, the nation's ninth largest school district. He has served in that capacity since July 1987, and is responsible for all financial operations of the district, school food services, procurement and warehouse services, and was responsible for student transportation. Mr. Bookman also serves as the Board's liaison to the Florida Legislature. He held previous leadership positions with the Savannah/Chatham (Georgia) Public Schools and the Dade County (Florida) Public Schools. Dr. Bookman received his B.B.A. degree from the University of Miami, M.Ed. degree from Florida Atlantic University, and his Ed.S. and Ph.D. degrees from the University of Florida.

**Robert Carlson**

**Robert Carlson** is Director of Management Services for the Council of the Great City Schools. In that capacity, he provides Strategic Support Teams and manages operational reviews for superintendents and senior managers; convenes annual meetings of Chief Financial Officers, Chief Operating Officers, Human Resources Directors, and Chief Information Officers and Technology Directors; fields hundreds of requests for management information; and has developed and maintains a Web-based management library. Prior to joining the Council, Dr. Carlson was an executive assistant in the Superintendent's Office of the District of Columbia Public Schools. He holds a doctorate in education and a M.A. degree in administration from The Catholic University of America; a B.A. degree in political science from Ohio Wesleyan University; and has done advanced graduate work in political science at Syracuse University and the State Universities of New York.

**Michael Casserly**

**Michael Casserly** is the Executive Director of the Council of the Great City Schools, a coalition of 66 of the nation's largest urban public school districts—including the Los Angeles Unified School District. Dr. Casserly has been with the organization for 28 years, 13 of them as Executive Director. Before heading the group, he was the organization's chief lobbyist on Capitol Hill and served as its Director of Research. He led major reforms in federal education laws, garnered significant aid for urban schools across the country, spurred major gains in urban school achievement and management, and advocated for urban school leadership in the standards movement. He also led the organization in the nation's first summit of urban school superintendents and big city mayors. Dr. Casserly has a Ph.D. degree from the University of Maryland and a B.A. degree from Villanova University.

### **Troy Coleman**

**Troy Coleman** is the Associate Superintendent for Human Resource Services with the Dallas Independent School District, where he is responsible for planning and implementing the strategy for recruiting, selecting, retaining, and addressing work life quality issues for a 20,000-employee workforce, including 10,000 teachers. Prior to joining the school district, Dr. Coleman was the principal of Troy L. Coleman, Ph.D., Inc., Consulting Services. He also has been the Human Resources Director for the City of Dallas and, prior to that, served as Senior Vice President for Human Resources for a growing e-commerce business. Dr. Coleman has taught organizational behavior and management theory at the University of Texas at Arlington; personnel and human resources administration and dispute resolution at Southern Methodist University; and diversity and community relations at the Southwest Criminal Justice Institute. He served as a faculty member with Leadership Institutes at George Washington University and for the National Forum for Black Public Administrators. Dr. Coleman received a Ph.D. degree in higher education administration, personnel and industrial relations from the University of North Texas and a M.S. degree in counseling and psychology and a B.S. degree in music from Texas A&M University-Commerce (East Texas State University).

### **Michael Contompasis**

**Michael Contompasis** has served the Boston Public Schools for more than 40 years in a variety of positions. He served as a teacher, assistant headmaster, and headmaster at Boston Latin School for 33 years prior to assuming the role of Chief Operating Officer of the Boston School District, a position that he has held for the past nine years. His current responsibilities include oversight of facilities, budget, transportation, human resources, strategic planning, and collective bargaining.

### **John Fahey**

**John P. Fahey** is the Assistant Superintendent of Service Center Operations for the Buffalo City School District, a position that he has held since 1992. His primary responsibility is the pupil transportation program involving more than 12 million annual rides and more than \$33 million in annual expenditures. Mr. Fahey also provides other support services, including supply and distribution functions; coordinates annual planning, training, and emergency response for the districts' 135 public and nonpublic school sites; and takes an active role in formulating district enrollment patterns and policies. Before holding this position, he was the Director of Building Repairs for the district. He has an undergraduate degree in architecture and has done graduate study in civil engineering at the State University of New York at Buffalo.

### **Richard Frazier**

**Richard Frazier** has worked in the Houston Independent School District for 31 years. In addition to his current assignment as General Manager, ERP Systems, Mr. Frazier has served in the capacity of teacher, Magnet Program Coordinator, Director of Alternative

## **Review of the Organization and Operations of the Los Angeles Schools**

Schools and Programs, Executive Director of Facilities Maintenance, Operations, Transportation, and Food Service, specialist for plant maintenance and fleet management, and SAP Project Manager. His current position requires his oversight of the SAP financial system and the PeopleSoft HRMS system.

### **Carlos Garcia**

**Carlos A. Garcia** has served as Superintendent of the Clark County School District, Las Vegas, Nevada, since July 2000. In this position, he oversees the fifth largest and fastest growing district in the country. The district averages an increase of 12,000 students annually and opens a new school a month. Mr. Garcia's previous school system experience was in California, where he taught in the Rowland Unified School District in La Puente and the Chaffey Joint Union High School District in Ontario. He also worked as a principal at several schools in the Pajaro Valley Unified School District and the San Francisco Unified School District. In addition, Mr. Garcia served as the Superintendent of the Sanger Unified School District and as the Area Superintendent and then the Superintendent of the Fresno Unified School District. Mr. Garcia received a B.A. degree in political science from Claremont Men's College in Claremont, California, an M.A. degree in education from Claremont Graduate School, and an administrative credential in educational administration from California State University at Fullerton.

### **Greg Halopoff**

**Greg Halopoff** is the project manager of the ERP implementation project in the Clark County School District in Nevada. He is an executive director in the Technology and Information Systems Services division, and formerly served for seven years as the Director of e-Recruiting for the Human Resources division. Dr. Halopoff also serves as an adjunct faculty member of the College of Education at the University of Nevada-Las Vegas, where he teaches courses in educational technology. Prior to joining the school district, he was a systems engineer with expertise in software and real-time computing systems design. His professional training includes B.S. and M.S. degrees in electrical engineering, a strong background in computer science, a Ph.D. degree in computer science education, and educational leadership. Dr. Halopoff is active in the community as a member of the Board of Directors of the Arts Council of Henderson, a member of the Board of Directors for the newly formed Computer Science Teachers Association, and a Community Service Excellence Award recipient from the Las Vegas Chamber of Commerce.

### **Tomás Hanna**

**Tomás Hanna** has served as the Senior Vice President of Human Resources for the School District of Philadelphia since January 2005. Prior to his appointment, the former elementary school principal lead the district's efforts in the area of teacher recruitment and retention as the Superintendent's special assistant. Mr. Hanna oversaw the planning,

## Review of the Organization and Operations of the Los Angeles Schools

organization, and implementation of the Campaign for Human Capital—a task force of business, community, university, and district leaders who came together to develop strategies to improve the district’s recruitment and retention efforts. He is also responsible for streamlining the hiring process and improving services to new teacher candidates. Mr. Hanna earned a bachelor’s degree in secondary English education from the University of Puerto Rico and a master’s degree in bilingual/bicultural studies from LaSalle University. He fulfilled supervisory, administrative certification requirements at Temple University and received a Superintendent’s Letter of Eligibility from St. Joseph’s University. He is currently enrolled in the Mid-Career Doctorate in Educational Leadership Program at the University of Pennsylvania.

### **Richard Hinds**

**Richard H. Hinds** is the former Chief Financial Officer of the Miami-Dade County (Florida) Public Schools. Dr. Hinds joined the Miami-Dade County school system in 1964 as a classroom teacher. Through the years, he served as Executive Director of Budget Management, assistant to the Associate Superintendent for Business, Chief Educational Auditor, and Director of Planning and Evaluation. Dr. Hinds retired as Chief Financial Officer in July 2003, after 22 years of service in that position. His assignment included responsibility for traditional accounting and finance functions, in addition to risk management, procurement, and federal and state legislative affairs. Dr. Hinds received an Ed.D. degree from the University of Miami and M.A. and B.A. degrees from The Catholic University of America. He also has been an adjunct graduate professor at Pepperdine University, the University of Northern Colorado, and Florida International University.

### **Bruce Husson**

**Bruce Husson** is the Chief Operating Officer for the Sweetwater Union High School District in San Diego County, California. Mr. Husson oversees district administration, energy conservation/telecommunications, employee benefits, food services, information technology, labor relations, maintenance, personnel services, planning and facilities, purchasing and business support services, and transportation. Mr. Husson has nearly 35 years of public school district administration experience. For nearly 33 years, he served the San Diego Unified School District, the second largest urban district in California and eighth largest district in the United States. His previous position in San Diego was as Assistant Superintendent, Business Services. Mr. Husson earned a B.S. degree in business administration from San Diego State University and an M.S. degree in school business administration from Pepperdine University.

### **Ascension Juarez**

**Ascencion V. Juarez** has served as the Chief Human Resources Officer of the Chicago Public Schools (CPS) since 2002. Under his leadership, the Human Resources Department has experienced the most successful recruiting seasons in the history of the CPS; online staffing has been fully implemented; the substitute fill-rate has remained at

## Review of the Organization and Operations of the Los Angeles Schools

near 100-percent level; and turnaround time for personnel transactions has been cut to 24 hours. Currently, the department is in the midst of a massive restructuring initiative aimed at providing even greater service to principals, teachers, and nonteaching employees. During his career with the CPS, Mr. Ascencion has been a teacher, curriculum writer, coordinator in Employee Relations, coordinator in Salary Administration and Staffing, principal, and director of Salary Administration, Staffing, and Employee Records. Mr. Juarez is also a key member of the strategic bargaining team that negotiated the latest contracts with the Chicago Teachers Union and the six different unions that represent nonteaching employees of the CPS.

### **Spence Korte**

**Spence Korte** was the Superintendent of the Milwaukee Public Schools. Before heading the district, Dr. Korte served as the innovative and highly acclaimed principal of the HiMount School in Milwaukee, making him one of the few urban superintendents to ascend to the superintendency directly from a principalship. The school board had charged Dr. Korte with designing and implementing a sweeping reform and decentralization plan for the city schools.

### **John Miorca**

**John Miorca** is the Chief Financial Officer for the Chicago Board of Education. Prior to his current appointment, he served as the Budget Director for the Chicago Public Schools' Office of Management and Budget. Previous to his service with the school district, Mr. Miorca served in the capacity of First Deputy Director for the City of Chicago's Departments of Revenue and Office of Budget and Management. Mr. Miorca received master's of urban planning and B.A. degrees from the City University of New York.

### **Robert Nelson**

**Robert Nelson** recently retired from Milwaukee Public Schools (MPS) after 35 years of service. Before his retirement, he held the position of Director of Technology. In that capacity, he spent eight years building the district's capacity to use technology to support learning in more than 4,000 classrooms. This work was guided by strategic planning involving local, state, and national partners, and has been featured in numerous national publications. Mr. Nelson has served on several boards and advisory committees, and is widely recognized for his leadership and expertise in learning and technology. Prior to serving as Director of Technology, Mr. Nelson worked in MPS high schools as a teacher, department head, program implementer, assistant principal, and principal.

### **Kevin North**

**Kevin North** is the Assistant Superintendent for Human Resources for Fairfax County (Virginia) Public Schools. In this position, he is responsible for all human resources functions to support a workforce of more than 28,000 people. His functional areas of responsibility include recruitment, employment, compensation, benefits, licensure,

## **Review of the Organization and Operations of the Los Angeles Schools**

employee performance, labor relations, career development, and equity and compliance. Mr. North has more than 25 years of experience in public finance and human resources and has been instrumental in reengineering business functions to dramatically increase efficiency, effectiveness and customer service. Previous to this position, he served in leadership roles in budget and finance. Mr. North also serves as Vice Chairman of the Fairfax County Employees Retirement Fund.

### **Heather A. Obora**

**Heather Obora** is the Chief Procurement Officer for the Chicago Public Schools (CPS). CPS is the nation's third largest public school system with more than 437,000 students in grades K-12. Ms. Obora's responsibilities encompass all procurement of goods and services for the district. She also served the CPS as Deputy Chief Financial Officer and Deputy Controller, responsible for all disbursements of the district including accounts payable. Ms. Obora previously served the Clerk of the Circuit Court of Cook County, the nation's largest circuit court system as Comptroller and was with regional public accounting firms in Bakersfield, California, and Chicago before entering into public education. She is a graduate of California State University-Bakersfield.

### **John Radcliffe**

**John T. Radcliffe** is the General Director for General Services for the Duval County School Board in Jacksonville, Florida. In this capacity, he oversees various business-related lines including food services, risk management/benefits, purchasing, warehousing, safety, code enforcement, and the Duval County Schools Police Department. Mr. Radcliffe has 21 years of public school district administrative experience. For the past eleven years, he has been with Duval County Public Schools, the fifth largest school district in Florida and the 16th largest nationally with more than 14,000 employees and 128,000 students. Mr. Radcliffe earned his bachelor's degree from the State University of New York. He has served on numerous statewide committees for the Florida Legislature and is recognized by his peers as a leader in risk management and health care delivery systems for state employees.

### **Walt Rulffes**

**Walt Rulffes** is Deputy Superintendent and Chief Financial Officer for the Clark County School District in Las Vegas, Nevada. His administrative responsibilities include oversight of facilities, human resources, research, testing and assessment, technology, business affairs and finance, food services, transportation, and a public TV station. The countywide K-12 district has 270,000 students who attend approximately 300 schools. Much of Dr. Rulffes' work involves dealing with issues related to the system's booming enrollment, which has been growing by some 14,000 new students a year. The district has currently completed one-third of a ten-year \$4-billion school construction program that includes more than 100 new schools and support facilities. Dr. Rulffes recently received the Administrator of the Year Award from the Nevada School Board Association.



### Robert Runcie

**Robert W. Runcie** is the Chief Information Officer for the Board of Education of the City of Chicago. Prior to joining the Chicago Public Schools' Office of Technology Services in May 2003, Mr. Runcie served as the president of Advanced Data Concepts, a Chicago-based management consulting and technology-services company for seven years. He also has worked with large technology integration companies, including Computer Sciences Corporation and Andersen (now Accenture). In his current position, Mr. Runcie has positioned information technology to be a major player in building the future of education at the Chicago Public Schools. He has created a vision for the Office of Technology Services to serve as a catalyst in transforming the business of education. Mr. Runcie graduated from Northwestern University Kellogg School of Management and Harvard University, from which he received a B.A. degree in economics.

### Kimberly Sangster

**Kimberly A. Sangster**, is the Chief Procurement Officer in the Office of Procurement Services for the School District of Philadelphia, where she is responsible for managing the procurement of supplies, furniture, equipment, textbooks, and food services for the school district. Ms. Sangster served previously as Director of Purchasing and Contract Administration for Chicago Public Schools. In that role, she managed the competitive bid, Request for Proposal and Request for Qualification process for commodities over \$10,000 and professional services over \$25,000. While working for Chicago Public Schools, Ms. Sangster served as Assistant Director of Purchasing, focusing on contractual and procedural issues, and Director of Financial and Administrative Services in the Department of Procurement and Contracts. Ms. Sangster holds a B.A. degree in political science from Wayne State University, a J.D. degree from Wayne State University Law School, and a LL.M. degree with honors in financial services law from the Illinois Institute of Technology, Chicago-Kent College of Law.

### Eric Smith

**Eric J. Smith** was Superintendent of Schools for Anne Arundel County (Maryland) Public Schools when he worked on this project. His responsibilities included oversight of all school district functions, both business and instructional. He lead the fifth largest school district in Maryland and the 41st largest district in the nation. The countywide K-12 district has 75,000 students, 120 schools, and an operating budget of approximately \$630 million. Dr. Smith's focus was on three major goals: to accelerate academic achievement of all students, to create a safe learning environment that promotes accelerated achievement, and to support community partnerships that relate to academic achievement. In the past three years, student performance on Maryland State Assessments across all grade levels has improved dramatically; participation in Advanced Placement (AP) coursework, and performance on AP tests has also shown significant growth. Dr. Smith was named Administrator of the Year 2004 by the National Association for Gifted Children and received the Richard R. Green Award from the Council of the Great City Schools in 2000 for his work as superintendent of the

## Review of the Organization and Operations of the Los Angeles Schools

Charlotte-Mecklenburg Public Schools, one of the nation's fastest improving urban school districts.

### Thomas Stevens

**Thomas B. Stevens** recently retired as the Chief Technology Officer for the Denver Public Schools. He had 36 years of experience as a teacher, counselor, high school principal, and central office administrator with the Denver Public Schools. He also has consulted and run workshops for school districts, state and federal agencies, and private-sector organizations for more than 25 years. In addition, Mr. Stevens has served as Honoraria Professor with the University of Colorado-Denver, Graduate School of Educational Administration, where he has taught technology use in school district management. He is the author of the award-winning *School Administrator's Assistant* and six other software programs.

### Leonard Sturm

**Leonard Sturm** served the Houston Independent School District (HISD) for 34 years in a number of positions. For the last 15 years, he served as Deputy Superintendent of Finance and Business and most recently as Chief Financial Officer. In these positions, he had responsibility for the direction, management, and supervision of all the district's financial and business operations. Over the years, he served on numerous state and local committees and has been a member of several professional organizations. After retiring in 2002, he was asked to lead a new venture that he had envisioned, the HISD Office of Marketing and Business Development. The office coordinates activities related to the marketing and sales of district-developed products and services that allow other districts the opportunity to acquire and use products proven effective by expert practitioners in classroom settings. The office also provides school districts the opportunity to save time and money by the creation of partnerships with external firms from whom high-quality goods and services can be obtained at competitive prices through an HISD-sponsored cooperative procurement program.

### Frank Till

**Frank Till** has been Superintendent of the Broward County (Florida) Public Schools since July 1999. As superintendent, he has made student achievement in Broward County a top priority. He has provided the leadership to ensure positive outcomes for the District as it implements the Governor's A+ Plan. Broward County Public Schools' academic growth has reached national norms. Indeed, the school system is one of four largest school districts to exceed national norms. The number of district students in high-level classes also has increased. Other issues that Dr. Till is addressing successfully include overcrowding, meeting the needs of a highly diverse population, and funding limitations. During a career of more than three decades, he has worked his way up through the ranks and held numerous positions including those of teacher, assistant principal, principal, and Deputy Superintendent in San Diego City Schools. He also taught at San Diego State University and the University of Southern California. Dr. Till earned a bachelor's degree

## **Review of the Organization and Operations of the Los Angeles Schools**

in mathematics/economics and a master's degree in curriculum and instruction from San Diego State University. He went on to earn his doctorate from the University of Southern California.

### **Michael Turza**

**Michael Turza** has been the Director of Business Services for the Milwaukee Public Schools since 1997. In this capacity, he manages facilities, pupil transportation, food services, procurement, telecommunications, and warehouse and delivery services. Mr. Turza has been with the Milwaukee Public Schools since 1987, and has served in a variety of positions over the years. Prior to joining the Milwaukee Public Schools, he worked for Ecotran Corporation as an account executive. He holds an M. A. degree in human resources from Marquette University, an M.B.A. degree from Baldwin-Wallace College, and a B.A. degree from Cleveland State University.

### **Debra Ware**

**Debra Ware** has held positions in instruction, as well as in operations, during her 21 years of public school district service. She is the former Director for Staffing and Employee Services for the District of Columbia Public Schools. Currently Ms. Ware is one of three Process Improvement Executives in the Dallas Independent School District (DISD). During her six years with the DISD, she has served as Operations Executive for Human Resources as well as Interim Assistant Superintendent for Human Resources. Ms. Ware also has served as the district's Operations Executive for Negotiated Contract Services, the project manager for the DISD Oracle ERP Implementation, and the Operations Executive for Auxiliary Services.

## **Review of the Organization and Operations of the Los Angeles Schools**

## **APPENDIX B. DOCUMENTS REVIEWED**

### **Documents Reviewed by the Organization Team**

- Organization Charts, 2003-2004 (3-3-2004)
- Local District Organization Charts, 2004-2005 (11-1-2004)
- Policy Guide
- API Growth Report, 2003-2004 (Inter-Office Correspondence, January 19, 2005)
- STAR Test Results, Spring 2004 (Inter-Office Correspondence, August 16, 2004)
- Annual California English Language Development Test Results 2004 (Inter-Office Correspondence, February 7, 2005)
- Accountability Progress Report 2004 (Inter-Office Correspondence, August 30, 2004)
- Mean School API Scores in California and LAUSD with Percent Meal Program Participants and English Learners 1999-2003 (May 2004)
- Mean ES, MS, HS School API Scores in California, San Diego, Alhambra and LAUSD (March 2003)
- Mean School API Scores in California and LAUSD for Socioeconomically Disadvantaged Students (April 2004)
- Preliminary API LAUSD (August 31, 2004)
- Mean ES, MS, HS School API Scores in California, San Diego, and LAUSD
- Grade 1 California Achievement Test, Sixth Edition (Inter-Office Correspondence, August 23, 2004)
- Instructional Support Services, 2004-05 Detailed Budget Sources (Revised 7/29/04)

### **Documents Reviewed by the ERP Team**

- Procurement & Payable Process Mapping, December 2002 Updated July 2003
- Financial & Budget Process Mapping October 2003
- Human Resources Process Mapping January 2003
- Human Resources Process Mapping Short Term Improvements, (7/12/2005)
- Payroll Pre-Processing and Testing (5/18/2004)
- District and Operations Organizational Charts
- Business Services Division, Service Efforts and Accomplishments FY2003-2004
- Business Services Division, Overview
- Business Service Division, Client Service Delivery Model (Revised)
- Business Services Division Strategic Sourcing Plan, Phase II
- Existing Facilities Strategic Execution Plan, June 2004
- Business Services Division Branch Performance Plans and Strengths, Weaknesses, Opportunities and Threats analysis for Food Services, Materials Management, Procurement, Purchasing, Transportation and Vendor Services Branches
- Overview of the Transportation Branch and the Computerized Routing and Scheduling System
- A Guide to Procurement, Purchasing Warehousing & Distribution, 2004-2005

## **Review of the Organization and Operations of the Los Angeles Schools**

- Fingertip Facts 2004-2005 Procurement Services Center
- Superintendent's Provisional Budget Executive Summary 2004-2005
- Facilities Services Division Maintenance and Operations Overview 1/25/05
- Maintenance & Operations Technical Service Unit Roles and Responsibilities
- Existing Facilities Strategic Execution Plan (June 2004)
- M&O general Maintenance and Operations documents (5 documents)
- M&O Maintenance specific documents (8 documents)
- M&O Operations specific documents (10 documents)
- M&O recently implemented and working initiatives (7 documents)
- ERP Overview and Status – Presented to the Committee of the Whole, January 6, 2005
- Status Report on ERP-Finance; ERP-Human Resources - Presented to the Audit, Business, Technology Committee of the Board of Education, January 8, 2004
- ERP Team Website, Self-Registration Guideline
- Examples of LAUSD COO project leadership – Schedule of ERP Project Planning Sessions

### **Documents Reviewed by the Operations Team**

- District and Operations Organizational Charts
- Business Services Division, Service Efforts and Accomplishments FY2003-2004
- Business Services Division, Overview
- Business Service Division, Client Service Delivery Model (Revised)
- Business Services Division Strategic Sourcing Plan, Phase II
- Existing Facilities Strategic Execution Plan, June 2004
- Business Services Division Branch Performance Plans and Strengths, Weaknesses, Opportunities and Threats analysis for Food Services, Materials Management, Procurement, Purchasing, Transportation and Vendor Services Branches
- Overview of the Transportation Branch and the Computerized Routing and Scheduling System
- A Guide to Procurement, Purchasing Warehousing & Distribution, 2004-2005
- Fingertip Facts 2004-2005 Procurement Services Center
- Superintendent's Provisional Budget Executive Summary 2004-2005
- Facilities Services Division Maintenance and Operations Overview 1/25/05
- Maintenance & Operations Technical Service Unit Roles and Responsibilities
- Existing Facilities Strategic Execution Plan (June 2004)
- M&O general Maintenance and Operations documents (5 documents)
- M&O Maintenance specific documents (8 documents)
- M&O Operations specific documents (10 documents)
- M&O recently implemented and working initiatives (7 documents)
- Staff Organization Chart, Facilities Services Division, October 1, 2004
- Strategic Executive Plan, January 2004
- Strategic Executive Plan, June 2004
- New Construction, Monthly Program Status Report Through January 31, 2005

## **Review of the Organization and Operations of the Los Angeles Schools**

- Existing Facilities, Execution Plan Monthly Status, Data Date: December 1, 2004 (Presented to Bond Oversight Committee, January 19, 2005)
- Deferred Maintenance Plan, 2004-2008 (May 13, 2004)
- Backlog of Facilities Maintenance and Repair, December 2004
- Business Services Division, Service Efforts & Accomplishments, FY 2004
- Client Service Delivery Model: Proposal to Enhance Procurement Services for Local Districts & Schools (Revised, 5/21/04)
- Bus Replacement Plan
- Consolidation Project, Transportation Branch, May 2003
- A Guide to Procurement 2004-2005
- Business Services Division Overview, Revised January 2005
- Benefits Administration Performance Plan FY 2005 (July 1, 2004)
- Food Services Branch Performance Plan FY 2005 (July 1, 2004)
- Success Factors for School Food Services
- Materiel Management Branch Performance Plan FY 2005 (July 1, 2004)
- Procurement Services Center Presentation to Audit, Business and Technology Committee, January 15, 2003
- Purchasing Branch Performance Plan FY 2005 (July 1, 2004)
- Small Business Program, Fourth Quarter & Fiscal Year-End Report, 2003-2004
- Contracts Administration Branch Performance Plan FY 2005 (July 1, 2004)
- Improving Professional Services Contracting (BFAT Committee Item, 8/15/02)
- Fingertip Facts 2004-2005, Procurement Services Center
- Summary of Purchasing Transaction Dollar Volumes FY 2003-2004 vs. FY 2002-2003 (Inter-office Correspondence, January 21, 2005)
- Textbook Ordering Policy Brief, October 15, 2004
- Transportation Branch Performance Plan FY 2005 (July 1, 2004)
- Overview of the Transportation Branch and the Computerized Routing and Scheduling Systems

### **Documents Reviewed by the Finance Team**

- Comprehensive Annual Financial Report, FY 2004
- CFO Staff Directory
- Comparison of Costs for Various Organizational Proposals for Local District Fiscal Staff (2/16/2005)
- Local District Fiscal Services, Inter-Office Correspondence (June 24, 2004)
- Categorical Program Financial Plan, FY 2005
- Superintendent's Final Budget FY 2005 (August 31, 2004)
- Superintendent's Final Budget Executive Summary FY 2005
- Superintendent's Final Budget FY 2005 – Position Detail (August 2004)
- Executive Summary, Superintendent's Provisional Budget, FY 2005
- Executive Summary, Superintendent's Provisional Budget, FY 2006
- Finance Organization Chart, 2004-2005 (11-1-2004)
- Finance Organization Chart, 2004-2005 (9-2004)

## **Review of the Organization and Operations of the Los Angeles Schools**

- Budget and Finance Policy (Final Adopted 6-22-2004)
- Debt Management Policy
- Budget Analysis, January 31, 2005
- Financial and Budget Process Mapping, October 2003
- Superintendent's Provisional Budget FY 2006

### **Documents Reviewed by the Human Resources Team**

- Report of the Personnel Commission 2003-2004 (Draft)
- Alternative Certification and Teacher Support Program Goals 2004-2005
- Personnel Commission Salary Schedule (January 11, 2005)
- Merit System and Other Provisions of the Education, Government, Labor and Military and Veterans Codes of the State of California, January 2004
- Budget Summary – Personnel Commission Division, FY 2005
- Program Catalog, Personnel Commission, December 1, 2004-February 28, 2005
- Annual Report of the Personnel Commission, 2003-2004 (Draft)
- Organization Chart - Personnel Commission
- Strategic Plan – Personnel Commission, January 2005
- Personnel Commission's Organizational Excellence Program, Program Catalog 2005
- Listing of Training Programs and Services Provided to the Classified Service of the Los Angeles Unified School District, 01/12/05
- Superintendent's Final Budget – Human Resources, FY 2005
- Report of a Management Study of the Human Resources Division, August 1, 2002
- 2003-2004 Recruitment Season, December 3, 2004
- Organization Chart of Central Support System (7/29/2004)
- Human Resources Division Budget FY 2005
- Recruitment Plan 2005-2006
- Annual Assessment of Human Resources, 2003-2004
- Human Resources Committee Report, April 7, 2005
- Teacher Recruitment Incentive Program, March 28, 2002
- Reference Guides of various dates
- Human Resources Assessment & Recommendations, FCMAT Report, March 28, 2002
- Human Resources Division – Position Rosters (8/20/04)
- Early Childhood Education Division Memo – April 6, 2005
- Human Resources Budget FY 2005
- Teacher Hiring Summary, 2004-2005
- Vacancies in Year-Round Schools By District, Location and Subject (7/12/05)
- Annual Assessment of Human Resources, 2004-2005
- Teacher Vacancy Report, July 11, 2005
- Early Entry Contracts, July 5, 2005
- Projected Norm Teachers, FY 2006, FTY 2005-2006 Roadshow vs. FY 2004-2005 Actual Norm Day
- Summer Session Application Roster



## **Review of the Organization and Operations of the Los Angeles Schools**

- Index of Class Descriptions – Personnel Commission
- Past, Present and Future State of Certificated Human Resources
- Certificated Human Resources Units, Functions, Accomplishments and Challenges
- Recruitment Season 2003-2004 Presentation
- LAUSD Human Resources Process Mapping, January 2003
- 2000-2003 Agreement, Los Angeles Unified School District and United Teachers Los Angeles (with replacements and additions)
- District-AALA Agreement 2002-2003, Collective Bargaining Agreement between Los Angeles Unified School District and Associated Administrators Los Angeles

### **Other Documents Reviewed**

- Closing the Achievement Gap, Improving Educational Outcomes for Under-Achieving Students: A Blueprint for Implementing the Action Plan for a Culturally Relevant Education that Benefits African American Students and all other students. LAUSD.
- Monitoring Report No.1: Monitoring the Blueprint for Implementing the Action Plan for a Culturally Relevant Education. Part One—Monitoring the Implementation Efforts of Central Office Administrators & Local District Superintendents. Part Two—Monitoring the Implementation Efforts of Local District Office Staff. Part Three—Monitoring the Blueprint for Implementing the Action Plan. Part Four—Addressing Parent Engagement. Part 5—Issues of Accountability, Responsibility and Commitment. January-December, 2004.
- Joint Intervention Agreement between the California Department of Education and the Los Angeles Unified School District—Woodrow Wilson High School.
- District mathematics Program: Instructional Guides, Los Angeles Unified School District.
- K-12 Literacy Plan: Mission Possible, Every Child a Reader, March 6, 2001. LAUSD.
- Open Court Reading 2000, Student Test Booklet. LAUSD.
- Elementary Literacy Update, LAUSD.
- Red Team Audit, Virgil Middle School, 2003.
- LAUSD, Single Plan for Student Achievement, 2005-06, Master Template Samples.
- Single Plans for Student Achievement (various schools).

**Review of the Organization and Operations of the Los Angeles Schools**

## APPENDIX C. INDIVIDUALS INTERVIEWED

### Individuals Interviewed by the Organization Team

- Roy Romer, Superintendent
- Richard Alonzo, Superintendent Local District 5
- Mary Lou Amato, Principal, Florence Nightingale Middle School
- Donnalyn Anton, Associate Superintendent, Special Education
- Maruch Atienza, Director, Business Accounting
- Duane Barrett, Director, Elementary School Support Services
- Donna Barrow, Personnel Specialist, Certificated Placement and Assignments
- Susan Brandt, Operations Coordinator, Local District 5
- George Beck, Director of Performance Management
- Robbi Bertz, Elementary Director, Local District 3,
- Herman Blaye
- Enrique Boull't, Director, Accounts Payable
- Cardriner Bowden, Operations Coordinator, Local District 3
- Scott Braxton, Local District D7, Senior high director
- Ray Bright
- Tim Buresh, Chief Operating Officer (COO)
- Richard Burrows, Director, Arts Education
- Rita Caldera, Assistant Superintendent, Special Programs
- Tonya Cameron, Senior High Director, Local District 8,
- Ann Carnes, Coordinator, Elementary Education
- Brian Clelland, Director, Benefits
- Bob Collins, Superintendent, Local District 1,
- Al Cortes, Elementary Director, Local District 2,
- Sharon Curry, Superintendent, Local District 3,
- Onfrio DeStefano
- Beth Djena, Coordinator, Full-day Kindergarten
- Susan Dominquez, Fiscal Specialist, Local District 8
- Beverly Edwards, Coordinator, Instructional Media Services
- Vivian Ekchian, AI, Local District 1
- Ronnie Ephraim, Chief Instructional Officer
- Mike Eugene, Business Manager
- Margaret Fairlie, Director of Earthquake Recover
- Anita Ford, Personnel Director
- Pat Forkos, Elementary Director, Local District 6,
- Myra Fullerton, High School Director, Local District 5,
- Ken Gotsch, Chief Financial Officer (CFO)
- Richard Garcie, Lincoln High School
- Jeanne Gramans
- Marilyn Guerrero, Fiscal Services Manager, Local District 2
- Lue Ellen Guidry, Operations Coordinator, Local District 4
- Lary Hagan
- Lucy Hemphil, Director of School Services, Local District 3

## Review of the Organization and Operations of the Los Angeles Schools

- Rosa Maria Hernandez, Director HSS, Local District 4
- Deb Hirsh, Director of Human Resources (Certificated)
- David Holmes, Operations Coordinator, Local District 5
- Michael Hopwood, Operations Coordinator, Local District 7
- Dave Holmquist, Risk Management and Insurance
- Omar Hsiung, Fiscal Specialist, Local District 6
- Renee Jackson, Executive Management Officer
- Megan Klee, Chief Information Officer
- Phyllis Klein, Personnel Specialist, Senior High Schools, Local Districts 1&2
- Jim Kodani, Director HS, Local District 4,
- K. Kuruya
- Rowena Lagrosa, Superintendent, Local District 5,
- Norma LeMoine, Director, Academic English Mastery/Closing the Achievement Gap Branch
- Lucy Levine, Director, District Reading Programs
- Maynae Lew, Administrator of Instruction, Local District 2
- John Liechty, Assistant Superintendent, Extended Day Programs
- Huey Lin, Fiscal Services Manager, Local District 3
- Eleanor Marshall, Fiscal Services Manager, Local District 4
- Terry Minami, Director, School Fiscal Services
- Jim Morris, Assistant Superintendent, Instructional Services, Elementary Schools
- Maria Ott, Deputy Superintendent
- Carmelita M. Perez, Fiscal Services Manager, Local District 7
- Teresita F. Pineda, Fiscal Services Manager, Local District 1
- Elizabeth Quin, Assistant Director, Certificated Placement and Assignments
- Kevin Reed, General Counsel
- Celia Ripke, Director, Elementary Schools, Local District 5
- Myrna Rivera, Superintendent, Local District 8
- Antonio Rodriguez, Director of Transportation
- Ruben Rojas, Director, Revenue Enhancement
- Collins Rousseau
- Sylvia Rousseau, Superintendent, Local District 7
- Alma Pena Sanchez, Director, Language Acquisition Branch
- Liza Scruggs, Assistant Superintendent, Secondary Schools
- Sue Shannon, Superintendent, Local District 2
- George Silva, Director of Purchasing
- Cheryl Simpson, Fiscal Services Manager, Local District 5
- Dona Stevens, Administrator of Instruction, Local District 8
- Jeanne Stevens
- Irene Herrera-Stewart, Secondary Instruction, Local District 7
- Richard Tardagnelm, Operations Coordinator, Local District 6
- Karen Tillman, Director, Payroll Administration
- Carol Truscott, District Integration Programs
- Lorenzo Tyner, Director, Budget
- Jose Velasquez, Director Elementary Schools, Local District 7,
- Dale Vigil, Superintendent, Local District 6,

## **Review of the Organization and Operations of the Los Angeles Schools**

- Kirsten Vital, Administrator of Instruction, Local District 5
- Linda Vogel, Personnel Specialist, Certificated Placement and Assignments
- Maria Wale, Secondary Director, Local District
- Steve Walters, San Pedro High School
- Marilyn Wells, Director, Food Services Branch
- Shelly Weston, HS Director, Local District
- Scott Wilcox, Middle School Director, Local District
- Esther Wong, Assistant Superintendent, Planning, Assessment and Research
- Susie Wong, Director of Material Management
- Jeanne Yamane, Assistant Director, Placement and Assignments

### **Individuals Interviewed by the ERP Team**

- Enrique Boull't, Accounts Payable
- DeeAnne Bryant
- Chuck Burbridge, Deputy Chief Financial Officer
- Elvie Espinoza, Records & Training
- Anita Ford, Director, Personnel Commission
- Rey Gasca, Accounting & Deduction
- Ken Gotsch, Chief Financial Officer
- Paul Ishimaru (Dir., Training)
- Michael Eugene, Business Manager
- Shahryar Khazen
- Megan Klee, Chief Information Officer
- Rick Knott, Controller
- Teri Lyons
- Steve Magel, Deputy Director, Personnel Commission
- Jeanne Marmalefsky, Director, Change Management
- Terry Minam
- Marc Monforte, Purchasing Branch
- Roberta Morris, Human Resources, Certificated Placement & Assignments
- Susan O'Brien, Director, BES
- Ben Shulman
- Paul Sihimaru
- Anne Valenzuela Smith, ERP Administrator
- Terry Sparangis, Director, Education Technology
- Marjorie Morris-Threats
- Karen Tillman, Director, Payroll
- Lorenzo Tyner, Budget
- Robin Warren
- Wanda Washington, Payment
- Susie Wong, Director, Mat'l Management

### **Individuals Interviewed by the Operations Team**

- Benny Adamto, Trucking Operations Manager

## Review of the Organization and Operations of the Los Angeles Schools

- Doug Anderson, Operations Program Coordinator, General Shops
- Stacy Barnett, AFSD
- George Beck, Branch Director, Performance Management
- Mike Brady Local Districts Facility Services
- Timothy Buresh, Chief Operating Officer
- Henry Cheah, Principal Financial Analyst
- Grant Clinton, Food Production Manager
- Robert Cordova, Jr., Principal, Jefferson NES#2
- K. J. Davis, Energy Manager
- Quentin Dean, Purchasing Services Manager
- Vito DeBellis, Local District Administrator
- James Delker, Consulting Deputy Chief Facilities Executive
- Dianne Doi, Deputy Director Materials Management
- Hector Dubon, Local District Administrator
- Francine Eisenrod, Local District Administrator
- Michael Eugene, Business Manager
- Roger Finstad, LDFD
- Elizabeth Gibson, Senior Food Services Supervisor
- Randy G. Haege, Principal, Sunny Brae Elementary School
- Robert Hamm, Deputy Director Maintenance & Operations
- Mark Harris, Regional Transportation Manager
- Rick Henry, AFSD
- Robert Holliday, AFSD
- David Holmes, Local District Administrator
- Clarence Hutchinson, Transportation Services Manager
- Janet Hutchinson, Computerized Routing Center Supervisor
- Agnes Iya, Transportation Cost Analyst
- Ann Marie Johansen, Senior Administrative Analyst
- Duane Johnson, Director Professional Services Contracts
- Paul Kiefer, Dispatch Manager
- Robert Laughton, Complex Project Manager
- Phyllis Lott, Sr. Operations Training Specialist
- Pamela Marton, Principal, Community Magnet ES
- James McConnell, Chief Facilities Executive
- John Michael McLoughlin, Principal, Mt. Gleason MS
- Marc Monforte, Purchasing Services Manager
- Wayne Scott Moore, Local District Administrator
- David Palmer, Deputy Director
- Carey Peck, Manager Vendor Services
- Herman Perez, AFSD Central Shops
- Larry Perez, LDFD
- George Phillips, Area Facilities Services Director
- Gary Rainwater, Director Facility Support Services
- Ed Robillard, Principal, Manual Arts HS
- John Robinson, Complex Project Manager
- Antonio Rodriguez, Director, Transportation

## **Review of the Organization and Operations of the Los Angeles Schools**

- Laney Rogers, Local District Administrator
- Ricardo Salas, Fleet Maintenance Manager
- Lei Shinsatd, Fiscal Services Manager
- George Silva, Director of Purchasing.
- Geoffrey Smith, LDFD
- Richard Tarduguil, Local District Administrator
- Floria Trimble, Local District Administrator
- Richard Tsuno, LDFD
- Frank Vasquez, Principal, Nimitz MS
- Steve Walters, Principal, San Pedro HS
- Marilyn Wells, Director, Food Services
- John L. White, Principal, Mullholland MS
- Susie Wong, Director Materials Management
- Gary Yamagata, Principal Administrative Analyst
- John Yingling, LDFD

### **Individuals Interviewed by the Finance Team**

- Richard Alonzo
- Donnalyn Jaque-Anton
- Jerry Boettcker
- Enrique Boull't, Purchasing
- Jean Brown
- L. Buendia, Assistant Budget Directors
- Charles Burbridge, Deputy Chief Financial Officer
- Timothy Buresh, Chief Operating Officer
- Sally Cocjin, Adult Education
- Sharon Curry
- Ronni Ephraim
- Pamela DeLeon
- Debbie Ernst, Director, Specially Funded Programs
- Anita Ford
- Jeffrey Foy, Fiscal Specialist
- Karen Garibaldi, Deputy Branch Director
- Kenneth Gotsch, Chief Financial Officer
- Marilyn Guerrero
- Deborah Hirsh
- Santiago Jackson
- R. Kennedy, Fiscal Services Manager
- Rick Knott
- Rowena Lagrosa
- John Liechty
- Huey Lin
- Tira Liu
- Steve Magel
- Eleanor Marshall

## **Review of the Organization and Operations of the Los Angeles Schools**

- Surviva Mendoza
- Mary Menjuge, Early Education
- Nagis Merchant
- Terri Minami, Director, School Fiscal Services
- Jim Morris
- Sue Nakapp, Fiscal Services Manager
- Ted Nelson, Director, Grants Assistance Unit
- Alicia Nocum, Adult & Career/Early Childhood Education
- Didi Nubia, Budget Development
- Susan O'Brien
- Dennis Okamuro
- Marie Ott, Deputy Superintendent
- Roses Marie Owens
- Ang Palmer
- Kathy Payne, Forecasting & Financial Analysis
- Carmetlis Perez
- Tess Pineda
- Loudes Razo
- Roger Rasmussen, Deputy Budget Director
- Alma Sanchez, Director, Language Acquisition
- Carmen Schroeder
- Liza Scruggs
- Sue Shannon
- Mark Shrager, Deputy Budget Director
- Cheryl Simpson, Fiscal Services Manager
- Karen Tillman
- Barbara Tobias, Compensatory Education
- Carol Truscott
- Lorenzo Tyner, Budget Director

### **Individuals Interviewed by the Human Resources Team**

- Olga Adamo, Principal Assignment Technician
- L Aguilar, Assignment Technician
- J. Armstrong, Supervisory Clerk, Records
- Justo Avila, Administrative Coordinator
- Gabriela Bannelos, Administrative Assignments Unit
- Ed Barker
- Angel Barrett
- Rosalina Barrera, Administrator, Assignments Unit
- Donna Barrow, Specialist, Certificated Placement
- Kristin Beckner, Human Resources Specialist
- M. Bellacomo, Administrator, Data Analysis
- W. Bierer, Medical Director, Employee Health Services
- M. Bilodeau, Coordinator, PAR Program
- Bob Bilovsky



## Review of the Organization and Operations of the Los Angeles Schools

- Carol Blanks, Specialist, ECED Human Resources
- G. Boykin, Coordinator, Administrative Assignments
- Phyllis Bradford, Certificated Credentials and Contract Services
- Roselyn Bradford, Personnel Clerk, Recruitment
- Steven Brandick, Administrator, Pre-service Programs
- J. Brasfield, Senior Human Relations Specialist, Employee Relations
- J. Briseno, Director, Employee Services/Relations
- Jeanne Brown
- Busby, DI
- Roger Buschmann, Deputy Human Resources Officer
- Cadena, Salary Credits Supervisor
- Tracy Calderon, Credentials Assistant
- S. Chow, Adviser, NBC Program
- Chu, MST Advisor, Teacher Training Academy
- Cienfuegos, MST Advisor, Master Plan
- Bob Collins, Chief Instructional Officer, Secondary
- T. Diep, Human Resources Specialist, Employee Relations
- David Dill, Specialist, Recruitment & Selection
- W. English, Human Resources Specialist III, Employee Relations
- Ronni Ephraim, Chief Instructional Officer
- Andres Equihua, Teacher Adviser
- R. Fisher, Assistant Director, Employee Relations
- Anita Ford, Chief, Personnel Commission
- Vanessa Franklin, Specialist, Certificated Placement
- R. Freudenberg, Selection
- M. Fuller, St. Human Resources Specialist, Research & Management
- Galermo, Computer Applications
- Garcia, Administrative Coordinator, Personnel Services
- Bernie Goldstein, Administrator, Human Resources
- George Gonzalez, Recruitment Specialist
- Wendy Guzman, Senior Assignment Technician
- Pocha Gwen, I nformation Technology Academy
- Hafeman, Assistant Director, Recruitment
- Margarita Hemmans, Credentials Supervisor
- Deb Hirsh, Director, Human Resources
- Dan Isaacs, Chief Operating Officer
- Ignagni, Director, Certificated Recruitment
- K. Gould-Jackson, Organizational Excellence
- Michael Kostrikin, Human Resources Specialist
- Rowena Lagrosa, Deputy Superintendent
- Dona Lare, Principal
- Mary H. Lewis, Administrator, Alternative Certification and Teacher Support
- Richard Lioy
- Love, Spec. Master Plan Verification
- Evelyn Lowe, Principal Personnel Clerk
- Lucas, Assistant Director, Intern Program

## **Review of the Organization and Operations of the Los Angeles Schools**

- Steve Magel, Deputy, Personnel Commission
- S. Marshall, Adviser, Pre-Intern
- K. McLurkin, DI
- Patrick Moretta
- K. McLurkin, DI
- Roberta Morris, Director, Certificated Placement and Assignment
- K. Niblett, Senior Personnel Clerk, Employee Relations
- R. Oguro, Coordinator, Teacher Training
- Ann Palmer
- Carolina H. Pavia, Administrator, Certificated Employment
- J. Peaks, Coordinator, Teacher Training Academy
- Duke Pham, Referral Unit, Placement and Assignments
- P. Taylor-Presley, Coordinator, Teacher Support
- Kathleen Price, Administrator, Classified Employment
- Merle Price
- Quinn, Assistant Director, Teacher Integration
- Ramage, Assistant Director, SPED Recruitment
- Ransom, Assistant Director, Credentials/Contracts
- L. Reyblat, Human Resources Specialist III, Research & Management
- Richardson
- L Rosales, Senior Assignment Tech ECED, Human Resources
- Rob Samples
- Sue Shannon, Local District 2
- Gary Shirasago, Administrative Services Manager
- J. Torralba, Human Resources Specialist, Personnel Research
- L. Utsumi, Program Coordinator, Pre-Interns
- Van Mill, Certificated Substitute Unit
- Steve Walters
- Weiner, Assistant Director, Intern Recruitment
- Michelle White, Assignment Technician, Certificated Substitute Unit
- Wiley, Director, Personnel Research
- Wilson, BTSA Specialist, Delta Program
- A Powers, Specialist, DELTA Program
- J. Yamane, Assistant Director, Certificated Placement
- Viriginia Yee, Specialist, Intern Recruitment;
- Young-Havens, Classification and Compensation

### **Individuals Interviewed by the Executive Director**

- Mr. Jon Lauritzen, Board of Education, LAUSD
- Mike O'Sullivan, President, AALA
- Dan Isaacs, Administrator, AALA
- Dan Baselone, Administrator, AALA
- Manual Caldera, Supervisory Department, AALA
- Charlotte Lerchenmuller, Secondary Department, AALA
- Fred hermosillo, Adult Department, AALA

## **Review of the Organization and Operations of the Los Angeles Schools**

- Bev Cook, Vice President, UTLA
- Linda Guthrie, Vice President of Secondary Education, UTLA
- Mike Dreebin, Vice President of Elementary Education, UTLA
- Bill Lloyd, Vice Trustee, Local 99
- George Foelschow, Vice President, CSEA
- Zella Knight, Pacoima Middle School parent, DAC
- Inez Morris, Audubon Middle School parent collaborative
- Jeanette Hopp, Bravo Medical Magent High School parent
- Ramona Smith, Reseda High School parent
- Mel Mares, Interim Administrator, PCSB
- Mania Mendoza, DELAC
- Rita Suarez, DELAC
- Natalie Demus, West Port Heights, Loyola Village Elementary School parent
- Betty Glenn, Gardena High School parent
- Maria Lopez, DELAC
- Alicia Bautista, DELAC
- Gaudalupe Prez, Bravo Medical High School, DAC

## **Review of the Organization and Operations of the Los Angeles Schools**

**APPENDIX D. WORKING AGENDAS**

**Strategic Support Team  
Organizational Structure  
Los Angeles Unified School District  
January 16-20/21, 2005**

**Working Agenda**

**Sunday, January 16**

6:30 p.m. Dinner Meeting Roy Romer  
Superintendent

**Monday, January 17**

7:00 – 8:00 a.m. Breakfast Meeting

8:30 - 10:15 a.m. Meeting Central Instructional Team  
R. Ephraim, D. Anton, J. Liechty,  
L. Scruggs, J. Morris, J. Brown

10:30 - 12:15 p.m. Team Meeting Local District Superintendents  
Collins, Rousseau, Shannon, Curry  
&  
Selected LD Instructional  
Administrators

12:15 - 1:15 p.m. Team Working Lunch

1:00 - 2:45 p.m. Team Meeting Central Operations Team  
T. Buresh, D. Hirsh, M. Klee.  
K. Gotsch, R. Knott, M. Eugene

3:00 - 4:45 p.m. Team Meeting Local District (LD) Supts.  
Rivera, Lagrosa, Vigil, Alonzo  
&  
Selected LD Administrators  
of School Services & Operations

4:45 - Formation of Initial Findings

**Tuesday, January 18**

7:00 – 8:30 a.m. Team Meeting & Debriefing Roy Romer  
Superintendent

9:00 - 10:30 a.m. Team Meeting Directors, Central Secondary

## Review of the Organization and Operations of the Los Angeles Schools

		Instructional Support Services J. Jacobs, C. Guenther, J. Leighton, N. Lemoine, A. Galvez, T. Ullah
10:30 - 12:00 Noon	Team Meeting	Selected Secondary Sch. Principals
12:00 - 1:00 p.m.	Team Working Lunch	
1:00 - 2:30 p.m.	Team Meeting	Dirs., Specialists & Coordinators, Central Elementary Instructional Support Services N. Baker, L. Levine, R. Burrows, B. Edwards, B. Ojeda
2:45 - 4:15 p.m.	Team Meeting	Selected El. School Principals
4:30 -		Team Discussion of Work Plan for Balance of Site Visit

### Wednesday, January 19

7:00 - 8:00 a.m.	Team Breakfast Meeting	
8:30 - 10:00 a.m.	Team Meeting	Directors & Administrators, Central Human Resources S. Brandick, C. Pavia, M. Lewis, R. Morris, B. Goldstein, G. Shirasago, K. Price
10:00 - 11:30 Noon	Team #2 Meeting	Selected LD Senior Staff, Personnel Services
12:00 - 1:00 p.m.	Team Working Lunch	
1:00 - 2:30 p.m.	Team Meeting	Dirs, Central Financial Services L. Tyner, T. Minami, K. Tillman, M. Atienza, E. Boull't, K. Kuruya, R. Rojas,
2:45 - 4:15 p.m.	Team #2 Meeting	Selected LD Senior Staff, Fiscal Services
4:30 -		Team Discussion of Work Plan for Balance of Site Visit

### Thursday, January 20

7:00 - 8:00	a.m.	Team Breakfast Meeting
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## Review of the Organization and Operations of the Los Angeles Schools

8:30 - 10:00 a.m.	Team Meeting	Dir, Central Business Services G. Beck, A.M. Fisher, M. Fairlie, A. Rodríguez, M. Wells, B. Clelland
10:00 - 11:30 Noon	Team Meeting	Selected LD Senior Staff, Business Services
12:00 - 1:00 p.m.	Team Working Lunch	
1:00 - 5:30 a.m.	Team Meeting	Compilation of Findings
6 :30	Dinner Meeting & Debriefing	Roy Romer Superintendent
<b>Friday, January 21</b>		
7:00 – 8:00 a.m.	Team #2 Breakfast Meeting	

## Review of the Organization and Operations of the Los Angeles Schools

### Strategic Support Team Operations & Business Services Los Angeles Unified School District January 23-26/27, 2005

#### Working Agenda

#### Sunday, January 23

6:30 p.m.                      Dinner Meeting                      Tim Buresh,  
Chief Operating Officer

#### Monday, January 24

7:00 – 8:30 a.m.      Team Breakfast Meeting                      Michael Eugene,  
Business Manager  
G. Beck,  
Branch Dir.,  
Performance Management

8:45 - 10:15 a.m.      Team Meeting                      A. Rodriguez,  
Branch Director  
D. Palmer,  
Deputy Branch Director  
Pupil Transportation Manager  
Central Planning Manager  
J. Yap,  
Fiscal Services Manager  
R. Salas,  
Fleet Maintenance Manager  
Transportation Branch

10:30 - 12:15 p.m.      Team Meeting                      M. Wells,  
Branch Director  
V. Cheung,  
Deputy Branch Director  
L Shinsato,  
Financial Services Manager  
Manager, Support Services  
M. E. Gibson,  
Senior Food Services Supervisor  
L. Chinnock,  
Nutrition Services Manager  
G. Clinton,  
Food Production Manager

12:15 - 1:15 p.m.      Team Working Lunch



## Review of the Organization and Operations of the Los Angeles Schools

1:00 - 2:45 p.m. Team Meeting  
A. M. Fisher,  
Chief Procurement Officer  
Vendor Services Manager  
S. Wong,  
Director, Materials Management  
G. Silva  
Director, Purchasing  
D. Johnson,  
Contract Administration

3:00 - 4:45 p.m. Team Meeting  
Selected LD Administrators  
of School Services & Operations

5:00 -  
Team Discussion of Work Plan for  
Balance of Site Visit

### Tuesday, January 25

7:00 – 8:30 a.m. Team Breakfast Meeting  
James McConnell,  
Chief Facilities Executive

9:00 - 10:30 a.m. Team Meeting  
Jim Delker,  
Dep. Chief Facilities Executive  
Bruce Kendall,  
Director, Maintenance & Operations

10:30 - 12:30 Noon Team Meeting  
K. Kennedy,  
Manager Central Facilities  
J.D. Dunivan,  
Deputy Director, Technical Support  
R. Hamm,  
Deputy Director, Tactical Support

12:30 - 1:30 p.m. Team Working Lunch

1:30 – 3:00 p.m. Team Meeting  
Area Facilities Services Directors

3:15 – 4:45 p.m. Team #2 Meeting  
Selected Secondary &  
Elementary School Principals

4:30 -  
Team Discussion of Work Plan for  
Balance of Site Visit

### Wednesday, January 26

7:00 – 8:00 a.m. Team Breakfast Meeting

## **Review of the Organization and Operations of the Los Angeles Schools**

8:30 - 12:00 a.m.	Team Meeting	Additional Interviews if required Synthesis of Findings & Preliminary Recommendations
12:00 - 1:00 p.m.	Team Working Lunch & Debriefing	Tim Buresh Chief Operating Officer

## Review of the Organization and Operations of the Los Angeles Schools

**Strategic Support Team  
ERP Project  
Los Angeles Unified School District  
February 6-9, 2005**

### Working Agenda

#### Sunday, February 6

6:30 p.m.            **Dinner Meeting**            Tim Buresh, Megan Klee,  
Anne Valenzuela-Smith

#### Monday, February 7

7:00 – 8:00 a.m.    Breakfast Meeting

8:00 - 9:45 a.m.    Team Meeting                    ERP Project Teams  
“Project Scope and Objectives”

10:00 - 12:00 p.m.    Team Meeting                    ERP & CGCS Teams  
“Making the Business Case”

12:00 - 1:00 p.m.    Working Lunch

1:00 - 2:30 p.m.    Team Meeting                    ERP & CGCS Teams  
“Benchmarking Challenges”

2:45 - 4:15 p.m.    Team Meeting                    ERP & CGCS Teams  
“Management Challenges”

4:30 -                    Team Discussion of Work Plan for Balance of Site Visit

#### Tuesday, February 8

7:00 – 8:00 a.m.    Team Breakfast Meeting

8:00 - 10:30 a.m.    Team Meeting                    ERP & CGCS Teams  
“Organizational Challenges”

10:30 - 12:00 Noon    Team Meeting                    ERP & CGCS Teams  
“Training Challenges”.

12:00 - 1:00 p.m.    Working Lunch

1:00 – 2:30 p.m.    Team #7 Meeting                ERP & CGCS Teams  
“Systems Integration Issues”

2:45 – 4:15 p.m.    Team #8 Meeting                ERP & CGCS Teams

## **Review of the Organization and Operations of the Los Angeles Schools**

“Risk Mitigation Challenges”

4:30 – 6:00 p.m. Team Meeting ERP & CGCS Teams  
“IT Challenges”

6:00 - Team Discussion of Work Plan for Balance of Site Visit

### **Wednesday, February 9**

7:00 – 8:00 a.m. Team Breakfast Meeting

7:00 – 12:00 Noon Team Meeting  
Compilation of Composite Findings

12:00 - 1:00 p.m. Working Lunch & Debriefing Tim Buresh, Megan Klee,  
Anne Valenzuela-Smith

## Review of the Organization and Operations of the Los Angeles Schools

### Strategic Support Team Finance Operations Los Angeles Unified School District February 15-18, 2005

#### Working Agenda

#### Tuesday, February 15

6:30 p.m.                      Dinner Meeting                      Tim Buresh, Chief Operating Officer  
Ken Gotsch, Chief Financial Officer  
Task & Expectations

#### Wednesday, February 16

7:00 - 8:30 a.m.    Team Meeting                      Ken Gotsch, Chief Financial Officer  
Los Angeles USD                      Charles Burbridge, Deputy CFO  
333 S. Beaudry Ave.

8:45 - 10:15 a.m.    Team Meeting                      Dr. Maria Ott, Deputy Superintendent  
Senior Instructional Staff--  
Ronni Ephraim, Chief Instructional Officer  
Santiago Jackson, Assistant Superintendent  
Carmen Schroeder, Assistant Superintendent  
John Liechty, Associate Superintendent  
Donnalynton Anton, Associate Superintendent  
Rita Caldera, Assistant Superintendent  
Carol Truscott, Assistant Superintendent  
Jim Morris, Assistant Superintendent  
Jean Brown, Assistant Superintendent  
Liza Scruggs, Assistant Superintendent

10:15 - 12:00 Noon    Team Meeting                      Budget Services  
Lorenzo Tyner, Budget Director  
Mark Shrager, Deputy Budget Director  
Roger Rasmussen, Deputy Budget Director  
Richard Knott, Controller

12:00 - 1:00 p.m.    Working Luncheon

## Review of the Organization and Operations of the Los Angeles Schools

1:00 - 2:30 p.m.	Team Meeting	Assistant Budget Directors Alicia Nocum Didi Nubla Luis Buendia Kathy Payne Barbara Tobias Nargis Merchant
2:45 - 4:15 p.m.	Team Meeting	Local District Superintendents Sue Shannon, Local District 2 Sharon Curry, Local District 3 Richard Alonzo, Local District 4 Rowena Lagrosa, Local District 5 Sylvia Rousseau, Local District 7
4:30 - 6:00 p.m.	Team Meeting	Forecasting & Financial Analysis Staff Dennis Okamuro, Principal Financial Analyst Kathy Payne, Assistant Budget Director Roger Rasmussen, Deputy Budget Director Surviva Mendoza, Assistant Budget Director
6:00 p.m.	Dinner Meeting	Roy Romer, Superintendent

### Thursday, February 17

7:00 – 8:30 a.m.	Team Breakfast	
8:30 - 9:30 a.m.	Team Meeting	LDS Fiscal Services Manager Meeting Terri Minami, Director
9:30 - 11:00 a.m.	Team Meeting	Adult, Career & Early Childhood Ed. Alicia Nocum, Assistant Budget Director Dominick Cistone, Div. Admin., Adult Ed. Sally Cocjin, Fiscal Manager, Adult Ed. Carmen Silva, Financial Analyst, Adult Ed. Mary Menjuga, Fiscal Services Mgr, Early Childhood Ed.
11:00 - 12:30 p.m.	Team Meeting	Special Ed. Fiscal Services Staff Donnalyn Anton, Associate Superintendent Mark Shrager, Deputy Budget Director Nargis Merchant, Assistant Budget Director L.A Shelby, Principal Financial Analyst Chieko Rupp, Director of Programs, Fiscal Accountabilities Unit

## **Review of the Organization and Operations of the Los Angeles Schools**

12:30 - 1:30 p.m.	Working Luncheon	
1:30 - 2:30 p.m.	Team Meeting	Principals Ad Hoc Committee Meeting Renée E. Jackson, Ex. Management Officer
2:30 - 4:00 p.m.	Team Meeting	Financial Systems Staff Susan O'Brien, Director of Business Enterprise Software Systems Marvin Cruz, Web Architect Lourdes Razo, Computer Applications Specialist Luis Buendia, Asst. Budget Director
4:00 - 5:30 p.m.	Team Meeting	Comp. Ed. & Categorical Programs Staff Barbara Tobias, Assistant Director Shirley Callangan, Fiscal Services Manager Myrna Ines, Financial Analyst Amelita Josue, Financial Analyst Theresa Chou, Fiscal Services Mgr.
5:30 p.m.	Dinner Meeting	Discussion of Work Plan for Balance of Site Visit

### **Friday, February 18**

7:00 - 8:00 a.m.	Team Breakfast	
8:00 - 12:00 noon	Team Meeting	Compilation of Findings & Recommendations
12:00 - 1:00 p.m.	Exit Briefing	Roy Romer, Superintendent

## Review of the Organization and Operations of the Los Angeles Schools

### Strategic Support Team Human Resources Los Angeles Unified School District May 3-6, 2005

#### Working Agenda

#### Tuesday, May 3

6:30 p.m.	Dinner Meeting	Roy Romer Superintendent Ronni Ephraim Chief Instructional Officer
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#### Wednesday, May 4

7:30- 9:00 a.m.	Working Breakfast	D. Isaacs, Chief Operations Officer D. Hirsh, Chief HR Officer R. Buschmann, Deputy HR Officer
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9:00- 10:30 a.m.	Team Meeting	C. Pavia, Adm. Cert. Employment M. Lewis, Dir. Alt Cert. Program R. Morris, Dir. Cert. Placement B. Goldstein, Admin. Personnel Svcs G. Shirasago, Mgr. Admin. Svcs A. Palmer, Senior Financial Analyst K. Price, Admin. Cert. Admin. Svcs J. Avila, Admin. Strategic Initiatives
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10:30- 12:00 Noon	Team Meeting	D. Ignagni, Dir. Cert. Recruitment D. Hafeman, Asst. Dir. Recruitment D. Ramage, Asst. Dir. SPED Recrt. A. Weiner, Asst. Dir. Intern Recrt. P. Bradford, Coord. Cred/Contracts C. Ransom, Asst. Dir Cred/Contracts S. Brandick, Dir. Pre-College G. Boykin, Coord. Admin. Assign.
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12:00- 1:00 p.m.	Team Working Lunch	
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1:00- 2:30 p.m.	Team Meeting	J. Yamane, Asst. Dir. Cert. Plmnt E. Quinn, Asst. Dir. Teacher Integ. D. Van Mill, Cert. Substitute Unit C. Blanks, Spec. ECED H.R.
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## Review of the Organization and Operations of the Los Angeles Schools

2:30- 4:00 p.m.	Team Meeting	A. Garcia, Adm. Coord. Pers.Svc D. Wiley, Dir. Pers. Research J. Briseno, Dir. Personnel Svcs J. Blatter, Dir. Employee Svcs R. Fisher, Asst. Dir. Employee Rel. W. Bierer, Dir. Emp. Health Svcs A. Galermo, Computer Applications J. Avila, Adm. NCLB (1) C. Pavia, Adm. Cert. Recruitment
4:00- 5:30 p.m.	Team Meeting	D. Dill, Spec. Recruitment-SPED G. Gonzalez, Spec. Recruitment C. Weiner, Spec. Recruitment A. Equihua, Cert. Recruitment K. Beckner, HR Specialist I (1) M. Kostrikin, HR Specialist II (1) C. Jackson, Spec. SPED Emp. V. Yee, Spec. Intern Recruitment R. Bradford, Personnel Clerk M. Hemmans, Cred. Supvr. Y. Douver, Cler. Support T. Calderon, Cred. Assist. P. Bradford, Coord. Cred.
5:00 -		Team Discussion
<b>Thursday, May 5</b>		
7:00 – 8:00 a.m.	Working Breakfast	
8:00- 9:30 a.m.	Team Meeting	O. Adamo, Principal Assign. Tech. D. Barrow, Spec. Cert. Pers.(1) D. Pham, HR Spec. Referral Unit (1) V. Franklin, Field Spec. Tchr Integ. W. Guzman, Audit, Cert. Assgnmts E. Lowe, Principal Personnel Clerk M. White, Assign. Tech (1) L. Aguilar, Assign. Tech (1) A. Valdez, ECED Temp. Advisor L. Rosales, Sr. Assign. Tech. ECED, R. Barrera, Cert. Assmt. Spst. G. Banuelos, Assign. Tech.
9:30- 9:45 a.m.	Break	
9:45- 11:15 p.m.	Team Meeting	J. Torralba, HR Spec, Pers. Research

## Review of the Organization and Operations of the Los Angeles Schools

		<p>M. Bellacomo, Adm. Data Analysis  M. Fuller, Sr. HR Spec. Research  L. Reyblat, HR Spec III, Research  E. Cadena, Salary Credits Supvr.  A. Love, Spec. Master Plan Verif.  A. Cienfuegos, MST Adv, Mast Plan  J. Armstrong, Supv Clerk, Records  J. Brasfield, Sr. HR Spec. Emp Rel  W. English, HR Spec III, Emp Rel  T. Diep, HR Spec I, Emp. Rel  K. Niblett, Personnel Clk, Emp Rel.</p>
11:15- 12:15 p.m.	Team Meeting	<p>Mary Lewis, Adm. Intern Program  B. Lucas, Asst. Dir, Intern Program  Alternative Certification  L. Utsumi, Prog Coord. Pre-Interns  S. Marshall, Adviser, Pre-Intern  R. Oguro, Coord. Teacher Training  J. Peaks, Coord. Teacher Training  D. Chu, MST Adv Teacher Training  P. Taylor-Presley, Teacher Support  D. Wilson, BTSA Spec.  A. Powers, Spec. DELTA Program  S. Chow, Adviser, NBC Program  M. Bilodeau, Coord, PAR Program  G. Pocha, Gwen, TT Academy  K. Mc Lurkin, DI  D. Busby, DI</p>
12:15- 1:15 p.m.	Working Luncheon	
1:30- 3:30 p.m.	Team Meeting	<p>A. Ford, Chief. Per. Commission  S. Magel, Deputy Per. Commission  R. Freudenberg, Selection  A. Young-Havens, Classification &amp;  Compensation  K. Gould-Jackson, Organizational  Excellence (Training)</p>
3:30- 5:00 p.m.	Team Meeting	<p>Selected Elementary &amp;  Secondary Principals</p>
5:00 – 6:00 p.m.	Team Meeting	<p>Local District Superintendents</p>
6:00 -		<p>Team Discussion</p>

## **Review of the Organization and Operations of the Los Angeles Schools**

### **Friday, May 6**

7:00 – 8:00 a.m. Working Breakfast

8:00- 12:00 Noon Team Meeting                      Compilation of Composite Findings  
& Recommendations

12:00- 1:00 p.m. Working Luncheon                      Roy Romer  
& Debriefing                      Superintendent

## **Review of the Organization and Operations of the Los Angeles Schools**

**APPENDIX E. STAFFING RATIOS IN THE GREAT CITY SCHOOLS**

**Staffing Ratios the Great City Schools Using NCES Data, 2003-2004**

	Student/ All Staff Ratio <sup>73</sup>	Student/ Teacher Ratio	Student/ Teacher- Aide Ratio <sup>74</sup>	Student/ District Admin. Ratio <sup>75</sup>	Student/ Other Support Ratio <sup>76</sup>	Student/ School Admin. Ratio <sup>77</sup>	Student/ Guidance- Counselor Ratio
Albuquerque	7.44	14.62	59.08	291.3	49.72	387.1	439.1
Anchorage	8.9	17.6	94.7	578.2	43.1	249.2	517.9
Atlanta	7.1	14.1	70.6	486.9	32.5	268.6	391.8
Austin	7.6	14.8	105.8	1122.3	27.7	137.5	487.4
Baltimore	8.4	15.0	65.7	1093.6	46.1	214.7	566.6
Birmingham	8.4	15.4	185.3	444.0	38.7	193.7	475.6
Boston	7.6	15.3	76.4	280.8	35.2	278.3	706.8
Broward County	10.1	19.1	131.0	3897.6	49.7	433.8	504.3
Buffalo	7.6	13.6	43.4	1284.0	87.9	283.4	619.7
Caddo Parish	6.9	15.2	64.6	2964.9	28.2	290.7	167.8
Charleston	11.8	14.0	980.2	3393.0	44,109.0	282.2	382.9
Charlotte	7.8	15.5	61.5	1443.9	37.4	258.7	405.9
Cincinnati	6.5	12.9	41.0	571.1	43.6	272.1	1941.1
Chicago	15.7	18.9	NA	931.8	NA	306.9	500.9
Clark County	12.9	20.1	254.0	1878.7	91.1	365.1	599.0
Cleveland	6.0	13.6	86.5	180.5	20.0	251.5	669.8
Columbus	7.3	16.4	57.6	803.8	41.5	234.6	497.6
Christina	7.4	14.7	66.3	467.6	31.8	334.6	1141.6
Dade County	10.2	19.7	121.9	2816.6	48.9	408.6	370.3
Dallas	8.0	15.6	91.1	979.2	34.2	150.6	383.8
Dayton	6.4	13.0	147.9	273.5	26.1	308.2	1027.3
Denver	8.6	17.1	64.4	1135.4	55.9	298.1	1040.4
Des Moines	7.4	13.4	58.1	388.6	45.0	341.6	351.3
Detroit	12.1	22.8	67.1	894.9	19.9	405.9	573.2
D.C.	6.8	13.3	59.4	678.1	109.2	175.5	1085.0
Duval County	10.7	18.6	103.3	790.0	107.6	374.4	544.4
Fort Worth	7.7	16.8	92.0	723.7	26.4	129.7	413.2

<sup>73</sup> Includes all FTE teacher and staff positions.

<sup>74</sup> Includes all staff members assigned to assist teachers in activities requiring minor decisions regarding students and in such activities as monitoring, conducting rote exercises, operating instructional equipment, and keeping records.

<sup>75</sup> Includes the superintendent, deputy and assistant superintendents, and other persons with districtwide responsibilities, such as business managers and administrative assistants, but excludes supervisors of instructional or student support staff.

<sup>76</sup> Includes cafeteria workers, bus drivers, custodians, and other support staff not included in other categories.

<sup>77</sup> Includes principals and other staff concerned with directing and managing the operation of particular schools.

## Review of the Organization and Operations of the Los Angeles Schools

Fresno	11.0	20.7	91.8	8569.3	74.3	751.7	1006.3
Guilford County	8.4	15.3	58.5	1594.5	60.6	317.4	354.3
Hillsborough Ctn	8.5	16.5	101.7	4664.1	38.6	351.8	434.1
Houston	8.3	17.2	129.4	1164.6	27.9	182.0	781.3
Indianapolis	7.2	14.4	75.0	9997.3	34.7	282.0	594.2
Jackson	7.0	16.6	59.4	821.8	24.9	264.3	358.7
Jefferson County	7.0	16.9	41.1	1911.6	32.6	325.2	386.0
Kansas City	7.9	14.7	106.3	984.2	33.4	230.2	358.8
Long Beach	10.3	22.0	94.4	6376.5	40.1	692.4	586.3
Los Angeles	10.1	21.0	57.2	1673.0	58.9	480.2	764.3
Memphis	9.0	16.0	119.0	1305.9	38.1	252.2	525.7
Milwaukee	8.7	16.4	57.0	1909.0	54.5	293.3	1132.1
Minneapolis	7.2	14.3	60.9	2345.8	44.8	152.0	1030.8
Nashville	7.4	14.1	96.6	784.6	29.5	168.1	380.3
New York City	9.5	14.6	57.5	2782.5	4,621.6	387.2	511.6
Newark	6.3	12.7	65.0	5202.8	35.1	180.4	421.8
Norfolk	7.4	14.2	48.1	394.9	61.6	374.7	483.2
Oakland	10.2	19.8	159.9	3454.6	57.7	365.5	1230.2
Oklahoma City	9.2	17.3	89.0	18454.1	62.0	283.9	576.7
Omaha	7.5	14.8	54.4	561.4	39.2	323.1	319.7
Orange County	8.2	17.5	83.5	2155.7	42.8	405.8	564.6
Orleans Parish	7.6	14.6	89.4	1029.1	38.7	339.6	409.2
Palm Beach Ctn	9.3	18.2	104.9	1242.8	47.4	344.0	466.5
Philadelphia	8.4	18.6	83.1	17252.6	29.3	379.6	519.9
Pittsburgh	6.6	12.9	62.6	5776.3	29.9	228.0	502.3
Portland	9.9	18.0	84.5	2641.7	137.5	355.7	723.7
Providence	NA	15.7	NA	NA	NA	NA	NA
Richmond	9.3	13.4	NA	NA	NA	220.9	329.9
Rochester	6.0	12.2	46.5	1911.5	27.5	221.2	576.6
Sacramento	11.5	19.6	168.3	2742.3	63.3	462.7	2275.2
Salt Lake City	8.5	19.9	33.0	5092.3	49.5	479.3	615.7
San Diego	9.9	18.6	89.9	2084.0	66.6	374.2	436.9
San Francisco	11.7	18.4	65.7	1369.8	194.6	320.8	631.1
Seattle	9.2	18.5	110.3	1888.4	38.8	317.0	569.9
St. Louis	6.1	12.7	70.3	1458.1	22.2	250.6	290.4
St. Paul	7.8	15.4	35.6	3270.0	72.5	269.1	522.2
Toledo	7.4	13.6	92.7	589.5	39.8	265.3	514.7
Tucson	9.2	18.3	103.7	11594.0	50.5	333.6	485.4
Wichita	8.7	15.9	75.6	660.7	49.5	318.5	564.6
Totals	9.2	16.9	80.7	1293.2	54.0	313.7	521.9

**APPENDIX F. SURVEY OF URBAN SCHOOL EXPENDITURES**

**Council of the Great City Schools**

**Survey of Urban School Budgeted Expenditures  
School Year 2004-2005**

- Name of School District \_\_\_\_\_
- Name and Title of Persons Completing Survey \_\_\_\_\_
- Phone: (    ) \_\_\_\_\_ Fax: (    ) \_\_\_\_\_ Email: \_\_\_\_\_

**Instructions**

Please complete this form using budgeted, rather than actual, figures for your 2004-2005 school year. Include budgeted expenditures for services that the district provides directly and those for which the district contracts. If an exact amount is not available, please provide the best estimate possible. Round figures to the nearest dollar. If the correct response to any item is \$0.00, please write in a zero (0) rather than leaving the space blank so that the response can be differentiated from “not available.”

**A. General Information**

- What is the total prek-12 enrollment of the district this school year (2004-2005)? \_\_\_\_\_
- Is your school district:     Fiscally Independent     Fiscally Dependent
- When does your fiscal year begin and end?    Begins \_\_\_\_\_    Ends \_\_\_\_\_
- When is your budget usually approved by the school board? \_\_\_\_\_
- Is your budget approved by an outside organization or entity (e.g., city council, regional or county school authority, state, control board, or other)?     Yes     No

-If yes, please specify outside entity approving district budget. \_\_\_\_\_

-If yes, in what month does outside entity usually approve your budget? \_\_\_\_\_

**B. Budgeted Expenditures by Function, 2004-2005**

- Include budgeted expenditures for all current expenditure funds (e.g., operating, special education, federal projects, transportation, etc.) but exclude funds that are intended to be self-supporting, such as food service.
- Include total budget costs of compensation for both professional and support staff—salaries, employer retirement contributions, and costs of fringe benefits—as well as the cost of supplies, travel, etc., in each functional category.

**1. Current Budgeted Expenditures, 2004-2005**

Function	Explanation	Budgeted Amount
<b>Instructional Services</b>		
Classroom instruction	<u>Include</u> : Prek-12 teachers, paraprofessionals, instructional coaches, and clerical personnel	\$

## Review of the Organization and Operations of the Los Angeles Schools

	working with teachers in the classroom. Also include afterschool instructional programs costs. <u>Exclude:</u> Special education spending (see next category).	
Special education	<u>Include:</u> Teachers, paraprofessionals, clinical staff, and clerical personnel assigned to work with students classified as eligible for special education services; as well as services contracted to outside agencies or private schools to which the district sends special education students. <u>Exclude:</u> Transportation of special education students (see transportation).	\$
Books & materials	<u>Include:</u> Textbooks, library books, audiovisuals, instructional software, and other instructional materials. <u>Exclude:</u> Costs of in-class computers (see next category).	\$
Instructional technology	<u>Include:</u> Computers and other related or auxiliary technology that is used for the delivery of instruction.	\$
Auxiliary Instructional Services	<u>Include:</u> Counselors, librarians and their support staff.	\$
Improvement and Development	<u>Include:</u> Curriculum development, instructional supervision, in-service and professional development of staff, and leadership training and principal academies.	\$
Other	<u>Include:</u> Other instructional services, including those that are contracted to outside agencies such as regional service agencies but are not prorated to the functions above. <u>Exclude:</u> Special education contracts. (Place under special education or transportation.)	\$
<b>School-Site</b>		\$
School-site leadership	<u>Include:</u> Offices of principals, assistant principals, and other supervisory staff.	
School-site support	<u>Include:</u> Secretaries, clerks, and non-instructional aides.	
<b>Student Services</b>		
Health and Attendance	<u>Include:</u> Physical and mental health staff and services such as nurses, psychologists, social workers, related paraprofessional and clerical	\$



## Review of the Organization and Operations of the Los Angeles Schools

	staff and materials.	
Transportation	<u>Include</u> : Staff, drivers, maintenance and operation of equipment, fuel, and contracts, for transporting public school pupils even if a separate transportation fund is maintained. Also include special education transportation and transportation for nonpublic and charter schools.	\$
Food Service	<u>Include</u> : Net cost to district of operating food service program (may be \$0 if self-supporting). <u>Exclude</u> : Expenditures offset by income from cash sales and state and/or federal subsidies.	\$
Student Activities	<u>Include</u> : Net cost to district (may be \$0 if self-supporting) of extracurricular student activities. <u>Exclude</u> : Expenditures offset by gate receipts, activity fees, etc.	\$
Other	<u>Include</u> : Other student services (only net cost to district).	\$
<b>Board of Education Services</b>	<u>Include</u> : Board members, board staff, travel & meeting expenses, election services, legal services or general counsel, census, tax assessment/collection services, and similar Board services.	\$
<b>Executive Administration</b>	<u>Include</u> : Offices of the superintendent, deputy, associate, assistant, and area (regional) superintendents. Also include negotiation services; state and federal relations; communications (or public information) and community relations; planning, research, evaluation, testing, statistics, and data processing; and related central office services not listed elsewhere. <u>Exclude</u> : Services (listed elsewhere) for instruction; fiscal services; operations (or business services); maintenance; pupil personnel; and school site leadership.	\$
<b>Fiscal Services</b>	<u>Include</u> : Fiscal services (payroll, budgeting, accounting, internal auditing, short-term interest, etc.); facilities acquisition and construction services; and similar finance-related services not included elsewhere. <u>Exclude</u> : Capital expenditures.	\$
<b>Business Operations</b>	<u>Include</u> : Procurement; warehousing; printing;	

## Review of the Organization and Operations of the Los Angeles Schools

	management information services, human resources and personnel; security; TV and radio. <u>Exclude:</u> Maintenance, food services, transportation or other listed operations.	
<b>Facilities and Maintenance</b>	<u>Include:</u> Staff, equipment, and supplies for the care, upkeep, and operation of buildings, grounds, security, custodial and other services. <u>Exclude:</u> Expenditures (listed elsewhere) for major equipment purchased from a special capital purchases fund, utilities, and heating/cooling fuel.	\$
<b>Environment, Energy, and Utilities</b>	<u>Include:</u> Fuel for heating and cooling plus all utilities including telephone (if budgeted to one districtwide account), electrical, water, and sanitation. <u>Exclude:</u> Fuel for transportation. (Place under transportation.)	\$
<b>Insurance</b>	<u>Include:</u> Fire insurance, professional liability insurance, and other self-insurance expenses.	\$
<b>All Other Current Expenditures</b>	<u>Include:</u> All other expenditures not reported elsewhere. <u>Exclude:</u> Community services, recreation services, and junior and community colleges.	
<b>Subtotal Budget for Current Spending, 2004-2005</b>	Dollar amount reported should be the total of all current budget figures listed above. Please double-check figures for accuracy.	\$

In addition to the current budgeted expenditures detailed above, the district budgeted the following on non-current expenditures:

### 2. Non-current Budgeted Expenditures, 2004-2005

<b>Capital Outlay</b>	<u>Include:</u> Expenditures from any special capital outlay accounts for new and replacement buildings, vehicles, and other major equipment items. <u>Exclude:</u> Expenditures for capital outlay purchases already reported above.	\$
<b>Debt Retirement</b>	<u>Include:</u> Payments on principal and payments to school-housing authorities.	\$
<b>Interest Paid on Debt</b>	<u>Include:</u> Interest on long-term debts only.	\$
<b>Subtotal Budget for</b>	Dollar amount reported should be the total of	\$

## Review of the Organization and Operations of the Los Angeles Schools

<b>Non-current Spending, 2004-2005</b>	non-current budget figures in this section. Please double-check figures for accuracy.	
<b>Grand Total Budget, 2004-2005</b>	<u>Include</u> : Sum of current subtotal (section #1) and non-current subtotal (section #2) from above.	\$

### C. Budgeted Expenditures for Staff Compensation, 2004-2005

Spending amounts in this section overlap with those in the previous section and are designed to present a different view of school spending. This section looks at specific expenditures by object rather than by function.

#### (a) Salaries, Retirement Contributions, and Fringe Benefits

Type of Personnel	Spending for Salaries & Wages	Spending for Contributions to Employee Retirement & Social Security	Spending for Other Fringe Benefits	Total Amount
Central Administration Personnel: <u>Include</u> central office and area office professional and managerial personnel.	\$	\$	\$	\$
School Site Leadership: <u>Include</u> principals and assistant principals.	\$	\$	\$	\$
Classroom Teachers: <u>Include</u> salaries of both contract and substitute teachers.	\$	\$	\$	\$
Auxiliary Professional Personnel: <u>Include</u> professional personnel in direct support of the instructional program and other professional personnel working with students (librarians, counselors, nurses, etc.).	\$	\$	\$	\$
Support Personnel: <u>Include</u> all other employees of the school	\$	\$	\$	\$

## Review of the Organization and Operations of the Los Angeles Schools

district, e.g., clerks, custodians, bus drivers, teacher aides. <u>Exclude</u> food service personnel if these people are paid from a self-supporting food-services fund.				
Totals	\$	\$	\$	\$

### (b) Employer Payments to Retirement Systems and Social Security (FICA)

- Employer contributions to staff retirement systems and Social Security (FICA) for professional and support staff may be handled in several ways as related to the local school district budget: they may (1) appear in the local school district budget, (2) be paid directly to the retirement system by a state or municipal government, or (3) be paid through some combination of these methods. Employer contribution procedures may also differ for professional and for support personnel within the same school district.
- Check (√) the items below that best describe the procedure used for employer contributions to the employee retirement system and Social Security (FICA) in your school district. Check (√) one procedure in each of the four (4) columns.

Amount of Employer Contribution for Retirement	Professional Staff		Support Staff	
	Retirement System	FICA	Retirement System	FICA
All: Entire employer contribution in local school district budget. (Check even if state will eventually reimburse local budget.)				
Shared: With another governmental unit (municipal, county, or state).				
None: All employer contributions paid by another governmental unit.				
Not applicable: Employees not covered under this program.				

### D. Other

- Does your district pay for services from an intermediate or regional service agency without the cost of these services appearing in your district's budget?

Yes

No

## Review of the Organization and Operations of the Los Angeles Schools

- Are all costs for student health services included in your budget or are some of these services provided by another agency from their budgets? (Check one.)
  - All costs included in district budget
  - Some or all provided by another agency
  
- Are all costs for student security services included in your budget or are some of these services provided by another agency from their budgets? (Check one.)
  - All costs included in district budget
  - Some or all provided by another agency
  
- Are all costs for after-school activities and programs included in your budget or are some of these services provided by another agency or organization from their budgets? (Check one.)
  - All costs included in district budget
  - Some or all provided by another agency
  
- Are all costs for student transportation services included in your budget or are some of these services provided by another agency or organization from their budgets? (Check one.)
  - All costs included in district budget
  - Some or all provided by another agency
  
- Are all costs for e-rate related services included in your budget or are some of these services provided by another agency or organization from their budgets? (Check one.)
  - All costs included in district budget
  - Some or all provided by another agency
  
- Do you contract out more than 50 percent of the functions listed below? (Check one option for each of the five.)

Student transportation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Food Service	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Maintenance of facilities/grounds	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Special education	<input type="checkbox"/> Yes	<input type="checkbox"/> No
School security	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Please return completed survey to Michael Casserly or Robert Carlson at the  
Council of the Great City Schools, 1301 Pennsylvania Avenue, NW, Suite 702, Washington,  
DC 20004.  
Fax: (202) 393-2400  
Thank You**

## **Review of the Organization and Operations of the Los Angeles Schools**

### APPENDIX G. BUSINESS SERVICES SURVEY & RESPONDENTS

In addition to the assessment of the Council's Strategic Support Teams, the organization used a self-assessment that was derived from the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and Florida's Auditor General. The instrument was endorsed by the Council's operating directors at their 2004 annual meeting. The assessment was developed to help districts 1) use performance and cost-efficient measures to evaluate programs; 2) use appropriate benchmarks based on comparable school districts, government agencies, and industry standards; 3) identify potential cost-savings; and 4) focus budget and resources on district priorities and goals, including student performance. The surveys are based on a set of "best practices and indicators" that were identified from extensive literature reviews; interviews of education personnel experts, representatives from professional organizations, and educators in other states. The survey measures 39 standards and 184 practices in four functional areas—

1. Purchasing (4 Standards and 40 Practices or 8 Standards and 56 Practices))
2. Inventory Management (4 Standards and 16 Practices)
3. Food Services (11 Standards and 43 Practices)
4. Transportation (20 Standards and 85 Practices)

#### **Purchasing**<sup>78</sup>

The LAUSD Business Services Division reported 77.5 percent overall compliance with the 40 best practices in this area, compared with an 86.8 percent compliance rate reported by 37 other urban school districts.

- **Standard 1:** The district separates purchasing responsibilities from the requisitioning, authorizing, and receiving functions.
  - \* The LAUSD Business Services Division reported 100 percent compliance with six indicators of best practices in this area.
  - \* The other 37 responding urban school districts reported 92.4 percent compliance with the same six indicators.
- **Standard 2:** The district has established controls for authorizing purchase requisitions.
  - \* The LAUSD Business Services Division reported 100 percent compliance with five indicators of best practices in this area.

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<sup>78</sup> The Los Angeles Unified School District, like many other larger entities, separates its procurement and finance functions for purposes of internal control. Consequently, where appropriate, the district's responses to the standards and practices were compiled from the Financial and Business Services Divisions.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 37 responding school districts reported 90.3 percent compliance with the same five indicators.
- **Standard 3:** The district has established authorization controls over purchasing.
  - \* The LAUSD Business Services Division reported 81.0 percent compliance with 21 indicators of best practices in this area.
  - \* The other 37 school districts reported 85.6 percent compliance with the same 21 indicators
  - \* The LAUSD Business Services Division, however, indicated that it did not use the following best practices—
    - ✚ Has purchase prices periodically reviewed by a responsible employee independent of the purchasing department.

Only 37 percent (37.8 percent) of the other 37 school districts comply with this indicator.
    - ✚ Rotates its contract or purchasing officer's areas of responsibility on a regular basis, when practicable.

Only 19 percent (18.9 percent) of the other 37 school districts comply with this indicator.
    - ✚ Maintains a record of suppliers that have not met quality or other performance standards by the purchasing department.


Seventy-three percent (73 percent) of the other 37 school districts comply with this indicator.
    - ✚ Have predetermined selection criteria for awarding personal service contracts and sufficiently documents the awards process.

All (100 percent) of the other 37 school districts comply with this indicator.
- **Standard 4:** The district has established controls to ensure that goods are received and meet quality standards.
  - \* The LAUSD Business Services Division reported 50 percent compliance with eight indicators of best practices in this area.




## Review of the Organization and Operations of the Los Angeles Schools


- \* The other 37 K-12 school districts reported 83.8 percent compliance with the same eight indicators.
- \* The LAUSD Business Services Division indicated, however, that it did not comply with the following best practices—

-  Has a procedure for filing claims against carriers or vendors for shortages or damaged materials.


Ninety-two percent (91.9 percent) of the other 37 responding school districts comply with this indicator.

-  Takes steps to ensure that goods received are accurately counted and examined to see that they meet quality standards.

Eighty-nine percent (89.2 percent) of the other 37 school districts comply with this indicator.

-  Has receiving reports accounted for numerically or otherwise controlled to ensure that all receipts are reported to the accounting department.

Eighty-four percent (83.4 percent) of the other 37 school districts comply with this indicator.

-  Assigns a government technical representative to monitor and evaluate contractor performance and approve receipt of services with respect to procurements of special purpose materials, services, or facilities.

Fifty-four percent (54.1 percent) of the other 37 school districts comply with this indicator.

### Inventory Management

- **Standard 1:** The district separates responsibilities for custody of inventories from record-keeping responsibilities for those assets.
  - \* The LAUSD Business Services Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 43 responding school districts reported 84.5 percent compliance with the same three indicators.
- **Standard 2:** The district has established and implemented controls that provide for proper inventory requisitioning.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Business Services Division reported 100 percent compliance with four indicators of best practices in this area.
- \* The other 43 school districts reported 93 percent compliance with the same four indicators.
- **Standard 3:** The district has established controls that provide for inventory accountability and appropriate safeguards for inventory custody.
  - \* The LAUSD Business Services Division reported 100 percent compliance with four indicators of best practices in this area.
  - \* The other 43 responding school districts reported 86.4 percent compliance with the same four indicators.
- **Standard 4:** The district evaluates the inventory function periodically to determine its cost-effectiveness.
  - \* The LAUSD Business Services Division reported 67.3 percent compliance with three indicators of best practices in this area.
  - \* The other 43 school districts reported 58.9 percent compliance with the same three indicators.
  - \* The LAUSD Business Services Division, however, indicated that it did not comply with the following best practices—
    - ✚ Periodically reviews inventory levels and compares them with other school districts to ensure that excessive levels are not maintained.

Only 35 percent (34.9 percent) of the other 43 responding school districts comply with this indicator.

### Food Services

The Food Services Division reported 83.7 percent overall compliance with 43 performance indicators of best practices in this area, compared with 84.2 percent overall compliance reported by 37 other responding urban school districts.

- **Standard 1:** The program has developed strategic or operational plans that are consistent with district plans, the program budget, and approved by the district.
  - \* The LAUSD Food Services Division reported 85.7 percent compliance with seven indicators of best practices in this area.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 37 school districts reported 88.4 percent compliance with the same seven indicators.
- \* The LAUSD Food Services Division, however, indicates that it did not use the following best practices—
  - ✚ Has a broadly approved food services program plan that is consistent with the district’s strategic plan.<sup>79</sup>
  - ✚ Eighty-nine percent (89 percent) of the other 37 school districts reported compliance with this performance indicator.
- **Standard 2:** The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.<sup>80</sup>
  - \* The LAUSD Food Services Division reported 33.3 percent compliance with six indicators of best practices in this area.
  - \* The other 37 districts reported 91.7 percent compliance with the same six indicators.
  - \* The LAUSD Food Services Division, however, indicated that it did not comply with the following best practices—
    - ✚ Has positioned the food service program in the district organization to have sufficient authority to fulfill its responsibilities.  
Ninety-two percent (92 percent) of the other 37 school districts reported compliance with the performance indicator.
    - ✚ Has developed organizational relationships designed to allow and encourage the food service program to succeed.  
  
Ninety-two percent (92 percent) of the other 37 school districts reported compliance with the performance indicator.
    - ✚ Has span-of-control that is appropriate for the program’s organization.  
  
Eighty-six percent (86 percent) of the other 37 school districts reported compliance with the performance indicator.

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<sup>79</sup> The Food Services Division was aligned with an original goal of getting fiscally balanced. However, the Board of Education is moving in a new policy direction—toward healthier foods selections and nutrition education. Consequently, the division is not currently aligned with the new initiatives in its own strategic plan.

<sup>80</sup> The district reported that the standard cannot be met, in part, because cafeteria managers are selected by the building principals.

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Has food service staffing levels that are appropriate considering the number of meals served, serving periods, and student participation.<sup>81</sup>

Eighty-nine percent (89 percent) of the other 37 school districts reported compliance with the performance indicator.

- **Standard 3:** Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.
  - \* The LAUSD Food Services Division reported 100 percent compliance with two indicators of best practices in this area.
  - \* The other 37 responding districts reported 88.5 percent compliance with the same two indicators.
- **Standard 4:** Program management has developed comprehensive procedures manuals that are kept current.
  - \* The LAUSD Food Services Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 37 districts reported 80.3 percent compliance with the same three indicators.
- **Standard 5:** The district performs sound cash and account management.
  - \* The LAUSD Food Services Division reported 25 percent compliance with four indicators of best practices in this area.
  - \* The other 37 responding districts reported 71.8 percent compliance with the same four indicators.
  - \* The LAUSD Food Services Division indicated that it did not comply with the following best practices—
    - ✚ Has an unreserved fund balance that is sufficient to operate the program and is not dependent upon General Fund transfers for operations.<sup>82</sup>

Seventy-eight percent (78 percent) of the other 37 school districts reported compliance with the performance indicator.

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<sup>81</sup> The district reported that the Food Services Division is slightly overstaffed, but that the staff is being reduced through attrition.

<sup>82</sup> The district reports that it must borrow periodically from the General Fund to cover cash flow needs of the Food Service Division.

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Has a five-year cash flow budget in place that meets planned needs and will not require use of General Fund monies.

Thirty-nine percent (39 percent) of the other 37 school districts reported compliance with the performance indicator.

- ✚ Have program managers submit and receive federal reimbursements in a timely manner (requested within 30 days).

Eighty-one percent (81 percent) of the other 37 school districts reported compliance with the performance indicator.

- **Standard 6:** District and program management optimizes its financial opportunities.
  - \* The LAUSD Food Services Division reported 100 percent compliance with four indicators of best practices in this area.
  - \* The other 37 responding districts reported 88.3 percent compliance with the same four indicators.
- **Standard 7:** Food service program management has developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and to manage operations better.
  - \* The LAUSD Food Services Division reported 100 percent compliance with four indicators of best practices in this area.
  - \* The other 37 districts reported 86.3 percent compliance with the same four indicators.
- **Standard 8:** At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.
  - \* The LAUSD Food Services Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 37 responding districts reported 86.6 percent compliance with the same five indicators.
- **Standard 9:** District and program administrators manage costs of the food service program effectively and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Food Services Division reported 100 percent compliance with three indicators of best practices in this area.
- \* The other 37 districts reported 90 percent compliance with the same three indicators.
- **Standard 10:** The food service program and the district comply with federal, state, and district policy.
  - \* The LAUSD Food Services Division reported 50 percent compliance with two indicators of best practices in this area.
  - \* The other 37 responding districts reported 93 percent compliance with the same two indicators.
  - \* The LAUSD Food Services Division indicated that it did not use the following best practices—
    - Ensures that federal and state competitive food rules are followed and that district policies and practices support these rules.<sup>83</sup>

Ninety-two percent (92 percent) of the other 37 school districts reported compliance with the performance indicator.
- **Standard 11:** The district conducts activities to ensure that customer needs are met, and acts to improve services and food quality where needed.
  - \* The LAUSD Food Services Division reported 66.7 percent compliance with three indicators of best practices in this area.
  - \* The other 37 districts reported 86 percent compliance with the same three indicators.
  - \* The LAUSD Food Services Division reported that it did not comply with the following performance indicators—
    - Has developed an effective suggestions system that readily accepts and ensures that complaints are considered.<sup>84</sup>

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<sup>83</sup> The Food Services Division is taking action to be compliant with regulatory policies. However, the division received 77 pages of audit findings from the U.S. Department of Agriculture (USDA) last year that require significant action.

<sup>84</sup> The Food Services Division does have a system to accept suggestions. However, it is not yet equipped to address issues of student preferences for healthier food choices and distinguishing customer preference for such choices from the overall system of menu planning. While the division has expanded its taste panels from a handful annually, the taste panels are not yet addressing the growing student desire for healthier choices from a “market research” viewpoint.

## Review of the Organization and Operations of the Los Angeles Schools

Seventy-five percent (75 percent) of the other 37 school districts reported compliance with the performance indicator.

### Transportation

The Transportation Division reported 88.4 percent overall compliance with 86 performance indicators in this area, compared with 80.5 percent overall compliance reported by 24 other responding urban school districts.

- **Standard 1:** The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.
  - \* The LAUSD Transportation Division reported 50.0 percent compliance with four indicators of best practices in this area.
  - \* The other 24 school districts reported 90.8 percent compliance with the same four indicators.
  - \* The LAUSD Transportation Division reported that its practices were not consistent with the following best practices—
    - ✚ Has transportation planning staff members that consult regularly with district planning and budgeting staff to develop and present factual information to the school board and the public on student transportation cost implications of district educational program decisions, such as school choice and magnet schools, charter schools, opportunity scholarships, transportation to higher-performing schools, community busing, exceptional student education programs, and staggered school start-times.

Ninety-six percent (96 percent) of the other 24 school districts reported compliance with the performance indicator.

- ✚ Has transportation planning staff members that consult regularly with community planners to identify areas in the district where community growth and development will impact the need for student transportation in the future.

The LAUSD transportation staff members indicate that this function is handled by the district's demographic unit, not transportation.

- **Standard 2:** The district provides regular, accurate, and timely counts to the State Department of Education of the number of students transported.
  - \* The LAUSD Transportation Division reported 100 percent compliance with this indicator of best practice.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 24 school districts also reported 100 percent compliance with this indicator.
- **Standard 3:** The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation.
  - \* The LAUSD Transportation Division reported 50.0 percent compliance with six indicators of best practices in this area.
  - \* The other 24 responding school districts reported 75.8 percent compliance with the same six indicators.
  - \* The LAUSD Transportation Division reported that it did not comply with the following performance indicators—
    - ✚ Has a districtwide policy and practice not to provide service to courtesy students.


Forty-two percent (42 percent) of the other 24 school districts reported compliance with the same indicator
    - ✚ Has adopted staggered school start-times to help ensure that the district's buses can serve as many students as possible (i.e., maximize the district's average bus occupancy). Alternatively, the district can demonstrate through a financial analysis that staggered school start-times would not make student transportation more cost-efficient.

Seventy-five (75 percent) of the other 24 school districts reported compliance with the performance indicator.
    - ✚ Has route planning staff members (or their designees) regularly review areas within two miles of the school with the responsible local or state agency having road jurisdiction to identify and document where hazardous walking conditions exist. The district works cooperatively with local or state agency personnel whenever possible to eliminate hazardous walking conditions.
- **Standard 4:** The organizational structure and staffing levels of the district's transportation program minimize administrative layers and processes.
  - \* The LAUSD Transportation Division did not comply with any of the three indicators of best practices in this area.




## Review of the Organization and Operations of the Los Angeles Schools


- \* The other 24 school districts reported 87.7 percent compliance with the three indicators in this area.
- \* The LAUSD Transportation Division reported that it did not comply with the following best practice performance indicators—

-  Periodically reviews the transportation program's organizational structure and staffing levels to ensure that administrative layers and processes are minimized. Input for the review includes staff feedback and structure/staffing levels comparisons with selected peer districts.

Ninety-two percent (92 percent) of the other 24 responding school districts reported compliance with the performance indicator.

-  Is able to demonstrate that the district has an appropriate program structure (including reasonable lines of authority and spans of control) and staffing levels based on applicable comparisons and/or benchmarks.

Ninety-two percent (92 percent) of the other 24 school districts reported compliance with the performance indicator.


-  Reports organizational structure and administrative staffing review findings in writing and distributes these findings to school board members and the public.

Seventy-nine percent (79 percent) of the other 24 school districts reported compliance with this performance indicator.


- **Standard 5:** The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.
  - \* The LAUSD Transportation Division reported 100 percent compliance with three best practices in this area.
  - \* The other 24 responding school districts reported 75 percent compliance with the three indicators.
- **Standard 6:** The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.
  - \* The LAUSD Transportation Division reported 50 percent compliance with four indicators of best practices in this area.


## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 24 school districts reported 74 percent compliance with the four indicators.
- \* The LAUSD Transportation Division indicated that its practices were not consistent with the following performance indicators—

-  Assesses its turnover rate for drivers and attendants and makes changes to practices, as necessary, to retain drivers and recruit replacements effectively.


Eighty-three percent (83 percent) of the other 24 school districts reported compliance with the performance indicator.

-  Collects information on wages and benefits offered by adjacent school districts and by local employers that are likely to be competing for the pool of applicants for positions as bus drivers, substitute bus drivers, and bus attendants in the district; and regularly uses this information to compare the district's relative competitiveness for these positions when recruiting replacement drivers and attendants and setting salaries and benefits.

-  Fifty-four percent (54 percent) of the other 24 school districts reported compliance with the performance indicator.

- **Standard 7:** The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.

- \* The LAUSD Transportation Division reported 57.1 percent compliance with seven indicators of best practices in this area.
- \* The other 24 school districts reported 79.3 percent compliance with the seven indicators.
- \* The LAUSD Transportation Division reported that its practices were not consistent with the following performance indicators—

-  Provides or contracts for the initial training required for prospective bus drivers to receive a commercial driver's license.<sup>85</sup>

Seventy-nine (79 percent) of the other 24 school districts reported compliance with the performance indicator.

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<sup>85</sup> The Transportation Branch reported that the indicator was not applicable because “only experienced drivers are hired.”

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Has adopted and enforced a safe-driver policy that establishes when or if school bus drivers with traffic violations charged against them are able to continue driving.<sup>86</sup>

Ninety-two percent (92 percent) of the other 24 school districts reported compliance with the performance indicator.

- ✚ Has considered implementing a policy for recouping training costs for bus drivers who terminate their employment within one year from being hired.

Forty-two percent (42 percent) of the other 24 responding school districts reported compliance with this indicator.

- **Standard 8:** The school district has a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.

- \* The LAUSD Transportation Division reported 75 percent compliance with eight indicators of best practices in this area.

- \* The other 24 school districts reported 79.7 percent compliance with the eight indicators.

- \* The LAUSD Transportation Division reported that it did not comply with the following performance indicators—

- ✚ Has adopted a school board policy addressing the cost-effective replacement of school buses and other district vehicles. The replacement policy should include criteria such as age of the vehicle, vehicle mileage, and maintenance costs versus vehicle value. The school board should review this policy periodically for any revisions that may be needed.<sup>87</sup>

Fifty-eight percent (58 percent) of the other 24 school districts reported compliance with the performance indicator.

- ✚ Maintains records of district vehicle purchases over a multiyear period to document that the district's vehicle replacement standards are being met and that sufficient allowance has been made for both projected growth and

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<sup>86</sup> The Transportation Branch has disciplinary procedures in place to suspend and/or dismiss drivers with traffic violations charged against them.

<sup>87</sup> The Transportation Branch developed the *Bus Replacement Plan*, which contains all outlined criteria. The Board of Education, however, has not adopted the plan because of a lack of funds.

## Review of the Organization and Operations of the Los Angeles Schools

accommodation of program decisions by the school board that have an impact on the need for district vehicles.<sup>88</sup>

Eighty-three percent (83 percent) of the other 24 school districts reported compliance with the performance indicator.

- **Standard 9:** The district provides timely routine servicing for buses and other district vehicles, as well as prompt responses for breakdowns and other unforeseen contingencies.
  - \* The LAUSD Transportation Division reported 100 percent compliance with seven indicators of best practices in this area.
  - \* The other 24 school districts reported 81.9 percent compliance with the seven indicators.
- **Standard 10:** The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are effectively equipped with fuel.
  - \* The LAUSD Transportation Division reported 100 percent compliance with six indicators of best practices in this area.
  - \* The other 24 responding school districts reported 74.5 percent compliance with the same six indicators.
- **Standard 11:** The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.
  - \* The LAUSD Transportation Division reported 80 percent compliance with five indicators of best practices in this area.
  - \* The other 24 school districts reported 75 percent compliance with the five indicators.
  - \* The LAUSD Transportation Division reported that it did not comply with the following performance indicators—
    - 🚧 Periodically reviews the sufficiency and efficiency of transportation physical facilities and evaluates the feasibility and desirability of satellite vehicle servicing areas.

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<sup>88</sup> The Transportation Branch does keep records, but replacement funding for vehicles has been eliminated for several years. The Board of Education did, however, approve a small amount of replacement funding in the FY 2006 budget.

## Review of the Organization and Operations of the Los Angeles Schools

Seventy-one percent (71 percent) of the other 24 districts reported compliance with this indicator.

- **Standard 12:** The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balance the concerns of immediate need and inventory costs.
  - \* The LAUSD Transportation Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 24 school districts reported 74.5 percent compliance with the five indicators.
  
- **Standard 13:** The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly
  - \* The LAUSD Transportation Division reported 83.3 percent compliance with six indicators of best practices in this area.
  - \* The other 24 school districts reported 90 percent compliance with the six indicators.
  - \* The LAUSD Transportation Division reported that its practices were not consistent with best practices in the following performance areas—
    - ✚ Has a school board-adopted and implemented policy on the circumstances under which a bus driver may discharge a student at any stop other than the one the student usually uses.<sup>89</sup>

Seventy-nine percent (79 percent) of the other 24 districts reported compliance with this indicator.

- **Standard 14:** The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.
  - \* The LAUSD Transportation Division reported 75 percent compliance with four indicators of best practices in this area
  - \* The other 24 school districts reported 92.8 percent compliance with the four indicators.

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<sup>89</sup> Alternative transportation arrangements by the Special Education Department.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Transportation Division indicated that its practices did not comply with the following performance indicator—

- ✚ Makes suitable alternative arrangements, such as specialized medical transport or parental transportation, for any exceptional education student who cannot be accommodated on district school buses.

The other 24 districts reported 100 percent compliance with this indicator.

- **Standard 15:** The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.
  - \* The LAUSD Transportation Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 24 school districts reported 96 percent compliance with the three indicators.
- **Standard 16:** The district ensures that appropriate student behavior is maintained on the bus, with students being held accountable for financial consequences of misbehavior related to transportation
  - \* The LAUSD Transportation Division reported 100 percent compliance with two indicators of best practices in this area.
  - \* The other 24 K-12 school districts reported 94 percent compliance with the two indicators.
- **Standard 17:** The district provides appropriate technological and computer support for transportation functions and operations.
  - \* The LAUSD Transportation Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 24 school districts reported 90.3 percent compliance with the three indicators.
- **Standard 18:** The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.
  - \* The LAUSD Transportation Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 24 school districts reported 90.3 percent compliance with the three indicators.

## Review of the Organization and Operations of the Los Angeles Schools

- **Standard 19:** The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.<sup>90</sup>
  - \* The LAUSD Transportation Division reported 100 percent compliance with three indicators of best practices in this area.
  - \* The other 24 school districts reported 78 percent compliance with the three indicators.
- **Standard 20:** The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks
  - \* The LAUSD Transportation Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 24 school districts reported 74.2 percent compliance with the five indicators.

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<sup>90</sup> The district does conduct comparative cost assessments. However, California state law restricts the use of contract services, and a strong union presence further inhibits the use of outside contractors.

**Review of the Organization and Operations of the Los Angeles Schools**

**Inventory Management and Purchasing Survey Results<sup>91</sup>**

<b><i>INVENTORY MANAGEMENT: The district has established controls for the effective management of inventories.</i></b>	<b>YES</b>	<b>NO</b>
1. Segregation of Duties over Inventory: The district segregates responsibilities for custody of inventories from record keeping responsibilities for those assets.	√	
a. Responsibilities for requisitioning and approving inventory purchases are segregated from those for accounting for inventories.	√	
b. Responsibilities for perpetual inventory accounting are segregated from those of inventory custody.	√	
c. Responsibilities for periodic physical inventories are assigned to responsible employees who have no custodial or record keeping duties.	√	
2. Inventory Requisitioning Controls: The district has established and implemented controls that provide for proper inventory requisitioning.	√	
a. Procedures exist for requisitioning items from inventory.	√	
b. Requisitions from inventory can only be made by those employees authorized to requisition inventory.	√	
c. Requisitions are documented by signed requisition forms or electronic controls.	√	
d. Reductions in inventory balances are periodically reconciled to inventory requisitions.	√	
3. Inventory Accountability and Custody: The district has established controls that provide for inventory accountability and appropriate safeguards exist for inventory custody.	√	
a. Inventories are kept in secure facilities and are reasonably safeguarded to--	√	
1) provide access only to authorized employees (those charged with custodial responsibilities);	√	
2) protect inventories from physical deterioration; and	√	
3). insure inventories against loss to the extent economically feasible.	√	
b. If inventories are significant, the district maintains records on a perpetual basis.	√	
c. Detailed inventory records are periodically compared with existing inventories.	√	
d. Significant differences between physical counts and recorded quantities are investigated and the reasons are identified.	√	
4. Inventory Management: The district periodically evaluates the inventory	√	

<sup>91</sup> Surveys completed by Michael Eugene, Chief Business Officer, LAUSD.



## Review of the Organization and Operations of the Los Angeles Schools

function to determine its cost-effectiveness.		
a. The district implements activity cost reporting to determine the cost to maintain inventories. Such costs are compared with other alternatives, such as next day inventory services offered by supply vendors to determine the feasibility of using such services.	√	
b. The district ensures that inventory turnover is monitored to ensure that it does not have significant balances of outdated inventories.	√	
c. The district periodically reviews inventory levels and compares them with other school districts to ensure that excessive levels are not maintained.		√
<b>PURCHASING: The district has an effective purchasing function that ensures goods and services of acceptable quality and performance are acquired at prices that are fair, competitive, and reasonable.</b>		
1. Segregation of Duties: The district segregates purchasing responsibilities from the requisitioning, authorizing, and receiving functions.		
a. Responsibilities for the requisitioning, purchasing, and receiving functions are segregated from the invoice processing, accounts payable, and general ledger functions.	√	
b. Responsibilities for the purchasing function are segregated from the requisitioning and receiving functions.	√	
c. Responsibilities for the invoice processing and accounts payable functions are segregated from the general ledger functions.	NA	
d. Responsibilities for the disbursement preparation and disbursement approval functions are segregated from those for recording cash disbursements and general ledger entries.	NA	
e. Responsibilities for the disbursement approval function are segregated from those for the disbursement preparation function.	NA	
f. Responsibilities for entries in the cash disbursement records are segregated from those for general ledger entries.	NA	
2. Requisitioning: The district has established controls for authorizing purchase requisitions.		
a. Purchases of goods and services are initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions.	√	
b. Requisitions are pre-numbered and those numbers are controlled.	√	
c. The appropriation to be charged is indicated on the purchase requisition by the person requesting the purchase.	√	
d. Before commitment, unobligated funds remaining under the appropriation are verified by the accounting or budget department as sufficient to meet the proposed expenditure.	√	
e. Requests for special purpose (non-shelf item) materials or personal services are accompanied by technical specifications.	√	

## Review of the Organization and Operations of the Los Angeles Schools

3. Purchasing: The district has established authorization controls over purchasing.		
a. Purchasing authorizations are structured to give appropriate recognition to the nature and size of purchases and the experience of purchasing personnel.	√	
b. Procedures are in place to coordinate and consolidate planned purchases.	√	
c. Approval procedures exist for purchase order and contract issuance.	√	
d. Purchase prices are periodically reviewed by a responsible employee independent of the purchasing department.		√
e. Procedures are in place to consider competitive bids by other agencies (i.e., state contracts, purchasing consortiums, and other districts) in making purchasing decisions.		√
f. Procedures are in place to provide for requesting, receiving, and evaluating competitive bids on the basis of price and quality.	√	
g. When practicable, contract or purchasing officer's areas of responsibility are rotated on a regular basis.		√
h. Procedures exist for public advertisement of non-shelf item procurements in accordance with legal requirements.	√	
i. Recurring purchases and documentation of the justification for informal rather than competitive bids are periodically reviewed.	√	
j. Policies regarding conflicts of interest and business practice policies are established, documented, and distributed.	√	
k. Purchase orders and contracts are issued under numerical or some other suitable control.	√	
l. An appropriate number of price quotations are obtained before placing orders not subject to competitive bidding.	√	
m. Splitting orders is prohibited to avoid higher levels of approval.	√	
n. Price lists and other appropriate records of price quotations are maintained by the purchasing department.	√	
o. A record of suppliers who have not met quality or other performance standards by the purchasing department is maintained.		√
p. Procedures are modified when funds disbursed under grant or loan agreements and related regulations impose requirements that differ from the organization's normal policies.		√
q. Procedures are instituted to identify, before order entry, costs and expenditures not allowable under grant (federal/state) programs.		√
r. An adequate record of open purchase orders and agreements is maintained.	√	
s. Purchases made for accommodating employees are prohibited or adequately controlled.	√	
t. Predetermined selection criteria exist for awarding personal service or construction contracts and the award process is sufficiently		√

## Review of the Organization and Operations of the Los Angeles Schools

documented.		
u. Changes to contracts or purchase orders are subjected to the same controls and approvals as the original agreement.	√	
4. Receiving: The district has established controls to ensure that goods are received and meet quality standards.		
a. Receiving reports are prepared for all purchased goods.	√	
b. Procedures exist for filing claims against carriers or vendors for shortages or damaged materials.		√
c. Steps are taken to ensure that goods received are accurately counted and examined to see that they meet quality standards.		√
d. A permanent record of material received by the receiving department is maintained.	√	
e. Receiving reports are numerically accounted for or otherwise controlled to ensure that all receipts are reported to the accounting department.		√
f. Copies of receiving reports are sent directly (hard copy or electronically transferred) to purchasing, accounting, and, if appropriate, inventory recordkeeping.	√	
g. A government technical representative is assigned to monitor and evaluate contractor performance and approve receipt of services with respect to procurements of special purpose materials, services, or facilities.		√
h. In those instances in which a receiving department is not used, procedures exist to ensure that goods for which payment is made have been received and are verified by someone other than the individual approving payment that goods have been received and meet quality standards.	√	

## Food Services Operations Survey

1. The program has developed strategic or operational plans that are consistent with district plans, the program budget, and approved by the district.	<b>YES</b>	<b>NO</b>
a. The food services program has a broadly-approved plan that is consistent with the district's strategic plan.		√
b. The district has an appropriate vision or mission statement so team member share a common, agreed-upon purpose.	√	
c. Program management has developed goals that support the mission statement and objectives to assist in the accomplishment of these goals. These objectives should be quantifiable so that progress toward goal accomplishment can be measured.	√	

## Review of the Organization and Operations of the Los Angeles Schools

d. Program management has prepared a budget that is based on its plan, goals and objectives, and not limited to historical, incremental increases.	√	
e. The district has integrated automation (data and equipment) opportunities and needs into its plans.	√	
f. The district has integrated kitchen renovations into its plans and budgets where needed.	√	
g. The district food program has reviewed, modified as needed, and approved kitchen layouts and designs in plans for new schools.	√	
2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.		
a. Food service program management has developed an organizational chart that accurately reflects the food service program.	√	
b. The food service program has organizational units that minimize administrative layers.	√	
c. District management has appropriately positioned the food service program in the district organization to have sufficient authority to fulfill its responsibilities.		√
d. Program management has developed organizational relationships designed to allow and promote the food service program to succeed.		√
e. Span-of-control is appropriate within the program's organization.		√
f. Food service staffing levels are appropriate considering such information as the number of meals served, serving periods, and student participation.		√
3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.		
a. Program management analyzes and develops training plans that are comprehensive and periodically includes essential functions of the program (food safety, portion control, production control, special diets, inventory, meal count procedures, receiving and storage of food and supplies, emergency procedures, customer service).	√	
b. Program management addresses in its training plan the needs of new employees and filling of future management positions, such as an intern development program.	√	
4. Program management has developed comprehensive procedures manuals that are kept current.		
a. Food service management has developed program procedures that are consistent with overall district policy.	√	

## Review of the Organization and Operations of the Los Angeles Schools

b. Program management has developed a procedures manual for cafeteria managers that covers essential areas of responsibility and communicates management intent (key areas include, at a minimum, cash control, receipt of goods, inventory procedures, production record keeping, sanitation and food safety, employee safety, emergencies in case of injury, and ordering of food and supplies).	√	
c. If appropriate for the size of district, central staff procedure manuals have been developed to cover key areas of responsibility and communicate management intent (such areas as warehousing, procurement, technical assistants, area managers, dietitians, etc.).	√	
5. The district performs sound cash and account management.		
a. The food service program's unreserved fund balance is sufficient to operate the program and is not dependent upon general fund transfers for operations.		√
b. The program has a five-year cash flow budget in-place that meets planned needs and will not require use of general fund monies.		√
c. Program managers submit and receive federal reimbursements in a timely manner (requested within 30 days).		√
d. The program directly, or through the district's indirect services rate pays for appropriate program-related expenses (e.g., trash removal, utilities, equipment, repairs, cafeteria renovation) to ensure general fund monies intended for the classroom are not diverted to support the food service program.	√	
6. District and program management optimizes its financial opportunities.		
a. The district analyzes and aggressively seeks to expand its food service operations as opportunities are developed or arise.	√	
b. Program management takes full advantage of USDA Donated Foods, by (1) ordering its full annual allocation, (2) considering purchased food prices when developing commodities allocation orders, (3) accepting additional allocations when offered and needed, and (4) using commodity processors when financially advantageous.	√	
c. The district board, district management, and food service management periodically reviews to ensure that pricing of meals and a la carte items are appropriate and at a level to meet budget needs.	√	
d. At least every 5 years, district and program management assess the efficiency and effectiveness of its core process functions (i.e., warehousing, delivery, procurement, and management).	√	
7. Food service program management has developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and better manage operations.		
a. Program management has developed <i>program-level</i> performance and cost-efficiency measures such as, net income margin, food cost margins, salary plus benefits margin, and participation rates (free and reduced as a percentage of eligible and overall participation).	√	

## Review of the Organization and Operations of the Los Angeles Schools

b. Program management has performance and cost-efficiency measures in-place to assist in managing <i>school-level</i> operations, such as meals per labor hour, salaries plus benefits margin (lunch and breakfast) and food cost margin (lunch and breakfast).	√	
c. Program management uses sound methodology to develop performance and cost-efficiency measure benchmarks, such as historical performance, comparison with peers, and then integrated planned program changes.	√	
d. Program and district management periodically review its performance and cost-efficiency measures and benchmarks to ensure reliability and relevance.	√	
8. At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.		
a. Program management has an inspection system to ensure that policies and procedures are followed and at a minimum, address each of the following areas--	√	
<ul style="list-style-type: none"> <li>• Program management protects and accounts for its assets (cash, equipment, food, and supplies).</li> </ul>	√	
<ul style="list-style-type: none"> <li>• Warehousing for the program is appropriate (what and where is it stored).</li> </ul>	√	
<ul style="list-style-type: none"> <li>• Program management protects its personnel by having safety procedures in-place as well as prepared for treatment or care in case of injury.</li> </ul>	√	
<ul style="list-style-type: none"> <li>• Program management ensures that food is prepared safely, staff are using the menu ingredients per instructions, and that proper portion control procedures are followed.</li> </ul>	√	
b. Program management has a viable preventive maintenance and long-range equipment replacement program in-place.	√	
c. Program management ensures that the district does its training plan, or appropriate alternative training.	√	
d. Program management has take appropriate action to improve operations when indicators of the operational evaluation system warrant.	√	
e. Program management periodically informs district management of program performance using performance measures and financial information and makes recommendations for action.	√	
f. The district seeks to optimize its procurement opportunities.	√	
<ul style="list-style-type: none"> <li>• Food service management is actively involved in the procurement process and assists in the development of product specifications that best match menus and supplier prices.</li> </ul>	√	
<ul style="list-style-type: none"> <li>• Large districts attempt to obtain bids by zone to maximize bidders and direct purchase product from suppliers.</li> </ul>	√	

## Review of the Organization and Operations of the Los Angeles Schools

<ul style="list-style-type: none"> <li>• Small districts evaluate the use of procurement coops in conjunction with other school districts when financially advantageous.</li> </ul>	√	
9. District and program administrators effectively manage costs of the food services program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.		
a. The program has a reporting system that provides accurate and timely information.	√	
b. Program management evaluates staff allocation and makes adjustments as needed, at each school, 5 to 8 weeks into each new school year, and mid-year, if permitted by labor contract.	√	
c. Program management, at least quarterly, uses food and labor costs (or similar measures) to monitor menu costs, trends, production, and waste for each school site and the program overall.	√	
10. The food service program and district complies with federal, state, and district policy.		
a. The district has demonstrated a “good faith effort” in the latest Department of Education School Meals Initiative review.		
b. The district passed its latest Department of Education School Meals Initiative review.		
c. The district passed its latest Department of Education Coordinated Review Effort examination.		
d. The district passed its latest USDA Donated Foods inspection.	√	
e. Program management ensures federal and state competitive food rules are followed and districts policies and practices support these rules.	√	
11. The district conducts activities to ensures that customer needs are met and acts to improve services and food quality where needed.		
a. Program management identifies barriers to student participation and methods used to overcome barriers are appropriate for the circumstance.	√	
b. Program and district management has developed an effective suggestions system that readily accepts and ensures complaints are considered.	√	
c. Program management periodically contacts stakeholders (students, parents, principals, and teachers) to solicit comments and ideas.	√	

### Transportation Operations Survey

1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	YES	NO
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## Review of the Organization and Operations of the Los Angeles Schools

<p>a. Transportation staff conduct a systematic assessment of transportation needs to identify priorities and basic needs. The process includes consideration of all current and anticipated budget categories and potential areas of transportation cost savings such as reducing the number of courtesy riders service, reducing the number of spare buses, realigning routes, purchasing larger buses, etc. As part of the budget process, transportation administrators present cost-savings options to the school board and public.</p>	√	
<p>b. Transportation planning staff consult regularly with district planning staff to ensure that transportation needs, concerns, and costs are considered when planning for future schools or physical plant needs.</p>	√	
<p>c. Transportation planning staff consults regularly with community planners to identify areas in the district where community growth and development will have an impact on the need for student transportation services in the future.</p>		NA
<p>d. Transportation planning staff consult regularly with district planning and budgeting staff to develop and present factual information for the school board and public on the student transportation cost implications of district educational program decisions, such as school choice and magnet schools, charter schools, opportunity scholarships, transportation to higher-performing schools, community busing, exceptional student education programs, and staggered school start times.</p>		√
<p>2. The district provides regular, accurate, and timely counts to the State Department of Education of the number of students transported as part of the State Education Finance Program.</p>		
<p>a. The district was found to be in compliance with the requirements of the State program, based on the results of the most recent Auditor General review</p>		NA
<p>b. If the Auditor General finds the district not to be in compliance, the district is taking identifiable steps to address recommendations in a timely manner.</p>		NA
<p>c. Transportation administrators regularly review the student count information to identify trends and issues that may require managerial or budgetary responses and that may result in cost savings within the present time frame or in the future.</p>	√	
<p>3. The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation.</p>		
<p>a. Route planning staff annually uses a systematic approach to create and update bus routes (including computer routing if appropriate for the size and complexity of the district) and bus stops that are effective and cost-efficient without compromising safety. Existing bus routes and stops are reviewed on an annual basis for effectiveness, cost-efficiency, and safety.</p>	√	



## Review of the Organization and Operations of the Los Angeles Schools

b. Route planning staff responds promptly to complaints or suggestions received from school site staff, parents, or the general public about current or proposed bus routes or a driver's performance on an official assignment.	√	
c. Route planning staff (or their designees) regularly reviews areas within two miles of the school with the responsible local or state agency having road jurisdiction to identify and document where hazardous walking conditions exist. The district works cooperatively with the local or state agency whenever possible to eliminate hazardous walking conditions. Walking conditions that cannot be made safe are reported to the Department of Education and students are claimed for transportation funding under the provisions of law.		NA
d. The district's policy and practice is not to provide service to courtesy students.		√
e. The school board has adopted staggered school start times to help ensure that the district's buses can serve as many students as possible (i.e., maximize the district's average bus occupancy). Alternatively, the district can demonstrate through a financial analysis that staggered school start times would not make student transportation more cost-efficient		√
f. The district's routing practices result in reasonably high average bus occupancy, and low cost per mile and student, compared to districts with similar demographics and educational programs and exemplar districts.	√	
4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.		
a. The district periodically reviews the transportation program's organizational structure and staffing levels to ensure that administrative layers and processes are minimized. Input for the review includes staff feedback and structure/ staffing levels comparisons with selected peer districts.		√
b. The district can demonstrate the program has an appropriate structure (including reasonable lines of authority and spans of control) and staffing levels based on applicable comparisons and/or benchmarks.		√
c. The district reports organizational structure and administrative staffing review findings in writing and distributes these findings to school board members and the public.		√
5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.		
a. District staff periodically evaluates the level of vehicle maintenance staffing and make adjustments as necessary to operate a cost-efficient operation.	√	

## Review of the Organization and Operations of the Los Angeles Schools

b. The district sends all vehicle maintenance staff to courses and training sessions to improve current skills, develop special expertise not currently represented in the vehicle maintenance shop, and become familiar with emerging technology and techniques.	√	
c. The district provides regular in-service training opportunities for vehicle maintenance staff to receive instruction on district maintenance policies and procedures, including topics of current interest and concern.	√	
6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.		
a. The district notifies the public of job opportunities for bus drivers, substitute bus drivers, and bus attendants. The district uses a variety of approaches and activities to reach individuals likely to be interested in such employment options, and takes advantage of effective low-cost venues whenever possible.	√	
b. The district assesses its turnover rate for drivers and attendants and makes changes to practices as necessary to retain drivers and effectively recruit replacements.		√
c. Transportation staff collects information on wages and benefits offered by adjacent school districts and by local employers that are likely to be competing for the pool of applicants for positions as bus drivers, substitute bus drivers, and bus attendants in the district. Staff regularly use this information to compare the district's relative competitiveness for these positions when recruiting replacement drivers and attendants and setting salaries and benefits.		√
d. The district provides bus drivers and attendants with incentives, financial or otherwise, for good performance as demonstrated by their safety records, timeliness, attendance, and ability to maintain discipline on the bus.	√	
7. The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.		
a. Transportation staff provides or contracts for the initial training required for prospective bus drivers to receive a commercial driver's license.		NA
b. The transportation office provides periodic in-service training (including the required annual training) for bus drivers, substitute bus drivers, and bus attendants that include topics needed to keep licenses current along with other district transportation needs and concerns.	√	
c. Training meets the concerns and needs expressed by drivers and attendants in periodic meetings with transportation management.	√	
d. The transportation office provides regular direct oversight, at least annually, of basic bus handling skills, safe driving practices, and pupil management techniques of all school bus drivers.	√	

## Review of the Organization and Operations of the Los Angeles Schools

e.	The district ensures that all bus drivers receive annual physical examinations as required by statute and maintains records of these examinations.	√	
f.	The school board has adopted and enforces a safe driver policy that establishes when or if school bus drivers with traffic violations charged against them are able to continue driving.		√
g.	The district has considered implementing a policy for recouping training costs for bus drivers who terminate their employment within one year from being hired.		√
8.	The school district has a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.		
a.	The school board has adopted a policy addressing the cost-effective replacement of school buses and other district vehicles. The replacement policy should include criteria such as age of the vehicle, vehicle mileage, and maintenance costs vs. vehicle value. The school board periodically reviews this policy for any revisions that may be needed.		√
b.	District staff maintains records of district vehicle purchases over a multi-year period to document that the district's vehicle replacement standards are being met and that sufficient allowance has been made for both projected growth and accommodation of school board program decisions that have an impact on the need for district vehicles.		√
c.	District staff minimizes the number of spare vehicles but ensures that enough spare vehicles are available when needed to cover special situations that may reasonably be expected to occur. Staff evaluates past situations when spare buses were needed but were not available and make adjustments as necessary.	√	
d.	Transportation staff maintains regularly updated records on the numbers and types of vehicles in the district.	√	
e.	The district uses the State's annual pool purchase agreements or annual vehicle purchasing contracts (as applicable) to minimize cost and maximize value unless the district is able to obtain equivalent vehicles at lesser costs.	√	
f.	District staff receives and inspects new vehicles. New school buses are phased into service so that new buses are assigned to routes with the greatest need, while older buses are rotated to shorter or smaller routes, used as spare buses, or removed from service.	√	
g.	The district regularly conducts and documents its reviews of costs related to older vehicles to determine whether they should be maintained in service or not.	√	
h.	When the district removes vehicles from service it recovers as much value as possible.	√	

## Review of the Organization and Operations of the Los Angeles Schools

9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.		
a. The district provides required regular inspections for all buses used to transport students. The schedule is distributed to bus drivers and other staff, and timely reminders are issued to ensure that drivers remember to report to vehicle maintenance on their assigned days.	√	
b. The transportation office ensures that all bus drivers inspect their buses prior to each bus run and maintain records of such inspections as required by State Rules.	√	
c. The district documents quality control reviews of the servicing and repair work done on vehicles.	√	
d. The district has a preventive maintenance program for vehicles to provide timely routine servicing that may be on a schedule that differs from calendar-based servicing (e.g., the bus inspection cycle) such as mileage-based servicing.	√	
e. District staff has established guidelines to assist in making cost-effective decisions about whether to make complex or expensive repairs on older vehicles.	√	
f. District staff ensures that all district vehicles are serviced in a timely and cost-effective manner. Charges/credit for services are made to the appropriate department(s).	√	
g. District staff maintains a vehicle maintenance management system to provide data on the maintenance costs, performance, and operations of school buses and other vehicles.	√	
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.		
a. District departments cooperate with purchasing office staff to develop purchasing arrangements with vendors to ensure that the district receives the most favorable rates available.	√	
b. District staff has established procedures to determine when orders to replenish the district's fueling stations should be placed. Also, if exceptions occur, staff should have a specific justification or otherwise analyze the circumstances to ensure that exceptions will not recur.	√	
c. The district has secure fueling stations for buses and other vehicles that are convenient and accessible. District staff periodically reviews whether there are enough locations and whether they are efficiently sited. If not, they make recommendations for change to district administrators.	√	
d. District staff has implemented controls over the fueling system to ensure its security and the accuracy of its records. If the district does not use an automated fueling system, staff should be able to justify why that would not be cost-effective for the district.	√	

## Review of the Organization and Operations of the Los Angeles Schools

e. The district ensures that departments using the fueling stations are appropriately billed/credited.	√	
f. District staff cooperates with governmental environmental agencies charged with conducting environmental inspections of fueling stations. Staff maintains records of all such inspections, and if deficiencies are encountered, they take prompt action to correct them.	√	
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.		
a. All district vehicle service centers have a shop layout that allows technicians to work most of the time in covered areas, and technicians have ready access to the specialized tools and support they need to do their job.	√	
b. District staff has established procedures to control and minimize the generation of any hazardous wastes from district vehicle service centers, and any hazardous wastes that are generated are safely and securely stored in accordance with state and federal requirements.	√	
c. All district vehicle service centers include needed storage space for parts, tires, supplies, and related equipment, and access to them is controlled. All district vehicle service centers include areas for supporting functions such as computer data entry, paperwork processing, and records storage. All district vehicle service centers are securely fenced and lighted, and vehicle routing and parking options are clearly marked.	√	
d. The district ensures that district vehicles are securely parked when not in use.	√	
e. District staff periodically reviews the sufficiency and efficiency of transportation physical facilities and evaluate the feasibility and desirability of satellite vehicle servicing areas.		√
12. The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balance the concerns of immediate need and inventory costs.		
a. The district maintains a “just in time” inventory of all parts and supplies to minimize the size and cost of inventory while providing needed support to district transportation functions.	√	
b. The district obtains on a continuing basis those parts, supplies, and services that are needed to support district transportation functions in a cost-effective manner. Such items and services can be obtained using methods such as competitive bids, local pool purchases, pre-negotiated state contracts, and discounted blanket purchase orders.	√	
c. Transportation-related parts room staff review all parts, supplies, and services when they are received to ensure that the correct items were delivered, the billing price is correct, and services were satisfactory. All transportation-related parts and supplies are inventoried and tracked via a computer system.	√	

## Review of the Organization and Operations of the Los Angeles Schools

d. The district ensures that transportation-related warranty claims are made against manufacturers or vendors whenever possible. Warranty repairs will be performed in-house if shown to be a cost-effective method to make such repairs.	√	
e. The district has controls to prevent the inappropriate use of facilities and supplies, and it maintains the security of parts and supplies in the transportation area.	√	
13. The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly.		
a. The district has an effective process for responding to vehicle breakdowns, and it is clear who should be notified and when. District procedures address the roles and responsibilities of bus drivers, operations staff, vehicle maintenance staff, and school site staff.	√	
b. The district has an effective process for bus drivers to report their own intention to miss work as soon as possible and for operations staff to respond to those absences with substitute drivers or other solutions.	√	
c. The district effectively responds to bus overcrowding situations. Responses address the immediate situation, and, when appropriate, also provide for longer-term solutions, such as a redesign of affected bus routes.	√	
d. Transportation operations staff maintains records of the number of students who ride longer than the state recommended ride time standard (or the local ride time standard if the school board has adopted a more stringent standard) and take actions to minimize this number when possible.	√	
e. The school board has adopted and implemented a policy on the circumstances under which a bus driver may discharge a student at any stop other than the one the student usually uses.		√
f. The district has written a process for school site staff to request and pay all transportation costs (including operational and administrative costs) for all educational, extracurricular, and athletic activity trips. Implementation of these procedures is demonstrated in activity trip records.	√	
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.		
a. Transportation staff and exceptional student education staff communicate and consult regularly about student transportation services for exceptional students.	√	
b. The district policy, along with district exceptional student education guidelines, ensures that exceptional students ride a regular school bus whenever possible and appropriate.	√	

## Review of the Organization and Operations of the Los Angeles Schools

c. Exceptional student education staff and transportation staff identify exceptional students who qualify for Medicaid funding for certain approved bus runs. The district makes claims for Medicaid reimbursement for transporting those students.	√	
d. For any exceptional education students who cannot be accommodated on district school buses, suitable alternative arrangements are made such as specialized medical transport or parental transportation.		NA
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.		
a. The transportation office equips all school buses with two-way communications devices, and staff monitor communications at all times when school buses are in service.	√	
b. The district has an effective process for responding to vehicle breakdowns, and it is clear who should be notified and when. District procedures address the roles and responsibilities of district staff including bus drivers, operations staff, vehicle maintenance staff, and school site staff. These procedures are periodically reviewed in training sessions with copies of the procedures carried on each district vehicle.	√	
c. The district maintains complete records of all accidents that occur and promptly reports all qualifying accidents to the school board and the State Department of Education.	√	
16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.		
a. Bus drivers report disciplinary infractions directly to school site staff. School staff report to drivers what disciplinary actions were taken.	√	
b. District policy and procedures require that parents of students damaging buses be assessed repair costs.	√	
17. The district provides appropriate technological and computer support for transportation functions and operations.		
a. The transportation office has a computerized management information system that administrators use to produce reliable and timely budgeting and expenditure information on student transportation functions, as well as basic performance data for the office. This system is coordinated with other district systems.	√	
b. The district maintains computerized data that enables it to record and track information on transportation staff training and certifications, driver's license data, substance abuse testing, and personnel performance.	√	
c. Transportation administrators, with the assistance of district information systems staff, periodically review their current level of technological and computer support to identify issues, needs for the future, and coordination with other district systems.	√	

## Review of the Organization and Operations of the Los Angeles Schools

18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.		
a. The approved budget for transportation includes appropriate categories by which expenditures may be usefully tracked. Transportation staff systematically reviews expenditures against the budget for these categories. Administrators respond promptly to cost control issues raised during such reviews and identify what actions must be taken, by whom, and when.	√	
b. Vehicle maintenance staff in the transportation office maintains current records of all maintenance and repairs conducted on all vehicles, and the costs associated with those repairs. They review those records regularly to identify maintenance cost concerns, such as unexpected patterns of maintenance activity, excessive costs, or high costs associated with particular types or ages of buses.	√	
c. The district has taken advantage of significant opportunities to improve transportation management, increase efficiency and effectiveness, and reduce costs.	√	
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.		
a. Transportation staff has developed key unit cost information for student transportation functions and tasks to enable them to make comparisons with those of private providers.	√	
b. Transportation staff periodically reviews the costs associated with transportation functions and tasks that could be conducted by private vendors. When the results of such reviews indicate savings to the district, staff arranges for such functions and tasks to be performed by private vendors.	√	
c. Transportation staff conducts quality assurance checks for any transportation function or task performed by private vendors to ensure that work was conducted in accordance with the original agreement.	√	
20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.		
a. The district has clearly stated goals and measurable outcome-oriented objectives for the student transportation program that reflect the intent (purpose) of the program and address the major aspects of the program's purpose and expenditures.	√	
b. The district has identified other school districts it considers to be peers and exemplars against which it can compare its performance, and it can identify reasons for selecting those districts. The district makes regular comparisons of its own performance with those of the peers and exemplars.	√	



**Review of the Organization and Operations of the Los Angeles Schools**

<p>c. Transportation administrators have established appropriate performance and cost-efficiency measures and benchmarks (i.e., measurable targets for future performance) for key indicators of student transportation performance.</p>	<p>√</p>	
<p>d. Transportation administrators provide district administrators and the school board an annual “report card” that shows actual performance for all selected performance and cost-efficiency measures in comparison with the selected benchmark for that indicator, the performance of peer districts, and actual performance during the previous year. The district uses this information to assess performance and make management decisions.</p>	<p>√</p>	
<p>e. In addition to “big picture” performance reporting, transportation administrators have established a system of regular management reports throughout the transportation office to track daily and weekly performance for key functions.</p>	<p>√</p>	

## **Review of the Organization and Operations of the Los Angeles Schools**

### **Respondents**

Albuquerque School District  
Alpine Independent School District  
Anchorage Public Schools  
Anoka Hennepin Independent School District  
Atlanta Public Schools  
Austin Independent School District  
Boston Public Schools  
Broward County Public Schools  
Chesapeake Public Schools  
Chicago Public Schools  
Clark County Public Schools  
Columbus Public Schools  
Des Moines Independent School District  
El Paso Independent School District  
Fairfax County Public Schools  
Frederick County Public Schools  
Fresno Unified School District  
Duval County Public Schools  
Granite School District  
Guilford County Schools  
Houston Independent School District  
Indianapolis Public Schools  
Lincoln Public Schools  
Long Beach Unified School District  
Milwaukee Public Schools  
Nashville-Davidson County Public Schools  
New Orleans Parish Schools  
Newark Public Schools  
Northside Independent School District  
Omaha Public Schools  
Orange County Public Schools  
Palm Beach County Public Schools  
Pasco County Schools  
School District of Philadelphia  
Portland Public Schools  
Richmond City Schools  
San Diego Unified School District  
Savannah-Chatham County Public Schools  
Springfield Public Schools  
Virginia Beach City Public Schools  
Wake County Public Schools  
West Contra Costa Unified School District  
Winston Salem/Forsyth County Schools

### APPENDIX H. FINANCIAL MANAGEMENT SURVEY & RESPONDENTS

In addition to the assessment of the Council’s Strategic Support Teams, the organization used a self-assessment that was derived from the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and Florida’s Auditor General. The instrument was endorsed by the Council’s finance directors at their 2004 annual meeting. The assessment was developed to help districts 1) use performance and cost-efficient measures to evaluate programs; 2) use appropriate benchmarks based on comparable school districts, government agencies, and industry standards; 3) identify potential cost-savings; and 4) focus budget and resources on district priorities and goals, including student performance. The surveys are based on a set of “best practices and indicators” that were identified from extensive literature reviews and interviews of education personnel experts, representatives from professional organizations, and educators in other states. The survey measures 23 standards and 261 practices in six functional areas<sup>92</sup>—

1. Payment Processing (2 Standards and 36 Practices)
2. Internal Auditing (1 Standard and 9 Practices)
3. Asset Management (5 Standards and 34 Practices)
4. Risk Management (2 Standards and 24 Practices)
5. Financial Management (10 Standards and 141 Practices)
6. Financial Auditing (3 Standards and 8 Practices)

The Los Angeles Unified School District’s (LAUSD) self-assessment using the OPPAGA form indicated that the finance unit used “best practices” at an equivalent or higher rate than 79 other responding K-12 school districts in four of the six functional areas.<sup>93</sup>

#### Payment Processing

The LAUSD Finance Services Division reported 100 percent overall compliance with 36 best practices in this area, compared with an 88.8 percent compliance rate reported by 26 other responding K-12 urban school districts.

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<sup>92</sup> A standard for Financial Management Control, for example, is to have “district management communicate its commitment and support of strong internal controls.” A practice would be to ensure that Financial Management Control “conducts business ethically and has established written employee ethics policies.”

<sup>93</sup> Eighty school districts responded to the survey. (Appendix H lists the districts that responded to the survey.) The response levels from those school districts varied by functional area with 78 districts reporting compliance with standards and best practices in “Internal Auditing” and 26 districts reporting compliance with standards and best practices in “Payment Processing.” The variation in responses levels can be attributed to 1) differences in location of functional responsibilities within school districts; 2) dependent versus independent school districts; and 3) the timing of the survey: each functional area was sent separately.

## Review of the Organization and Operations of the Los Angeles Schools

The LAUSD Finance Services Division reported 100 percent overall compliance with 36 best practices in this area, compared with an 88.8 percent compliance rate reported by 26 other responding K-12 urban school districts.

- **Standard 1:** The district has effective controls to ensure that disbursements are properly authorized, documented, and recorded.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with 14 indicators of best practices in this area.
  - \* The other 26 K-12 school districts reported that they were 85.7 percent consistent with the same 14 indicators.
- **Standard 2:** The district has established controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with 19 indicators of best practices in this area.
  - \* The other 26 responding school districts reported 95.3 percent compliance with the same 19 indicators.

### Internal Auditing

The LAUSD Finance Services Division reported 100 percent compliance with 9 indicators of best practices in this area.

- **Standard 1:** The district has established an internal audit function with its primary mission to 1) provide assurance that the internal control processes in the organization are adequately designed and functioning effectively, and 2) where appropriate, offer recommendations and counsel to management that will improve performance.
  - \* LAUSD's Financial Services Division reported 100 percent compliance with nine indicators of best practices in this area.
  - \* The other 79 responding school districts reported 59.6 percent compliance with the same nine indicators.

### Asset Management

The LAUSD Financial Services Division reported 94.1 percent compliance with 34 best practices in this area, compared with an 88.8 percent compliance rate in 26 other responding school districts.

## Review of the Organization and Operations of the Los Angeles Schools

- **Standard 1:** The district separates responsibilities for the custody of assets from record-keeping responsibilities for those assets.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 55 responding school districts reported 89.1 percent compliance with the same five indicators.
- **Standard 2:** The district has established controls that provide for proper authorization of asset acquisitions and disposals.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with eight indicators of best practices in this area.
  - \* The other 55 responding school districts reported 92 percent compliance with the same eight indicators.
- **Standard 3:** The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with seven indicators of best practices in this area.
  - \* The other 55 responding school districts reported 87.5 percent compliance with the same seven indicators.
- **Standard 4:** The district provides recorded accountability for capitalized assets.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 55 responding school districts reported 83.6 percent compliance with the same five indicators.
- **Standard 5: Assets** are safeguarded from unauthorized use, theft, and physical damage.
  - \* The LAUSD Financial Services Division reported 77.8 percent compliance with nine indicators of best practices in this area.
  - \* The other 55 school districts reported 79.4 percent compliance with the same nine indicators.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Financial Services Division also reported that it did not use the following best practices—

- ✚ Reports detailing missing property items at each cost center or site are prepared and presented to the board on an annual basis for its review and approval. Such reports normally contain a detailed description of each property item, including the date acquired, acquisition cost, and the total cost of all missing property for the cost center/site.

Only thirty-one (30.9 percent) of the other 55 K-12 school districts reported compliance with the performance indicator.

- ✚ Equipment is identified properly by metal number tags or other means of positive identification.

Ninety-four percent (94.5 percent) of the other 55 K-12 school districts reported compliance with the performance indicator.

### Risk Management

The LAUSD Financial Services Division reported 80.8 percent compliance with 24 practices in this area, compared with an 87.4 percent compliance rate reported in 23 other urban school districts. The reader should note that the district's health plan is not self-insured and that some items on the survey related to self-insurance do not apply.

- **Standard 1:** The district has a process to set objectives for risk management activities, identify and evaluate risks, and design a comprehensive program to protect itself at a reasonable cost.

- \* The LAUSD Financial Services Division reported 33 percent compliance with three indicators of best practices in this area.

- \* The other 23 K-12 school districts reported 76.8 percent compliance with the same three indicators.

- \* The LAUSD Financial Services Division also reported that it did not use the following best practices—

- ✚ Has a risk management policy relative to risk-financing and related insurance coverage to provide reasonable coverage for risks of loss.

Seventy-eight percent (78.3 percent) of the other 23 school districts comply with this indicator.

- ✚ Has a comprehensive disaster recovery plan to ensure continued operations.

## Review of the Organization and Operations of the Los Angeles Schools

Fifty-seven percent (56.5 percent) of the other 23 school districts comply with this indicator.

- **Standard 2:** The district has comprehensive policies and procedures relating to acquiring and reviewing coverage for risks of loss.
  - \* The LAUSD Financial Services Division reported 90.5 percent compliance with 21 indicators of best practices in this area.
  - \* The other 23 school districts reported a 78.2 percent compliance rate with the same indicators.
  - \* The LAUSD Financial Services Division also reported that it did not use the following best practices—
    - ✚ Requires an audit of risk management programs administered by a trust or other school-related association.

Seventy-four (73.9 percent) of the other 23 school districts comply with this indicator.

### Financial Management

The LAUSD Financial Services Division reported 74.8 percent overall compliance with 141 best practices in this area, compared with an 85.6 percent compliance rate reported by 38-43 other urban school districts.<sup>94</sup> The reader should note that the district is served by the county treasurer and therefore, items in the survey related to the treasury function are not applicable.

- **Standard 1:** District management communicates its commitment and support of strong internal controls.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with six indicators of best practices in this area.
  - \* The other 43 K-12 school districts reported 85.4 percent compliance with the same six indicators.
- **Standard 2:** The district records and reports financial transactions in accordance with prescribed standards.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with 21 indicators of best practices in this area.

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<sup>94</sup> 43 districts responded to Standards 1-3; 38 responded to Standards 4-6; 40 responded to Standards 7-8; and 39 responded to Standards 9-10

## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 43 responding school districts reported a 90.5 percent compliance rate with the same six indicators.
- **Standard 3:** The district prepares and distributes its financial reports in a timely fashion.
  - \* The LAUSD Financial Services Division reported 80 percent compliance with four indicators of best practices in this area.
  - \* The other 43 responding school districts reported 90.7 percent compliance with the same four indicators.
  - \* The LAUSD Financial Services Division also indicated that it did not comply with the following best practice—
    - ✚ Monthly financial reports are prepared and provided to the board for fiscal management and decision making

Eighty-one (81.4 percent) of the other 43 districts comply with this indicator.
- **Standard 4:** The district has a financial plan serving as an estimate of and control over operations and expenditures.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with nine indicators of best practices in this area.
  - \* The other 38 school districts reported 90.7 percent compliance with the same nine indicators.
- **Standard 5:** The district has effective controls to provide recorded accountability for cash resources.
  - \* The LAUSD Financial Services Division reported 71.4 percent compliance with 14 indicators of best practices in this area.
  - \* The other 38 school districts reported 91.7 percent compliance with the same 14 indicators.
  - \* The LAUSD Financial Services Division reported that it did not use the following best practices—
    - ✚ Has depositories that are periodically reviewed and formally authorized.



## Review of the Organization and Operations of the Los Angeles Schools

Ninety-two percent (92.1 percent) of the other 38 school districts comply with this indicator.

- ✚ Maintains an adequate fidelity bond for employees responsible for cash collections.

Ninety-seven percent (97.4 percent) of the other 38 school districts comply with this indicator

- ✚ Has procedures to provide for cash flow analysis to determine the extent of idle funds available for investment.

Eight-four percent (84.2 percent) of the other 38 school districts comply with this indicator

- ✚ Has established controls relating to electronic funds transfers (EFT).

Eight-two percent (81.6 percent) of the other 38 school districts comply with this indicator

- **Standard 6:** The district has an investment plan that includes investment objectives and performance criteria designed to maximize return consistent with the risks associated with each investment, and specifies the types of financial products approved for investment.

- \* The LAUSD Financial Services Division reported 57.7 percent compliance with 26 indicators of best practices in this area.

- \* The other 38 school districts reported 68.4 percent compliance with the same 26 indicators.

- \* The LAUSD Financial Services Division indicated that it did not use the following best practices—

- ✚ Has investment securities that are consistent with the board's investment policies and are of a nature and maturity prudent for investing local government operating funds and consistent with the district's estimated cash needs.

Eight-two percent (81.6 percent) of the other 38 school districts comply with this indicator.

- ✚ Has procedures in place that provide for regular (e.g., monthly) reporting to the board on the status of the district's investment program by persons independent of the persons authorized to make investment decisions.

## Review of the Organization and Operations of the Los Angeles Schools

Fifty-three percent (52.6 percent) of the other 38 school districts comply with this indicator.

- Has investment policy guidelines that are formally established and periodically reviewed.

Seventy-six percent (76.3 percent) of the other 38 school districts comply with this indicator

- Has an investment program that is integrated with the cash management program and expenditure requirements.

Seventy-six percent (76.3 percent) of the other 38 school districts comply with this indicator

- Has an investment portfolio whose performance is evaluated periodically by persons independent of investment portfolio management activities.  
Sixty-three percent (63.2 percent) of the other 38 school districts comply with this indicator

- Requires dual signatures or authorizations to obtain release of securities from safekeeping or to obtain access to the government unit's safe deposit box.

Only 34 percent (34.2 percent) of the other 38 school districts comply with this indicator.

- Requires persons with access to securities to be authorized by a legislative body.

One-half (50 percent) of the other 38 school districts comply with this indicator

- Registers all securities in the name of the government unit.

Seventy-four percent (73.7 percent) of the other 38 school districts comply with this indicator

- Requires that securities are periodically inspected or confirmed by safekeeping agents.

Fifty-three percent (52.6 percent) of the other 38 school districts comply with this indicator

- Requires that individuals with access to securities are bonded.

## Review of the Organization and Operations of the Los Angeles Schools

Fifty-five percent (55.3 percent) of the other 38 school districts comply with this indicator

- ✚ Makes periodic comparisons between income received and the amount specified by the terms of the security or publicly available investment information.

Seventy-nine percent (78.9 percent) of the other 38 school districts comply with this indicator

- **Standard 7:** The district has established effective controls for recording, collecting, adjusting, and reporting receivables.

- \* The LAUSD Financial Services Division reported 55.6 percent compliance with nine indicators of best practices in this area.

- \* The other 40 responding school districts reported 76.1 percent compliance with the same nine indicators.

- \* The LAUSD Financial Services Division indicated that it did not use the following best practices—

- ✚ Has property taxes and fees collected by other governmental units monitored to assure timely receipt and that amounts received are subjected to reviews for reasonableness.

Eighty percent (80 percent) of the other 40 school districts comply with this indicator.

- ✚ Has delinquent accounts reviewed and considered for charge-off on a timely basis.

Seventy-three (72.5 percent) of the other 40 school districts comply with this indicator.

- ✚ Has aged accounts receivable balances periodically reviewed by supervisory personnel.

Seventy-three (72.5 percent) of the other 40 school districts comply with this indicator.

- ✚ Has a procedure for providing the accounting department with timely and direct notification of billings and collection activities.

Seventy-five (75 percent) of the other 40 school districts comply with this indicator.

## Review of the Organization and Operations of the Los Angeles Schools

- **Standard 8:** The district has effective controls that provide accountability for the payment of salaries and benefits.
  - \* The LAUSD Financial Services Division reported 84 percent compliance with 25 indicators of best practices in this area.
  - \* The other 38-to-40 school districts reported 87.3 percent compliance with the same 25 indicators.
  - \* The LAUSD Financial Services Division indicated that it does not use the following best practices—
    - ✚ Has implemented a mandatory direct-deposit process for payroll, if feasible.

Only 45 percent (44.7 percent) of the other 38 school districts comply with this indicator.
    - ✚ Has W-2 forms compared with payroll records and mailed by employees not otherwise involved in the payroll process.

Seventy-four percent (73.7 percent) of the other 38 school districts comply with this indicator.
    - ✚ Has a procedure for investigating returned W-2s.

Eight-seven percent (86.8 percent) of the other 38 school districts comply with this indicator.
    - ✚ Periodically assesses whether district payroll processing functions are cost-effective.

Eight-two percent (81.6 percent) of the other 38 school districts comply with this indicator.
- **Standard 9:** The district analyzes, evaluates, monitors, and reports debt-financing alternatives.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with nine indicators of best practices in this area.
  - \* The other 39 school districts reported 80.1 percent compliance with the same nine indicators.
- **Standard 10:** The district effectively monitors and reports grant activities.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Financial Services Division reported 72 percent compliance with 18 indicators of best practices in this area.
- \* The other 39 responding school districts reported 94.9 percent compliance with the same 18 indicators.
- \* The LAUSD Financial Services Division reported that it does not use the following best practices—

- ✚ Investigates failure by the district to meet financial reporting requirements on a timely basis.

Ninety percent (89.7 percent) of the other 39 school districts comply with this indicator.

- ✚ Properly affixes responsibility for monitoring grant activities. Ninety-seven percent (97.4 percent) of the other 39 school districts comply with this indicator.

- ✚ Monitors grant activity from a centralized location.

Ninety-two percent (92.3 percent) of the other 39 school districts comply with this indicator.

- ✚ Has a procedure to monitor compliance with financial reporting requirements, use of funds and other conditions in accordance with grant terms, and timely billing of amounts due under grants.<sup>95</sup>

Ninety-eight percent (98.3 percent) of the other 39 school districts comply with this indicator.

- ✚ Has a procedure for obtaining grantor approval before incurring expenditures in excess of budgeted amounts or for unbudgeted expenditures.

All (100 percent) of the other 39 school districts comply with this indicator.

### Financial Auditing

The LAUSD Financial Services Division reported 63 percent overall compliance with eight practices in this area, compared with a 70.6 percent compliance rate by the other 77 responding school districts.

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<sup>95</sup> The Los Angeles Unified School District reported that it did not comply with any of the three conditions.

## Review of the Organization and Operations of the Los Angeles Schools

- **Standard 1:** The district obtains an external audit in accordance with government auditing standards.
  - \* The LAUSD Financial Services Division reported 100 percent compliance with two indicators of best practices in this area.
  - \* The other 77 responding school districts reported 96.8 percent compliance with the same two indicators.
  
- **Standard 2:** The district provides for timely follow-up of findings identified in the external audit.
  - \* The LAUSD Financial Services Division did not comply with all three indicators of best practices in this area.
  - \* The other 77 school districts reported 94.8 percent compliance with the same three indicators.
  - \* The LAUSD Financial Services Division reported that it did not use any of the following best practices—
    - ✚ Has procedures to provide for the timely review of findings included in the external audit, development of a corrective action plan, and assurance that corrective actions are implemented.

Ninety-three percent (92.7 percent) of the other 77 school districts comply with this indicator.
    - ✚ Performs timely follow-up of findings, develops corrective action plans, and ensures that corrective actions are implemented.

Ninety-six percent (96.1 percent) of the other 77 school districts comply with this indicator.
    - ✚ Presents audit findings and corrective action plans to the board, or its designee, for review and approval.

Ninety-four percent (93.6 percent) of the other 77 school districts comply with this indicator.
  
- **Standard 3:** The district obtains and reviews required financial information relating to school internal accounts, direct service organizations (DSOs), and charter schools.

## **Review of the Organization and Operations of the Los Angeles Schools**

- \* The LAUSD Financial Services Division reported 100 percent compliance with three indicators of best practices in this area.
- \* The other 77 school districts reported 55 percent compliance with the same three indicators.

## Review of the Organization and Operations of the Los Angeles Schools

### Financial Management Practices Survey Results<sup>96</sup>

Goals, Practices, Indicators	YES	NO
<b><i>INTERNAL AUDITING: The district has an effective internal audit function.</i></b>	√	
1. The district has established an internal audit function with its primary mission to (1) provide assurance that the internal control processes in the organization are adequately designed and functioning effectively, and (2) where appropriate, offer recommendations and counsel to management that will improve performance.	√	
a. The organizational structure of the district provides that employees performing the internal audit function report directly to the district school board or its designee to ensure broad audit coverage and adequate consideration of, and action on, the findings and recommendations of the internal auditors.	√	
b. Employees performing the internal audit function have adequate education and technical training necessary to ensure that due professional care is exercised in the performance of their audits.	√	
c. Internal auditors are not limited in their access to records or on the scope of their activities.	√	
d. Long-range audit plans have been developed in consultation with the board and senior management that are based on a risk assessment of the organization.	√	
e. Audit programs are used by the internal auditors for each activity reviewed to document the nature, timing, and extent of their audit work.	√	
f. Internal auditors are functionally independent of the activities they are auditing.	√	
g. The internal audit function has sufficient resources to provide needed audit coverage on a periodic basis.		
h. Reports are issued by the internal auditors that document the scope of their work, findings, and management's response.	√	
i. The internal audit plan includes monitoring student FTE counts at the school level.		√
<b><i>FINANCIAL AUDITING: The district ensures that it receives an annual external audit and uses the audit to improve its operations.</i></b>		
1. The district obtains an external audit in accordance with government auditing standards.	√	
a. Audit reports have been filed with appropriate oversight bodies in accordance with applicable state and federal filing requirements.	√	
b. Audit reports indicate that the audits were completed in accordance	√	

<sup>96</sup> Survey completed by Chuck Burbridge, Chief Financial Officer, LAUSD.



## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
with Government Auditing Standards.		
2. The district provides for timely follow-up of findings identified in the external audit.		√
a. Procedures have been established to provide for the timely review of findings included in the external audit, development of a corrective action plan, and assurance that corrective actions are implemented.		√
b. The district performs timely follow-up of findings, develops corrective action plans, and ensures that corrective actions are implemented.		√
c. Audit findings and corrective action plans are presented to the board, or its designee, for review and approval.		√
3. The district obtains and reviews required financial information relating to school internal accounts, direct service organizations (DSOs), and charter schools.	√	
a. The district has policies and procedures to administer and control the school and activity funds, commonly called the school internal accounts.	√	
1) The district has adopted policies and procedures for governing the receipt and disbursement of funds in the internal school accounts.	√	
2) The district provides for an annual audit of the school internal accounts.		√
3) Audits of the school internal accounts are presented to the board while in session and are filed as part of the public records.		√
4) Corrective action plans are developed to timely correct audit findings noted in the audit reports for school internal accounts.	√	
b. The district has policies to require each DSO to provide for an annual audit.	√	
1) The agreement between the district and each DSO requires each DSO to provide for an annual financial audit of its records and specifies time frames for the completion of the audits.	√	
2) A copy of the audit report for each DSO is provided to each school board member and the superintendent and is filed as a public record of the district.		√
c. The charter agreement between the district and each charter school requires each charter school to provide for an annual financial audit of its records and specifies time frames for the completion of the audits.	√	
1) A copy of the audit report for each charter school is provided to each school board member and the superintendent and is filed as a public record of the district.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
2) In addition to required annual financial audits, the charter agreement between the district and each charter school requires each charter school to provide regular (no less than quarterly) financial information relating to the charter school activities.	√	
<b>ASSET MANAGEMENT: The district has established effective controls to provide for effective management of land, buildings, and equipment (capital assets).</b>		
1. Segregation of Duties: The district segregates responsibilities for custody of assets from record keeping responsibilities for those assets.	√	
a. Responsibilities for initiating, evaluating, and approving capital expenditures, leases, and maintenance or repair projects are segregated from those for project accounting, property records, and general ledger functions.	√	
b. Responsibilities for initiating capital asset transactions are segregated from those for final approvals that commit government resources.	√	
c. Responsibilities for the project accounting and property records functions are segregated from the general ledger functions.	√	
d. Responsibilities for the project accounting and property records functions are segregated from the custodial function.	√	
e. Responsibilities for the periodic physical inventories of capital assets are assigned to responsible officials who have no custodial or record keeping responsibilities.	√	
2. Authorization Controls: The district has established controls that provide for proper authorization of asset acquisitions and disposals.	√	
a. Those individuals authorized to initiate capital asset transactions are identified and there is a clear definition of the limits of their authority.	√	
b. Guidelines are established with respect to key considerations such as prices to be paid, acceptable vendors and terms, asset quality standards, and the provisions of grants or bonds that may finance the expenditures.	√	
c. Separate capital projects budgets are prepared.	√	
d. Written board approval is required for all significant capital asset projects or acquisitions.	√	
e. Procedures exist for authorizing, approving, and documenting sales or other dispositions of capital assets.	√	
f. Procedures exist for approving decisions regarding financing alternatives and accounting principles, practices, and methods.	√	
g) Procedures exist providing for obtaining grantor (federal/state) approval, if required, for the use of grant funds for capital asset acquisitions.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
h) Grant-funded acquisitions are subjected to the same controls as internally funded acquisitions.	√	
3. Project Accounting: The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors.	√	
a. Project cost records are established and maintained for capital expenditure and repair projects.	√	
b. Reporting procedures exist for in-progress and completed projects.	√	
c. Procedures exist to identify completed projects so that timely transfers to the appropriate accounts can be made.	√	
d. The accounting distribution is reviewed to ensure proper allocation of charges to fixed asset and expenditure projects.	√	
e. Where construction work is performed by contractors, procedures exist to provide for and maintain control over construction projects and progress billings.	√	
f. Contracts that include cost/plus or similar terms provide that the unit of government has the right to audit contractors' records and is exercised when necessary.	√	
g. Audits of contractors cover compliance with EEO, Davis-Bacon, and other regulations and contract terms, in addition to costs.	√	
4. Asset Accountability: The district provides recorded accountability for capitalized assets.	√	
a. Accountability for each asset is established.	√	
b. Detail property records are maintained for all significant self-constructed, donated, purchased, or leased assets.	√	
c. A threshold for the capitalization of assets is established and approved by the board.	√	
d. Procedures and policies exist to--	√	
1) distinguish between capital projects fund expenditures and operating budget expenditures;	√	
2) identify operating budget expenditures to be capitalized in the fixed asset account group; and	√	
3) distinguish between capital and operating leases.	√	
e. Procedures exist for periodic inventory of documents evidencing property rights (for example, deeds and leases).	√	
5. Asset Safeguards: Assets are safeguarded from unauthorized use, theft, and physical damage.	√	
a. Procedures exist ensuring that purchased materials and services for capital expenditure and repair projects are subjected to the same levels of controls that exist for all other procurements (i.e.,	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
receiving, approval, checking).		
b. Lease transactions are subjected to control procedures similar to those required for other capital expenditures.	√	
c. Detailed property records are compared to existing assets on an annual basis or whenever there is a change in property custodian by persons independent of the custodial function.	√	
d. Differences between asset records and physical counts are promptly investigated and the records adjusted to reflect shortages.	√	
e. Reports detailing missing property items at each cost center or site are prepared and presented to the board on an annual basis for its review and approval. Such reports contain a detailed description of each property item, including the date acquired, acquisition cost and the total cost of all missing property for the cost center/site.		√
f. Detailed property records are periodically reconciled with the general ledger control accounts.	√	
g. Equipment is properly identified by metal numbered tags or other means of positive identification.		√
h. The district has procedures to identify, collect, and dispose of surplus or obsolete equipment in accordance with applicable laws, rules, and grant conditions.	√	
i. Accounting records are adjusted promptly when items of plant and equipment are retired, sold, or transferred.	√	
<b>RISK MANAGEMENT: The district has established procedures that identify various risks and provide for a comprehensive approach to reducing the impact of losses.</b>		
1. General: The district has a process to set objectives for risk management activities, identify and evaluate risks, and design a comprehensive program to protect itself at a reasonable cost.	√	
a. Procedures are in place to identify the various risks of loss to which the district is exposed.	√	
b. The district has adopted a risk management policy relative to risk financing and related insurance coverage to provide reasonable coverage for risks of loss.		√
c. The district has a comprehensive disaster recovery plan to ensure continued operations.		√
2. Providing for Coverage Against Risk Exposure: The district has comprehensive policies and procedures relating to acquiring and reviewing coverage for risks of loss.	√	
a. The various group insurance coverages provided for district officers and employees are acquired pursuant to requests for competitive bids or proposals.	√	
b. Methods for analyzing and acquiring other commercial coverages	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
are documented in the district's records.		
c. Insurance coverages are periodically reviewed to ensure that assets are adequately insured and coverages are periodically updated for major asset acquisitions and/or disposals.	√	
d. Procedures exist to verify that insurance premiums are properly assessed and paid in accordance with bids, contracts, and/or consortium plan requirements.	√	
e. Procedures exist to ensure that insurance dividends or refunds are received and properly allocated and credited to the original funding sources.	√	
f. Procedures exist to remove terminated employees from the district's group insurance benefits program.	√	
g. Periodic comparisons are made of employees receiving benefits from the district's group insurance benefit program to the current payroll records and listings of retirees that are paying for benefits to ensure that only qualified recipients are being provided insurance.	√	
h. Official bonds are obtained and filed with the Department of State.	√	
i. If the district participated in a risk management program that is administered by a trust or other school-related association rather than by another school district, the district obtained a copy of the required audit of the program.		√
j. If any of the district's risks are covered through self-insurance--	√	
1) procedures exist to periodically analyze the amount of risk retained and extent of reinsurance and/or excess loss coverage;	√	
2) amounts actually due from excess coverage are recorded and reported on a current basis;	√	
3) claims revolving funds are established in the name of the district;	√	
4) the liability for unpaid claims and liability for claims adjustment expenses (if applicable) are determined by an external loss reserve specialist/actuary;	√	
5) service agents are bonded in an amount sufficient to protect all money deposited into the claims revolving fund;	√	
6) the administrator for the self-insured workers' compensation plan is approved by the Department of Labor and Employment Security, Division of Workers' Compensation;	√	
7) the self-insured group health plan has been approved as to actuarial soundness by the Department of Insurance;		√
8) the self-insured group health plan's administrator or insurance company have been approved by the Department of Insurance;		√

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
9) procedures exist to periodically review the selection and/or performance of the administrator and the reasonableness of the fees paid for administrative services;	√	
10) district procedures exist for verifying that claims and other expenses paid were appropriate charges to the program;	√	
11) an external loss reserve specialist/actuary is involved in preparing projections of potential claims payable;	√	
12) periodic reports are made to the board summarizing the funding status of the self-insured plan and the existence of any unusual or large claims including the effects of such claims on the plan; and	√	
13) procedures exist to properly access and record program premiums in the benefiting funds.	√	
<b>FINANCIAL MANAGEMENT: The district has established controls to ensure its financial resources are properly managed.</b>		
1. Management Control Methods: District management communicates its commitment and support of strong internal controls.	√	
a. Management conducts business ethically and has established written employee ethics policies.	√	
b. Management communicates a commitment of strong internal controls to employees.	√	
c. Management periodically reviews the internal controls to ensure that they are being enforced.	√	
d. Established policies and procedures do not allow management's overriding or bypassing established controls.	√	
e. Procedures below have been established for people to report suspected improprieties--	√	
1) Ability to contact someone other than a direct supervisor.	√	
2) Anonymity permitted.	√	
f. Feedback is provided to people who report suspected improprieties and they have immunity from reprisals.	√	
2. Financial Accounting System: The district records and reports financial transactions in accordance with prescribed standards.	√	
a. The district has a computerized accounting system that facilitates collecting, processing, maintaining, and reporting data about financial transactions.	√	
b. The accounting system provides for recording and reporting budgetary data for financial planning and budgeting activities.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
c. The accounting system provides for recording and reporting financial transactions and preparing financial statements consistent with applicable accounting principles reporting requirements.	√	
d. Automated and/or manual processes and controls exist to provide for integrating component systems to the central accounting system to provide for efficient, effective and accurate reporting of agency financial status.	√	
e. The accounting system facilitates the preparation of interim financial statements (e.g., monthly, for financial management and decision-making purposes).	√	
f. The accounting system facilitates accountability for restricted sources of funds through grant/project accounting.	√	
g. Controls are in place to ensure that recorded transactions are supported by hard copy or electronically maintained documentation.	√	
h. The accounting system and processing instructions are documented, current, readily available, and in sufficient detail to permit a person, knowledgeable of the district's programs and of systems generally, to obtain a comprehensive understanding of the entire operations of each system.	√	
i. The district has written accounting policies and procedures that include such matters as--	√	
1) identification and description of the principal accounting records, recurring standard entries, and requirements for supporting documentation. For example, this may include information about the general ledger, source journals, subsidiary ledgers, and detail records for each significant class of transactions;	√	
2) expression of the assignment of responsibilities and delegation of authority including identification of the individuals or positions that have authority to approve various types of recurring and non-recurring entries;	√	
3) explanations of documentation and approval requirements for various types of recurring and non-recurring transactions and journal entries. Documentation requirements, for example, would include the basis and supporting computations required for adjustments and write-offs; and	√	
4) instructions for determining an appropriate cutoff and closing of accounts for each reporting period.	√	
j. Manuals are distributed to appropriate personnel.	√	
k. Access to the accounting system is limited to those authorized persons responsible for inputting, processing, and reporting financial information.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
l. The accounting system supports the legal, regulatory, and other special management requirements (e.g., special mileage levies).	√	
m. Procedures are in place that provide for the on-going maintenance of the accounting system to support the district's changing business practices.	√	
n. The preparation and approval functions for journal entries is segregated.	√	
o. Journal entries are reviewed and approved by designated individuals at appropriate levels in the entity. (The levels at which journal entries are reviewed and approved usually will vary depending on whether the entries are recurring, or non-recurring, routine or unusual, accumulations of routine transactions, or adjustments of balances requiring estimates and judgments.)	√	
p. All journal entries are adequately explained and supported. (Explanation and support for an entry should be sufficient to enable the person responsible for its review and approval to reasonably perform this function.)	√	
q. All journal entries are subject to controls over completeness of processing. (Examples of controls over completeness of processing include pre-numbering of journal vouchers and accounting for all numbers used, accumulation of control totals of dollar amounts debited and credited, and standard identification numbers for recurring entries.)	√	
r. Procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the entity.	√	
s. The principal accounting officer of the entity has adequate authority over accounting employees and principal accounting records at all locations.	√	
t. The responsibilities for maintaining the general ledger are segregated from those for maintaining subsidiary ledgers.	√	
u. The responsibilities for maintaining the general ledger and custody of assets are segregated.	√	
3. Financial Reporting Procedures: The district prepares and distributes its financial reports timely.	√	
a. Monthly financial reports are prepared and provided to the board for fiscal management and decision-making.		√
b. Financial reports provided to the board include summary financial information practical for use in making financial management decisions.	√	
c. Regular financial reports are prepared to meet the reporting requirements of grants/projects funded with restricted sources.	√	



## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
d. An annual financial report is prepared, approved by the board, and filed in a timely manner.	√	
4. Budget Practices: The district has a financial plan serving as an estimate of and control over operations and expenditures.	√	
a. Responsibilities for budget preparation, adoption, execution, and reporting are segregated.	√	
b. Budgets are prepared by authorized employees in consultation with appropriate managers.	√	
c. Budgets are formulated and adopted pursuant to the applicable state law and the State Board of Education Rules.	√	
1) Budget hearings are advertised as required to solicit public input and participation.	√	
2) Advertisements include the required notification to the public of proposed capital outlay millage levies.		√
3) Special millage levies (e.g., capital outlay millage) are supported by detailed budgets identifying the specific intended uses and the estimated needed revenues.		√
4) A budget calendar is used for the orderly submission and approval of the budget.	√	
5) Budgets are prepared commensurate with functional responsibilities to facilitate effective budget monitoring at the program/activity level.	√	
6) Budgets are prepared in sufficient detail to provide effective monitoring of restricted funds.	√	
7) The budget clearly establishes levels of operational and financial accountability.	√	
d. Personnel costs are budgeted to the extent that payrolls can be encumbered.	√	
e. The number of personnel is managed through the use of a position control system.	√	
f. Budget data is entered into the accounting system from the approved budget.	√	
g. Procedures are in place to provide for effective monitoring of the budget to preclude expenditures in excess of available budget and to provide for timely amendments for board approval.	√	
h. Budgets and related plans are effectively communicated to appropriate personnel throughout the district.	√	
1) Actual expenditures are compared to budget with reasonable (monthly) frequency and on a timely basis.	√	
2) Budget reports are discussed with departmental personnel and significant variations from budget are explained	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
3) Procedures establishing authority and responsibility for transfers between budget categories have been adopted and communicated.	√	
4) Requests for supplemental appropriations or budget changes are processed and approved in the same manner as the original budget is processed and approved.	√	
i. The flow of expenditures or commitments is controlled through the use of an encumbrance system.	√	
5. Cash Management: The district has effective controls to provide recorded accountability for cash resources.	√	
a. Procedures are in place that provide for appropriate checks and balances in receipting and recording collections.	√	
1) Responsibilities for collections and deposit preparation functions are segregated from those for recording cash receipts and general ledger entries.	√	
2) Responsibilities for cash receipts functions are segregated from those for cash disbursements.	√	
3) Receipts are deposited on a timely basis (preferably daily).	√	
4) Controls exist over the collection, timely deposit, and recording of collections in the accounting records for each collection location.	√	
5) Daily reported receipts are compared on a test basis to bank statements to verify timeliness of deposits.	√	
6) A restrictive endorsement is placed on each incoming check upon receipt.		√
7) "Non-sufficient funds" checks are delivered to someone independent of processing and recording of cash receipts.	√	
8) Procedures exist for follow-up of "non-sufficient funds" checks.	√	
9) Receipts are controlled by cash register, pre-numbered receipts, or other equivalent means if payments are made in person.	√	
10) Receipts are accounted for and balanced to collections on a timely basis.	√	
11) Facilities exist for protecting undeposited cash receipts.		√
12) The general accounting department is notified of cash receipts from separate collection centers on a timely basis.	√	
b. Bank accounts are established in approved public depositories.	√	
c. Depositories are periodically reviewed and formally reauthorized.		√
d. Responsibilities for disbursement preparation and disbursement approval functions are segregated from those for recording or entering cash disbursements information on the general ledger.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
e. Controls and physical safeguards exist surrounding working (petty cash) funds.	√	
f. An adequate fidelity bond is maintained for employees responsible for cash collections.		√
g. Separate bank accounts are maintained for each fund, or if not, there is sufficient fund control over pooled cash.	√	
h. Procedures exist to ensure that collections and disbursements are recorded accurately and promptly.	√	
i. Procedures exist for authorizing and recording interbank and interfund transfers and for providing for proper accounting for those transactions.	√	
j. General ledger control exists over all bank accounts.	√	
k. Procedures exist for steps essential to an effective bank reconciliation process, particularly--	√	
1) responsibilities for preparing and approving bank account reconciliations are segregated from those for other cash receipt or disbursement functions;	√	
2) bank statements and paid warrants or checks are delivered in unopened envelopes directly to the employee preparing the reconciliation;		√
3) bank statements are reconciled in a timely manner (e.g., within 30 days of statement date);		√
4) comparison of warrants or checks in appropriate detail with disbursement records;	√	
5) examination of signature and endorsements, at least on a test basis;		√
6) accounting for numerical sequence of warrants or checks used;	√	
7) comparison of book balances used in reconciliations with general ledger accounts;	√	
8) comparison of deposit amounts and dates with cash receipt entries;	√	
9) unusual reconciling items are reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation; and	√	
10) checks outstanding for a considerable time are periodically reviewed for propriety.		√
l. Procedures are in place for estimating cash needs in programs for which cash draws must be requested (e.g., PECO, federal programs, etc.).	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
m. Procedures provide for cash flow analysis to determine the extent of idle funds available for investment.		√
n. The district has established controls relating to electronic funds transfers (EFT).		√
1) The district has agreements with each applicable financial institution for the electronic transfer of funds indicating the persons authorized to make transfers, the accounts to which funds can be transferred, and the maximum dollar amounts of transfers allowed.		√
2) The district requires that EFTs be authorized by at least two employees or requires an independent verification by the bank prior to executing the transfer of funds.		√
6. Investment Practices: The district has an investment plan that includes investment objectives and performance criteria designed to maximize return consistent with the risks associated with each investment, and specifies the types of financial products approved for investment.		√
a. Responsibilities for initiating, evaluating, and approving investment transactions are segregated from those for detail accounting, general ledger, and other related functions.	√	
b. Investment securities purchased by the district are consistent with the board's investment policies and of a nature and maturity prudent for investing local government operating funds and consistent with the district's estimated cash needs.		√
c. Proper collateralization practices are followed to protect the funds invested in repurchase agreements.	√	
d. Procedures are in place that provide for regular (e.g., monthly) reporting to the board on the status of the district's investment program by persons independent of the persons authorized to make investment decisions.		√
e. Procedures are in place that provide for written notification of the district's investment policies to the broker/dealers through whom the district purchases investment securities.	√	
f. Responsibilities for initiating investment transactions are segregated from those for final approvals that commit government resources.	√	
g. Responsibilities for monitoring investment market values and performance are segregated from those for investment acquisition.	√	
h. Responsibilities for maintaining detailed accounting records are segregated from those for general ledger entries.	√	
i. Custodial responsibilities for securities or other documents evidencing ownership or other rights are assigned to an official who has no accounting duties.	√	
j. Investment policy guidelines are formally established and periodically reviewed.		√

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
k. The investment program is integrated with the cash management program and expenditure requirements.		√
l. The performance of the investment portfolio is periodically evaluated by persons independent of investment portfolio management activities.		√
m. Procedures have been formally established governing the level and nature of approvals required to purchase or sell an investment.	√	
n. Sufficient physical safeguards and custodial procedures exist over--	√	
1) negotiable and nonnegotiable securities owned; and	√	
2) legal documents or agreements evidencing ownership and other rights.	√	
o. Dual signatures or authorizations are required to obtain release of securities from safekeeping or to obtain access to the government unit's safe deposit box.		√
p. Persons with access to securities are authorized by the legislative body.		√
q. All securities are registered in the name of the government unit.		√
r. Securities are periodically inspected or confirmed from safekeeping agents.		√
s. Individuals with access to securities are bonded.		√
t. Detailed accounting records are maintained for all investment activities.	√	
u. Procedures exist to ensure that transactions arising from investments are properly processed, including income, amortization, and market fluctuation entries.	√	
v. Controls exist to ensure that investment earnings are credited to the fund from which resources were provided for the investment.	√	
w. Periodic comparisons are made between income received and the amount specified by the terms of the security or publicly available investment information.		√
x. Controls exist to ensure that transactions are recorded on a timely basis.	√	
y. Procedures exist for reconciling the detailed accounting records with the general ledger control.	√	
z. The nature of investments included in general ledger balances is periodically reviewed.	√	
7. Receivables: The district has established effective controls for recording, collecting, adjusting, and reporting receivables.		√
a. The responsibilities for maintaining detailed accounts receivable records are segregated from collections and general ledger posting.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
b. Property taxes and fees collected by another unit of government are monitored to assure timely receipt, and amounts received are subjected to reviews for reasonableness.		√
c. Delinquent accounts are reviewed and considered for charge-off on a timely basis.		√
d. Write-offs or other reductions of receivables are formally approved by senior officials not involved in the collection function.	√	
e. Procedures exist providing for execution of all legal remedies to collect charged-off or uncollectible accounts including reporting to the board.	√	
f. Controls in the system exist that provide assurances that individual receivable records are posted only from authorized source documents.	√	
g. General ledger account balances are reconciled with subsidiary accounts and reconciling items are investigated by someone other than accounts receivable clerks.	√	
h. Aged accounts receivable balances are periodically reviewed by supervisory personnel.		√
i. Procedures exist for providing for timely and direct notification of the accounting department of billings and collection activities.		√
8. Salary and Benefits Costs: The district has effective controls that provide accountability for the payment of salaries and benefits.	√	
a. The district has procedures in place to provide that the compensation of employees is included under an approved salary schedule.	√	
b. The district has procedures in place to ensure that all changes in employment (additions and terminations), salary and wage rates, and payroll deductions are properly authorized, approved, and documented.	√	
c. Notices of additions, separations, and changes in salaries, wages, and deductions are promptly reported to the payroll-processing function.	√	
d. Access to the master payroll file is limited to employees who are authorized to make changes.	√	
e. Changes to the master payroll file are approved and documented.	√	
f. Responsibilities for supervision and timekeeping functions are segregated from personnel, payroll processing disbursement, and general ledger functions.	√	
g. Records and controls exist for timekeeping and attendance.	√	
h. Records of attendance, including overtime, that are used to support payrolls are reviewed and approved by appropriate supervisory personnel and such review approval is documented.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
i. The district has established procedures for authorizing, approving, and recording holidays, annual, sick and compensatory time.	√	
j. Payroll processing responsibilities are segregated from the general ledger functions.	√	
k. Payroll records are adequate to ensure the proper classification (to the appropriate fund, function, project, and object) of employee compensation and benefits in the general ledger accounts.	√	
l. The distribution of salary costs to the general ledger accounts is balanced with the payroll registers, and reviewed by someone independent but knowledgeable in this area.	√	
m. Complete payroll registers are reviewed and approved before disbursements are made.	√	
n. The district has established procedures to reconcile the gross pay of current period payrolls to the prior period payrolls, and such reconciliations are reviewed by a knowledgeable person not involved in payroll preparation.	√	
o. Responsibilities for initiating payments under employee benefit plans are segregated from accounting and general ledger functions.	√	
p. Documents supporting employee benefit payments (such as accumulated annual and/or sick leave) are reviewed before disbursements are made.	√	
q. Separate imprest-basis payroll bank accounts are maintained.	√	
r. The district has implemented a mandatory direct-deposit process for payroll, if feasible.		√
s. W-2 forms are compared to payroll records and mailed by employees not otherwise involved in the payroll process		√
t. Procedures exist for investigating returned W-2s.		√
u. Procedures are in place to provide for prompt payment of retirement plan contributions.	√	
v. Early retirement plans are funded on a current basis or through required annual contributions determined by an actuarial valuation performed within the last two years.	√	
w. The district provides for updating leave records from time and attendance reports or signed leave forms in a timely manner.	√	
x. The district provides for regular reporting of leave balances to all employees.	√	
y. The district periodically assesses whether its payroll processing functions are cost-effective.		√

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
9. Debt Financing: The district analyzes, evaluates, monitors, and reports debt-financing alternatives.	√	
a. Procedures are in place to evaluate the various alternative financing methods (i.e., general obligation bonds, certificates of participation, revenue bonds).	√	
b. Procedures are in place for selecting an independent financial advisor to assist the district in soliciting and evaluating financing proposals.	√	
c. Procedures are in place for choosing the method of sale (i.e., competitive bid or negotiated sale) to achieve the best results.	√	
d. Procedures are in place for reviewing and evaluating the costs of issuance of debt including legal fees, printing, travel, credit enhancement, and the underwriter's spread.	√	
e. Procedures are in place for analyzing debt capacity prior to issuing debt. [Note: General obligations debt is connected with a committed source of revenue for repayment whereas other types of debt (e.g., certificates of participation, energy savings contracts, etc.) may require the use of general operating funds.]	√	
f. Procedures are in place for analyzing the cost and benefits of advance refunding transactions and monitoring the purchase of escrow securities.	√	
g. Procedures are in place to provide for compliance with federal arbitrage rebate and restrictions.	√	
h. Procedures are in place to provide for monitoring compliance with bond covenants, such as maintenance of required reserve accounts.	√	
i. Procedures are in place to provide for timely reporting the continuing financial disclosures, required by SEC rule 15c2-12 for debt arrangements.	√	
10. Grant and Entitlement Monitoring: The district effectively monitors and reports grants activities.		√
a. Reporting and compliance requirements are defined (e.g., in regulations) and communicated to the district.	√	
b. Procedures exist to monitor district compliance with grant terms.	√	
c. Subrecipients are monitored sufficiently and on a timely basis to permit curtailment of any abuse.	√	
d. Funds are disbursed to subgrantees only on the basis of approved applications.	√	
e. Failure by the district to meet financial reporting requirements are investigated on a timely basis.		√
f. Responsibility for monitoring grant activities is properly fixed.		√
g. Grant activity is monitored from a centralized location.		√



## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
h. Procedures exist to monitor compliance with--		√
1) financial reporting requirements		√
2) use of funds and other conditions in accordance with grant terms; and		√
3) timely billing of amounts due under grants		√
i. Accounting records are maintained that segregate grant activities from locally funded activities.	√	
j. Procedures exist for obtaining grantor approval before incurring grant related expenditures.	√	
k. Procedures exist for obtaining grantor approval before incurring expenditures in excess of budgeted amounts or for unbudgeted expenditures.		√
l. Grant revenues and disbursements are processed under the same degree of controls applicable to the organization's other transactions (budget, procurement, etc.)	√	
m. Requirements are included in subgrantee agreements that the subgrantee complies with the primary grant agreement conditions as well as the grantee's standards.	√	
n. Reasonable procedures and controls exist to provide assurances of compliance with recipient eligibility requirements established by grants.	√	
o. Indirect cost allocation plans have been established and approved by the appropriate grantor agency.	√	
p. The amounts of entitlement funds received are compared with the amount anticipated by a responsible official and unusual variances investigated.	√	
q. Procedures exist to ensure that funds received are spent in accordance with legal requirements and spending restrictions and within the grant period.	√	
r. Statistical or data reports that form the basis for grant revenue distribution are reviewed by a responsible official before allocation.	√	
<b>PURCHASING: The district has an effective purchasing function that ensures goods and services of acceptable quality and performance are acquired at prices that are fair, competitive, and reasonable.</b>		
1. Segregation of Duties: The district segregates purchasing responsibilities from the requisitioning, authorizing, and receiving functions.	√	
a. Responsibilities for the requisitioning, purchasing, and receiving functions are segregated from the invoice processing, accounts payable, and general ledger functions.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
b. Responsibilities for the purchasing function are segregated from the requisitioning and receiving functions.	√	
c. Responsibilities for the invoice processing and accounts payable functions are segregated from the general ledger functions.	√	
d. Responsibilities for the disbursement preparation and disbursement approval functions are segregated from those for recording cash disbursements and general ledger entries.	√	
e. Responsibilities for the disbursement approval function are segregated from those for the disbursement preparation function.	√	
f. Responsibilities for entries in the cash disbursement records are segregated from those for general ledger entries.	√	
2. Requisitioning: The district has established controls for authorizing purchase requisitions.	√	
a. Purchases of goods and services are initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions.	√	
b. Requisitions are pre-numbered and those numbers are controlled.	√	
c. The appropriation to be charged is indicated on the purchase requisition by the person requesting the purchase.	√	
d. Before commitment, unobligated funds remaining under the appropriation are verified by the accounting or budget department as sufficient to meet the proposed expenditure.	√	
e. Requests for special purpose (non-shelf item) materials or personal services are accompanied by technical specifications.	√	
3. Purchasing: The district has established authorization controls over purchasing.	√	
a. Purchasing authorizations are structured to give appropriate recognition to the nature and size of purchases and the experience of purchasing personnel.	√	
b. Procedures are in place to coordinate and consolidate planned purchases.		√
c. Approval procedures exist for purchase order and contract issuance.	√	
d. Purchase prices are periodically reviewed by a responsible employee independent of the purchasing department.		√
e. Procedures are in place to consider competitive bids by other agencies (i.e., state contracts, purchasing consortiums, and other districts) in making purchasing decisions.	√	
f. Procedures are in place to provide for requesting, receiving, and evaluating competitive bids on the basis of price and quality.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
g. When practicable, contract or purchasing officer's areas of responsibility are rotated on a regular basis.		√
h. Procedures exist for public advertisement of non-shelf item procurements in accordance with legal requirements.	√	
i. Recurring purchases and documentation of the justification for informal rather than competitive bids are periodically reviewed.	√	
j. Policies regarding conflicts of interest and business practice policies are established, documented, and distributed.	√	
k. Purchase orders and contracts are issued under numerical or some other suitable control.	√	
l. An appropriate number of price quotations are obtained before placing orders not subject to competitive bidding.	√	
m. Splitting orders is prohibited to avoid higher levels of approval.	√	
n. Price lists and other appropriate records of price quotations are maintained by the purchasing department.	√	
o. A record of suppliers who have not met quality or other performance standards by the purchasing department is maintained.	√	
p. Procedures are modified when funds disbursed under grant or loan agreements and related regulations impose requirements that differ from the organization's normal policies.	√	
q. Procedures are instituted to identify, before order entry, costs and expenditures not allowable under grant (federal/state) programs.	√	
r. An adequate record of open purchase orders and agreements is maintained.	√	
s. Purchases made for accommodating employees are prohibited or adequately controlled.	√	
t. Predetermined selection criteria exist for awarding personal service or construction contracts and the award process is sufficiently documented.	√	
u. Changes to contracts or purchase orders are subjected to the same controls and approvals as the original agreement.	√	
4. Receiving: The district has established controls to ensure that goods are received and meet quality standards.	√	
a. Receiving reports are prepared for all purchased goods.	√	
b. Procedures exist for filing claims against carriers or vendors for shortages or damaged materials.	√	
c. Steps are taken to ensure that goods received are accurately counted and examined to see that they meet quality standards.	√	
d. A permanent record of material received by the receiving department is maintained.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
e. Receiving reports are numerically accounted for or otherwise controlled to ensure that all receipts are reported to the accounting department.	√	
f. Copies of receiving reports are sent directly (hard copy or electronically transferred) to purchasing, accounting, and, if appropriate, inventory recordkeeping.	√	
g. A government technical representative is assigned to monitor and evaluate contractor performance and approve receipt of services with respect to procurements of special purpose materials, services, or facilities.	√	
h. In those instances in which a receiving department is not used, procedures exist to ensure that goods for which payment is made have been received and are verified by someone other than the individual approving payment that goods have been received and meet quality standards.	√	
<b>PAYMENT PROCESSING: The district has effective controls over disbursements for goods and services.</b>		
1. Disbursements: The district has established controls to ensure disbursements are properly authorized, documented, and recorded.	√	
a. Procedures exist for disbursement approval and warrant or check signing.	√	
b. There is control over warrant or check-signing machines as to signature plates and usage.	√	
c. Procedures exist to notify banks when a new signer is authorized or a previous signer leaves the employ of the government.	√	
d. Knowledgeable employees independent of the accounts payable function review invoices and supporting data prior to signing the warrant or check.	√	
e. Reasonable limits are set on amounts that can be paid by facsimile signatures.	√	
f. Two signatures are required on all warrants or checks over a stated amount.	√	
g. Signature plates are maintained in the custody of an authorized person or the person whose facsimile signature is on the plate when not in use.	√	
h. Plates only under the signer's control are used and that person or an appropriate designee records machine readings to ascertain that all checks or warrants signed are properly accounted for.	√	
i. Invoices and supporting documents are canceled when paid.	√	
j. Signed warrants or checks are delivered directly to the mail room, making them inaccessible to persons who requested, prepared, or recorded them.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
k. Warrants or checks are cross-referenced to vouchers.	√	
l. Warrants or checks are controlled and accounted for with safeguards over those unused and voided	√	
m. Drawing warrants or checks to cash or bearer is prohibited.	√	
n. Procedures exist ensuring that warrants or checks that have been signed and issued are recorded promptly.	√	
2. Invoice Processing: The district has established controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports.	√	
a. Invoice processing procedures provide for--	√	
1) acquisition directly from issuing departments of copies of purchase orders and receiving reports.	√	
2) comparison of invoice quantities, prices, and terms with those indicated on the purchase order;	√	
3) comparison of invoice quantities with those indicated on the receiving report.; and	√	
4) as appropriate, checking accuracy of calculations.	√	
b. All invoices are received from vendors in a central location, such as the accounting department.	√	
c. Procedures exist ensuring that the accounts payable system is properly accounting for unmatched receiving reports and invoices.	√	
d. Requests for progress payments under long-term contracts are related to contractors' efforts and are formally approved.	√	
e. Procedures exist for processing invoices not involving materials or supplies (e.g., lease or rental payments, utility bills).	√	
f. Procedures exist ensuring accurate account distribution of all entries resulting from invoice processing.	√	
g. Access to the EDP master vendor file is limited to employees authorized to make changes and not involved in the disbursement process.	√	
h. The accounting department maintains a current list of those authorized to approve expenditures.	√	
i. Procedures exist for submitting and approving reimbursement to employees for travel and other expenses.	√	
j. Control is established by the accounting department over invoices received before releasing them for departmental approval and other processing.	√	
k. Invoices (vouchers) are reviewed and approved for completeness of supporting documents and required clerical checking by a senior employee.	√	

## Review of the Organization and Operations of the Los Angeles Schools

Goals, Practices, Indicators	YES	NO
l. When an invoice is received from a supplier not previously dealt with, steps are taken to ascertain that the supplier actually exists.	√	
m. Payments are made only on the basis of original invoices.	√	
n. Responsibility is fixed for determining that all cash discounts are taken and, if applicable, that exemptions from sales, federal excise, and other taxes are claimed.	√	
o. Differences in invoice and purchase order price, terms, shipping arrangements, or quantities are referred to purchasing for review and approval.	√	
p. The receiving department records and follows up partial deliveries.	√	
q. The accounting and purchasing departments are promptly notified of returned purchases, and such purchases are correlated with vendor credit advices.	√	
r. The program and expenditure account to be charged is reviewed for propriety, budget conformity, and any revenue restrictions.	√	
s. Procedures exist to ensure adjustment of the reserve for encumbrances (obligations) when invoices are prepared for payment.	√	

## Review of the Organization and Operations of the Los Angeles Schools

### Respondents

Alachua County School Board.  
Albuquerque Schools  
Alpine School District  
Atlanta Public Schools  
Austin Independent School District  
Birmingham City Schools  
Boise City Independent School District  
School Board of Broward County,  
Buffalo City Schools  
Charlotte Mecklenburg Schools  
Chesapeake Public Schools  
Chicago Public Schools  
Clark County School District  
Cleveland Municipal School District  
Clovis Unified School District  
Cobb County School District  
Colorado Springs School District  
Columbus Public Schools  
Dallas Independent School District  
Denver Public Schools  
Des Moines Independent School District  
Detroit Public Schools  
District of Columbia Public Schools  
Douglas County Schools  
Fairfax County Public Schools  
Fort Worth Independent School District  
Fresno Unified School District  
Greenville County Public Schools  
Guilford County Schools  
Gwinnett County Public Schools  
School Board of Hillsborough County  
Houston Independent School District  
Indianapolis Public Schools  
Jackson Parish School District  
Jefferson County (CO) Public Schools  
Jefferson County (KY) Public Schools  
Jefferson Parish School District  
Leon County Schools  
Lincoln Public Schools  
Long Beach Unified School District  
Los Angeles Unified School District  
Marion County School District  
Miami-Dade County Public Schools  
Milwaukee Public Schools  
Minneapolis Public Schools  
Monroe County School District  
Muscogee County School District  
Nashville-Davidson County Schools  
New Orleans Parish School District  
New York City Public Schools  
Newark Public Schools  
Norfolk Public Schools  
North East Independent School District  
Northside Independent School District  
Oakland Unified School District  
Omaha Public Schools  
School Board of Palm Beach County  
Pittsburgh Public Schools  
Portland Public Schools  
Poway Unified School District  
Prince William County Public Schools  
Providence Public Schools  
Richmond City Schools  
Rochester City School District  
St. Paul Public Schools  
Salt Lake City School District  
San Antonio Independent School District  
San Diego Unified School District  
San Francisco Unified School District  
Santa Ana Unified School District  
Savannah-Chatham County Public Schools  
Seattle Public Schools  
Tacoma School District  
Tucson Unified School District  
Tulsa Public Schools  
Wake County Schools  
Washoe County School District  
Wichita Public Schools  
Winston-Salem/Forsyth County Schools

## **Review of the Organization and Operations of the Los Angeles Schools**



### APPENDIX I. HUMAN RESOURCE MANAGEMENT SURVEY & RESPONDENTS

In addition to the assessment of the Council's Strategic Support Teams, the organization used a self-assessment that was derived from the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and Florida's Auditor General. The instrument was endorsed by the Council's human resources directors at their 2004 annual meeting. The assessment was developed to help districts 1) use performance and cost-efficient measures to evaluate programs; 2) use appropriate benchmarks based on comparable school districts, government agencies, and industry standards; 3) identify potential cost-savings; and 4) focus budget and resources on district priorities and goals, including student performance. The surveys are based on a set of "best practices and indicators" that were identified from extensive literature reviews and interviews of education personnel experts, representatives from professional organizations, and educators in other states. The survey measures 119 indicators in five functional areas—

1. Staff Development (3 Standards and 26 Practices)
2. Recruitment, Hiring and Retention (2 Standards and 29 Practices)
3. Human Resources Management (6 Standards and 33 Practices)
4. Personnel Evaluation (2 Standards and 21 Practices)
5. Absenteeism and Personnel Records Management (2 Standards and 9 Practices)

The Los Angeles Unified School District's self-assessment using the OPPAGA form indicated that the Human Resources Division used "best practices" at an equivalent or higher rate than other responding districts in four of the five functional areas and complied with 98 of 118 indicators or 83.1 percent).<sup>98</sup>

#### Staff Development

The LAUSD Human Resources Division reported 80.8 percent overall compliance with 26 staff development indicators, compared with a 78.2 percent compliance rate in 64 other K-12 school districts. The following summarizes the LAUSD's self-assessment in the five functional areas.

- **Standard 1:** The district's Human Resources (HR) Department provides a comprehensive staff development program to achieve and maintain high levels of productivity and employee performance among noninstructional employees.

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<sup>98</sup> One hundred school districts responded to the survey. (Appendix I lists the districts that responded to the survey.) The response levels from those school districts varied by functional area with 75 districts reporting compliance with best practices in "Recruitment, Hiring, Salary and Benefits" and 41 districts reporting compliance with best practices in "HR Management." The variation in responses levels can be attributed to 1) differences in location of functional responsibilities within school districts; (2) dependent versus independent school districts; and 3) the timing of the survey: each functional area was sent sequentially.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The LAUSD Human Resources Division indicated that its practices were 100 percent consistent with the seven indicators of best practices presented.
- \* The other 64 K-12 responding school districts reported that they were 63 percent consistent with the same seven indicators.
- **Standard 2:** The HR Department provides a comprehensive staff development program for instructional employees to attain and maintain high-quality instruction and achieve high levels of student performance.
  - \* The LAUSD's Human Resources Division reported that it was 93.3 percent compliant with 15 indicators of best practices in this area.
  - \* The other 64 responding K-12 school districts reported 88 percent compliance with the same 15 indicators.
  - \* The LAUSD's HR Division indicated that it did maintain training records on each staff member (one of the indicators).
  - \* Eighty-four percent (84.4 percent) of the 64 responding K-12 school districts reported maintaining such individual records.
- **Standard 3:** The HR Department provides a comprehensive staff development program for school-based administrators.
  - \* The LAUSD HR Division reported using 25 percent of the four indicators of best practices under this standard.
  - \* The other 64 responding K-12 school districts reported using 68 percent of the same four indicators of best practices.
  - \* The district's HR Division also reported that it did not use any of the following best practices—
    - ✚ Ensures that all principals, assistant principals, and school-site administrators have completed the Human Resources Department's leadership training program for administrators and school-based managers.

The other 64 responding K-12 school districts reported 64.1 percent compliance with this indicator.
    - ✚ Ensures that the Human Resource Department's training program for new school administrators includes a mentoring component.

## Review of the Organization and Operations of the Los Angeles Schools

The other 64 responding K-12 school districts reported 75 percent compliance with this indicator.

- Ensures that decisions regarding the retention of school administrators in administrative positions are made after considering feedback solicited and received from nonadministrative personnel and from parents.

The other 64 school districts reported 56.3 percent compliance with this indicator.

### Recruitment, Hiring and Retention

The LAUSD's Human Resources Division reported 90 percent compliance with 29 best practices indicators, compared with 71.7 percent compliance in 75 other responding school districts.

1. **Standard 1:** The HR Department has efficient and effective processes for recruiting and hiring qualified personnel.
    - \* The LAUSD's HR Division reported 100 percent compliance with 16 indicators of best practices in this area.
    - \* The other 75 school districts reported 82.6 percent compliance with the same indicators.
  - **Standard 2:** The HR Department works to address and remedy factors that contribute to increased turnover.
    - \* The LAUSD's HR Division reported 84.6 percent compliance with 13 indicators of best practice in this area.
    - \* The other 75 school districts reported 58.2 percent compliance with the same indicators.
    - \* The LAUSD's HR Division also reported that it did not use any of the following best practices—
      - Implements strategies to improve the retention of good employees, such as linking pay increases to performance.
- The other 75 school districts reported 40.3 percent compliance with this indicator.
- Has an incentive policy to encourage and reward effective teachers, critical shortage teachers, and teachers in hard to place schools.

## Review of the Organization and Operations of the Los Angeles Schools

The other 75 school districts reported 41.9 percent compliance with this indicator.

### Human Resources Management

The LAUSD Human Resources Division reported 93.5 percent compliance with 33 indicators in this category, compared with a 72.4 percent compliance rate in 41 other K-12 school districts.<sup>99</sup>

- **Standard 1:** The HR Department maintains clear and effective channels of communication with employees.
  - \* The LAUSD's HR Division reported 88.9 percent compliance with nine indicators of best practices in this area.
  - \* The other 41 school districts reported 82.4 percent compliance with the same indicators.
  - \* The LAUSD's HR Division also reported that it did not use the following best practice—
    - ✚ Articulates the responsibilities for each office at the district level in the employee handbook, in documents provided to parents, or on the school Web site so that district employees, parents, and the school board can determine the functions of those offices.  
The other 41 school districts reported 68.3 percent compliance with this indicator.
- **Standard 2:** The HR Department has developed efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel.
  - \* The LAUSD's Human Resources Division reported 80 percent compliance with five indicators of best practices in this area.
  - \* The other 41 school districts also reported 80 percent compliance with the same indicators.
  - \* The district's HR Division also reported that it did not use the following best practice—

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<sup>99</sup> The Human Resources Division does not have operational responsibilities for the Workers Compensation Program or the collective bargaining process. Workers Compensation is a function of the Finance Division and the collective bargaining process is a function of the Superintendent's Office.

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Provides special assistance (training and oversight) to those who must substitute for extended teacher absences.

The other 41 school districts reported 56.1 percent compliance with this indicator.

- **Standard 3:** The HR Department maintains personnel records in a highly efficient and accessible manner.

- \* The LAUSD's Human Resources Division reported 80 percent compliance with five indicators of best practices in maintaining personnel records.
- \* The other responding school district reported 83.4 percent compliance with the same indicators.
- \* The district's HR Division also reported that it did not use the following best practice—

- ✚ Has an automated personnel system that enables officials at school sites to access personnel records on the automated personnel system. When appropriate, personnel records can be amended by school personnel, diminishing the need for the transfer of paper from the school to the district office.

Only 14.6 percent of the 41 other school districts reported compliance with this indicator.

- **Standard 4:** The HR Department has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of its programs.

- \* The LAUSD's Human Resources Division reported 100 percent compliance with four indicators of best practices in this area.
- \* The other 41 school districts reported 62.8 percent compliance with the same indicators.

- **Standard 5:** The HR Department periodically reviews the organizational structure and staffing levels of its office to minimize administrative layers and processes.

- \* The district's HR Division reported 100 percent compliance with five indicators of best practices in this area.

## Review of the Organization and Operations of the Los Angeles Schools

- \* The other 41 responding school districts reported 64.4 percent compliance with the same indicators
- **Standard 6:** The HR Department periodically evaluates its personnel practices and adjusts these practices as needed to reduce costs and/or improve efficiency and effectiveness.
  - \* The district's HR Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 41 school districts reported 64.4 percent compliance with the same indicators

### Personnel Evaluation

The LAUSD Human Resources Division reported 61.9 percent compliance with 21 indicators in this category, compared with a 76.1 percent compliance rate in 69 other K-12 school districts.

- **Standard 1:** The HR Department has designed a system for formally evaluating employees to improve and reward excellent performance and productivity, and to identify and address performance that does not meet the district's expectations for the employee.
  - \* The LAUSD HR Division reported 61.5 percent compliance with 13 indicators of best practices in this area.
  - \* The other 69 responding school districts reported 73.4 percent compliance with these indicators.
  - \* The district's HR Division also reported that it did not use any of the following best practices—
    - ✚ Provides written information regarding the performance assessment process to all personnel at the beginning of a rating period, including performance criteria that will be used in the assessment and the process that will be used to make the assessment.

The other 69 school districts reported 88.4 percent compliance with this indicator.
    - ✚ Has performance criteria including measures and standards related to student outcomes for instructional personnel.

The other 69 responding school districts reported 89.9 percent compliance with this indicator.

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Has a 360-degree evaluation procedure to solicit input from peers and subordinates, and when appropriate, from parents and other classes of employee. The HR Department uses master teachers to assist in the evaluations of new teachers.

The other 69 school districts reported only 14.6 percent compliance with this indicator.

- ✚ Has structured an evaluation process in such a way that poorly performing employees are clearly informed that their performance does not meet the district's expectations.

The other 69 school districts reported 88.4 percent compliance with this indicator.

- ✚ Has policies and/or procedures that link a portion of instructional employee salary to measures of student performance.

The other 69 school districts reported only 11.6 percent compliance with this indicator.

- **Standard 2:** The HR Department ensures that employees who fail repeatedly to meet the district's performance expectations, or whose behavior or job performance is potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate the person's employment.

- \* The LAUSD's HR Division reported 75 percent compliance with eight indicators of best practices in this area.

- \* The other 69 school districts reported 80.6 percent compliance with these indicators.

- \* The district's HR Division also reported that it did not use any of the following best practices—

- ✚ Provides training, guidance, and coaching to managers on the procedures and issues associated with working with poorly performing employees.

The other 69 school districts reported 82.6 percent compliance with this indicator.

- ✚ Has a process for monitoring the progress and performance of students who are under the instruction of a teacher who has been identified as a poor performer.

The other 69 school districts reported 49.3 percent compliance with this indicator.

## Review of the Organization and Operations of the Los Angeles Schools

- ✚ Has at least one official in the HR Department that is charged with the responsibility of working with principals to appropriately document poor performance and to provide administrative and legal consultation to the principals in making and implementing decisions to terminate employees.

The other 69 school districts reported 85.5 percent compliance with this indicator.

### Absenteeism and Personnel Records

The LAUSD Human Resources Division reported 88.9 percent compliance with best practices in this area, compared with a 62.4 percent compliance rate in 49 other K-12 school districts.

- **Standard 1:** The HR Department has efficient and cost-effectiveness systems for managing absenteeism and the use of substitute teachers and other substitute personnel.
  - \* The LAUSD's HR Division reported 100 percent compliance with five indicators of best practices in this area.
  - \* The other 49 responding school districts reported 62 percent compliance with these indicators.
- **Standard 2:** The HR Department has efficient and cost-effectiveness systems for managing absenteeism and the use of substitute teachers and other substitute personnel.
  - \* The LAUSD's HR Division reported 66.6 percent compliance with six indicators of best practices.
  - \* The other 49 school districts reported 57.7 percent compliance with these indicators.
  - \* The LAUSD's HR Division also reported that it did not use any of the following best practices—
    - ✚ Has a procedure to allow officials at school sites to access automated personnel records.
    - ✚ Can amend personnel records without compromising the security of those records, thus diminishing the need for the transfer of paper from the school to the district office.

The other 49 school districts only reported 18.4 percent compliance with both indicators.



## Review of the Organization and Operations of the Los Angeles Schools

### Human Resource Management Practices Survey Results<sup>100</sup>

Goals, Practices, Indicators	YES	NO
<b>1. The HR department maintains clear and effective channels of communication with district employees.</b>		
a. The HR department produces and distributes to district employees an employee handbook, which includes information on such subjects as employee rights and responsibilities, fringe benefits, general working requirements (workdays, leave policies, holidays, etc.), personnel evaluation process, grievance procedures, and compensation policies; a copy of applicable collective bargaining agreement; and pamphlets or other written material explaining district benefit programs	√	
b. The HR department maintains an internet/intranet-based site that contains correct and current detailed information for employees, including district personnel policies, a district calendar, district office staffing information (who is responsible for what and how to contact), and other relevant district data and information.	√	
c. The HR department has established cost-effective means of directly informing employees of district news, policy and personnel changes, and other relevant information.	√	
b. HR department officials schedule periodic visits to individual school and other work sites to meet with employees.	√	
c. The HR department has established a system for soliciting feedback from district employees. The process for receiving and acting upon employee feedback is clearly articulated, and the district can demonstrate that it has regularly solicited feedback and responded to the feedback it has received.	√	
d. The HR department has clearly articulated the responsibilities for each office at the district level in the employee handbook, in documents provided to parents, or school website so that district employees, parents, and the school board can determine the functions of those offices.		√
e. The HR department has customer-friendly processes that enable district employees, parents, and school board members to contact and to obtain information from knowledgeable sources at the district office.	√	
f. When developing or revising major policies, the HR department solicits and uses input from interested and affected employees through surveys, task forces, work groups or other consensus-gathering approaches.	√	
<b>2. The HR department has developed efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel.</b>		
a. The HR department monitors rates of absenteeism among teachers and other essential employees.	√	

<sup>100</sup> Surveys completed by Deb Hirsh, Human Resources, LAUSD

## Review of the Organization and Operations of the Los Angeles Schools

b. The HR department has defined what constitutes excessive absenteeism, and has developed policies/practices to deal effectively with the problems created by excessive absenteeism.	√	
c. The HR department recruits and maintains a sufficient number of substitute teachers to cover most absenteeism peaks.	√	
d. The HR department has clearly defined procedures for teachers and essential non-instructional personnel to notify the appropriate school or district officials of an anticipated absence and for substitutes to be contacted.	√	
e. The HR department provides ongoing training and orientation for substitute teachers.	√	
f. The HR department routinely provides special assistance (training and oversight) to those who must substitute for extended teacher absences.		√
g. The HR department equitably assigns substitutes among schools.	√	
3. The HR department maintains personnel records in a highly efficient and accessible manner.		
a. The HR department maintains personnel records, including confidential records, in accordance with State statutes and regulations.	√	
b. The HR department has an efficient and effective record keeping system for both automated and hardcopy personnel records, and uses appropriate and cost-efficient archiving methods.	√	
c. The HR department uses automated record-keeping systems and minimizes the use of antiquated or time-consuming hardcopy record systems.	√	
d. The HR department has developed an automated personnel system that enables officials at school sites to access personnel records on the automated personnel system.		√
e. When appropriate, personnel records can be amended by school personnel, diminishing the need for the transfer of paper from the school to the HR department.		√
f. The HR department can demonstrate that it updates personnel records in a timely manner.	√	
g. Hardcopy records are generally filed into individual personnel records in a prioritized fashion so that needed records can be found in the file.	√	

## Review of the Organization and Operations of the Los Angeles Schools

4. The HR department has developed cost-containment practices for its Workers' Compensation Program.		
a. The HR department can demonstrate that it reviews its Workers' Compensation Program to evaluate workers' compensation claims and expenses.		√
b. The HR department uses a comparison with state and national statistics, peer and area school districts, and as appropriate for some positions, other government agencies and private industry in its review of its Workers' Compensation Program.		√
c. The HR department uses the results of these evaluations to be proactive in attempts to cost effectively reduce frequency and cost of Workers' Compensation claims.		√
d. The HR department has procedures that are distributed to all employees concerning prompt reporting of all on-the-job injuries.		√
e. The HR department has a safety inspection program that determines the corrective actions necessary based upon past workers' compensation claim experience and proactive inspection of known and probable high-risk areas and professions.		√
5. The HR department has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of its programs.		
a. The HR department has clearly stated goals and measurable objectives for the human resource program that reflect the intent (purpose) and expected outcomes of the program and address the major aspects of the program's expenditures.	√	
b. The HR department uses appropriate performance and cost-efficiency measures and interpretive benchmarks to evaluate the human resource program and uses these in management decision-making.	√	
c. The HR department regularly evaluates the performance and cost of the human resource program and analyzes potential cost savings of alternatives, such as outside contracting and privatization.	√	
d. The HR department has established and implemented strategies to continually assess the reliability of human resource program performance and cost data.	√	

## Review of the Organization and Operations of the Los Angeles Schools

6. The HR department periodically reviews the organizational structure and staffing levels of the office of human resources to minimize administrative layers and processes.		
a. The HR department periodically conducts reviews of the human resource program's organizational structure and staffing levels to minimize administrative layers and processes. The results of these reviews are provided in writing to the school board.	√	
b. The HR department periodically compares the human resource program's staffing levels to programs in comparable districts using appropriate measures such as number of human resource staff per district employee or human resource cost per district employee, and reports the results of this review in writing to the school board.	√	
c. The HR department can demonstrate that it has an appropriate structure and that staffing levels are reasonable based on applicable comparisons and/or benchmarks.	√	
d. As presently aligned, the structure of the HR department includes reasonable lines of authority and spans of control given the responsibilities of each organizational unit.	√	
e. At least annually, the director of the HR department prepares a report to the superintendent and/or the school board on the activities of the program and on any changes that are needed to improve the organizational structure.	√	
7. The HR department periodically evaluates the district's personnel practices and adjusts these practices as needed to reduce costs and/or improve efficiency and effectiveness.		
a. The HR department periodically conducts a review of the human resource program's delivery of services to identify ways of reducing costs and improving efficiency and effectiveness.	√	
b. The HR department substantially implements the recommendations resulting from review of its service delivery.	√	
c. The HR department periodically solicits feedback from staff throughout the district as to whether the human resource program is efficiently and effectively serving the district.	√	
d. The HR department puts the results of this feedback, including recommendations for program improvements, into writing to the superintendent and/or the school board.	√	
e. Requests for personnel assistance from administrators and employees are handled efficiently by the HR department.	√	
f. The HR department makes use of automated phone systems, email, faxing, and the district website as a means of answering inquiries whenever possible.	√	
g. The employee benefits offered by the HR department provide value to the employee at a level that justifies the cost of those benefits to the district.	√	

## Review of the Organization and Operations of the Los Angeles Schools

h. The HR department identifies and adopts less costly approaches to providing similar benefits have been identified and adopted whenever possible.	√	
i. To reduce the costs of writing checks, the HR department requires all new employees to receive salary warrants through direct deposit unless this requirement is waived due to special circumstances.	√	
8. For classes of employees that are unionized, the HR department maintains an effective collective bargaining process.		
a. The HR department clearly designates which staff member(s) is (are) responsible for labor relations and contract negotiations, and these staff receive annual training to enhance knowledge of the negotiations process, issues, and legislative mandates.		√
b. The HR department has clearly defined procedures as to the roles and responsibilities of the negotiator, the superintendent and school board members during the negotiation process. The process includes steps to establish district priorities for the negotiation process while maintaining confidentiality.		√
c. The HR department asks school and unit administrators to identify potential issues of concern that could be raised in the collective bargaining process.		√
d. The HR department determines the costs or potential cost savings associated with these issues, and then meets with district level administrators to determine the feasibility of addressing the concerns raised and whether the district wishes to include these issues in the district's proposal(s) to the union(s).		√
e. Upon receipt of union proposals other than salary, HR department officials determine the estimated costs, and the advantages and disadvantages of each proposal.		√
f. The administrative negotiating team(s) includes an attorney trained in collective bargaining law and procedure, or have retained a consultant attorney with this expertise.		√
g. The HR department maintains updated archival records of negotiations.		√

## Survey of Staff Development Practices

Goals, Practices, Indicators	YES	NO
1. The HR department provides a comprehensive staff development program to achieve and maintain high levels of productivity and employee performance among non-instructional employees.		
a. The HR department conducts orientation programs for all new employees	√	
b. The HR department's orientation programs include information on district procedures, performance expectations and evaluations, training and career opportunities, and personnel policies regarding such issues as absences, leave approval and tardiness	√	

## Review of the Organization and Operations of the Los Angeles Schools

c. The HR department has a districtwide training program and maintains training records on each staff member.	√	
d. The HR department solicits and uses input from supervisors and employees hired within the last three years to establish, revise, or affirm its new employee orientation programs for non-instructional employees, including content and approach.	√	
e. The HR department has mentoring programs, as appropriate, for new non-instructional employees.	√	
f. The HR department plans training programs based on district-wide needs assessments that include input from employees and their supervisors at least every other year.	√	
g. The HR department establishes and implements formal staff development plans to provide on-going training of non-instructional employees.	√	
h. The responsibility for training classes of non-instructional employees may be delegated to another unit within the district (i.e., transportation employees may be trained by the district's transportation unit), but that unit provides the HR department with copies of annual plans, training schedules, and attendance rosters.	√	
i. The HR department has procedures to evaluate individual in-service training activities.	√	
j. The HR department uses employee feedback to evaluate individual in-service training activities.	√	
k. The procedures to evaluate individual in-service training include the extent to which the efforts meet identified long-term training objectives.	√	
2. The HR department provides a comprehensive staff development program for instructional employees to attain and maintain high quality instruction and to achieve high levels of student performance.		
a. The HR department conducts orientation programs for all new instructional employees, including information on district procedures, performance expectations and evaluations, training and career opportunities, and personnel policies regarding such issues as absences, leave approval and tardiness.	√	
b. The HR department has a professional development system that meets the requirements of state law, including approval by the state department of education.	√	
c. The HR department maintains training records on each staff member.		√
d. The HR department solicits and uses input from supervisors and from new employees within the last three years to establish, revise, or affirm its orientation and induction programs for new instructional employees, including content and approach.	√	
e. The HR department has a comprehensive induction program that provides new teachers with the opportunities to learn the additional skills necessary to be successful in specific school environments.	√	

## Review of the Organization and Operations of the Los Angeles Schools

f. The HR department's induction program includes a mentoring component for new teachers.	√	
g. The HR department assigns mentors to each new teacher to provide guidance and advice as the new employee learns the various aspects of the job.	√	
h. The HR department trains mentors in the purposes of mentoring and in mentoring techniques and practices.	√	
i. The HR department plans training programs for instructional employees based on district-wide needs assessments that include input from employees and their supervisors.	√	
j. The HR department uses analyses of disaggregated student data pertaining to goals for student learning and development to plan training programs.	√	
k. The HR department uses analyses of the aggregated results of employee evaluations to plan training programs.		√
l. The HR department establishes, implements, and publishes an annual staff development plan for its instructional employees.		√
m. The HR department's staff development plan includes clearly identified objectives for district-provided training.	√	
n. The objectives of the HR department's staff development training objectives include student performance.	√	
o. The HR department uses training funds in a cost-effective manner to enable instructional employees to further their professional development in a way that benefits the district and/or improves student outcomes.	√	
p. The HR department has procedures to evaluate individual in-service training activities.	√	
q. The HR department evaluates the impact of in-service training activities on student outcomes and employee feedback.		√
r. The HR department evaluates the extent to which annual training efforts have met identified long-term training objectives.	√	
s. The HR department's training programs for instructional staff includes research-based teaching strategies that increase student learning and development.	√	
t. The HR department's training programs for instructional staff includes strategies for assessing student performance.	√	
u. The HR department's training programs for instructional staff includes follow-up necessary to ensure improvement.	√	
v. The HR department's training programs for instructional staff includes a variety of training approaches (e.g., lecture, simulation of techniques, observation, classroom practice, and feedback).	√	
w. The HR department has developed policies to encourage instructional personnel to pursue certification by the National Board of Professional Teaching Standards.	√	

## Review of the Organization and Operations of the Los Angeles Schools

3. The HR department provides a comprehensive staff development program for school-based administrators.		
a. All principals, assistant principals, and school site administrators have completed (or anticipate completing within the current school year) the HR department's leadership training program for administrators and school-based managers.		√
b. The HR department has a process for identifying employees with the potential for employment in administrative positions.	√	
c. The HR department provides training to new administrators prior to their appointment to an administrative position.		√
d. The HR department's training program for new school administrators includes a mentoring component.		√
e. The HR department's decisions regarding the retention of school administrators in administrative positions are made after considering feedback solicited and received from non-administrative personnel and from parents.		√

## Survey of Recruitment, Hiring, Salary & Benefits Practices

1. The HR department has efficient and effective processes for recruiting and hiring qualified personnel.	<b>YES</b>	<b>NO</b>
a. The HR department --	√	
1) Has standard districtwide procedures to announce vacancies and to receive and process applications;	√	
2) Conducts its employment procedures by policy in a manner that assures equal opportunity regardless of age, race, color, religion, sex, and national origin.	√	
3) Completes background checks of all new employees prior to placing them in a position that involves contact with students.	√	
b. The HR department maintains up-to-date, clear, concise, and readily accessible position descriptions that accurately identify the duties of each position and the education, experience, knowledge, skills, and competency levels required for each class of positions, and for each district-level administrative position.	√	
c. The HR department can demonstrate that its recruiting practices generate a sufficient number of qualified applicants to fill vacant positions in a timely manner.	√	
d. The HR department can demonstrate that its recruiting strategies are cost-effective.	√	
e. The HR department's job vacancy announcements provide information on positions to be filled, education, experience, knowledge, skills, and abilities required, and compensation range.	√	
1) Vacancy information is accessible through both a telephone job-line and through the Internet.		√



## Review of the Organization and Operations of the Los Angeles Schools

2) The HR department's job application procedures are applicant-friendly.	√	
3) Application forms are easily accessible.	√	
4) Applications are easily shared within the district so that the applicant is not required to take a separate copy of their application to every different school that they wish to apply.	√	
5) The HR department has a procedure for matching applicants with available openings.	√	
6) Applicants can readily ascertain the status of their applications.	√	
f. In those areas in which the district has experienced a shortage of qualified applicants, the district has developed and implemented short- and long-term strategies to remedy the situation.	√	
g. The HR department periodically compares the district's entry-level salaries with neighboring districts, and adjusts entry-level salaries as necessary to compete for qualified applicants.	√	
h. The HR department can demonstrate that the employees hired within recent years generally reflect the population of the district, OR, if certain races or ethnicities are underrepresented, the district has implemented a long-term plan to remedy that situation.	√	
i. The HR department can demonstrate that it verifies the qualifications of all of its instructional employees, and that all instructional employees are qualified for the positions that they hold.	√	
j. The HR department has procedures to monitor the number of out-of-field teachers who have been hired, and the status of those teachers' efforts to attain certification in the field in which they are teaching.	√	
2. The HR department maintains a reasonably stable work force through competitive salary and benefit packages.		
3. The H.R. Department works to address and remedy factors that contribute to increased turnover.		
a. The HR department has implemented strategies to improve the retention of good employees, such as linking pay increases to performance.		√
b. The HR department has a policy and/or procedures that give a preference based on instructional performance when selecting instructional personnel for positions that receive supplemental pay (i.e., team leaders, mentors, etc.).	√	
c. The HR department has adopted incentive policies to encourage and reward effective teachers, critical shortage teachers, and teachers in hard to place schools.		√
d. The HR department conducts exit interviews with employees who terminate employment, and periodically compiles and analyzes the results of those exit interviews.	√	
e. The HR department maintains data on turnover rates for major classes of employees, and monitors this data to identify unusual variations in the turnover rate.	√	

## Review of the Organization and Operations of the Los Angeles Schools

f. The HR department periodically compares district turnover rates with the turnover rates of peer districts.	√	
g. The compilation of the results of the exit interviews and the analyses of turnover rates are provided to the superintendent and to the board for their information and consideration at least annually.	√	
h. Unless the district's turnover rates are lower than the rates in most of its peer districts, the district can demonstrate attempts to identify and remedy factors that adversely affect the district's ability to retain qualified instructional and non-instructional personnel.	√	
i. The factors that adversely affect the district's ability to retain qualified instructional and noninstructional personnel have been identified through exit interviews, the collective bargaining process, or district-wide personnel reviews.	√	
i. In setting employee compensation and benefit packages, the district periodically compares its compensation and benefit package with that of neighboring and similar sized school districts, and of other public and private employers in the area.	√	
j. When criteria such as position, years of experience, education level, district cost of living, and job requirements are considered, the district's compensation and benefits package, including the contribution to the state retirement system, is competitive with the value and compensation of other public and private employers in the area.	√	
k. The HR department periodically analyzes and compares major classes of positions within the district for internal equity, and adjusts salaries as appropriate based upon those reviews.	√	

## Survey of Personnel Evaluation Practices

1. The HR department's system for formally evaluating district employees is designed to improve and reward excellent performance and productivity, and to identify and address performance that does not meet the district's expectations for the employee.	YES	NO √
a. The HR department --		
1) has established and implemented procedures for assessing the performance of all instructional personnel as required by State law, and these procedures have been approved by the Department of Education;	√	
2) provides written information regarding the performance assessment process to all personnel at the beginning of a rating period, including performance criteria that will be used in the assessment and the process that will be used to make the assessment;		√
3) has performance criteria including measures and standards related to student outcomes for instructional personnel; and		√
4) provides employees with a written employee disciplinary procedure that includes provisions of due process.	√	

## Review of the Organization and Operations of the Los Angeles Schools

b. The HR department regularly provides training, guidance, and coaching to persons who conduct personnel evaluations to ensure they evaluate personnel properly.	√	
c. The evaluation of instructional employees includes an appraisal of the employee's content knowledge in the area of instruction.	√	
d. The HR department has a process by which it determines/verifies that immediate supervisors have completed performance evaluations at least once a year or as required by district policy.	√	
e. The HR department uses 360-degree evaluation procedures to solicit input from peers and subordinates, and, when appropriate, from parents and from other classes of employee.		√
f. Master teachers are used to assist in the evaluations of new teachers.		√
g. The evaluation process is structured in such a way that poorly-performing employees are clearly informed that their performance does not meet the district's expectations.		√
h. When an employee's performance does not meet expectations, the supervisor provides the employee with written notice as to when performance will be reevaluated, and a copy of this notice is provided to the district.	√	
i. The HR department has developed and implemented policies and/or procedures that link a portion of instructional employee salary to measures of student performance.		√
j. The HR department annually compiles information on employee evaluations to determine what employee performance issues need to be addressed by management and through training.	√	
k. The HR department has developed procedures regarding the maintenance of records at the district level regarding instructional employees who have been notified that their performance has been unsatisfactory, instructional employees who have been placed on probationary status, and disciplinary actions taken against instructional personnel due to poor performance or for any other reason.	√	
l. The HR department has established policies regarding the drug-testing of employees and regarding the provision of employee assistance to employees who are impaired by alcohol or drug abuse, in accordance with State law.	√	

## Review of the Organization and Operations of the Los Angeles Schools

2. The HR department ensures that employees who repeatedly fail to meet the district's performance expectations, or whose behavior or job performance is potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate the person's employment.		
a. The HR department regularly provides training, guidance, and coaching to managers on the procedures and issues associated with working with poorly performing employees.		√
b. The HR department has established procedures and criteria to identify the employee behaviors and performance problems that are potentially harmful to students.	√	
c. The HR department has a plan for ensuring that marginal or poorly performing employees receive counseling, individual development plans, official notice of probation and employee appeal procedures.	√	
d. The HR department has a process for monitoring the ongoing performance of marginal or poorly performing employees to ensure that either performance is improved or employment is terminated.	√	
e. The HR department has a process for monitoring the progress and performance of students who are under the instruction of a teacher who has been identified as a poor performer.		√
f. At least one official in the HR department is charged with the responsibility of working with principals to appropriately document poor performance and to provide administrative and legal consultation to the principals in making and implementing decisions to terminate employees.		√
g. The HR department has procedures that provide for the prompt investigation and resolution of allegations of behavior by district employees that is potentially harmful to students.	√	
h. The HR department has procedures that expeditiously remove from contact with students those employees whose behavior, attitude, or performance may be harmful to students.	√	
i. The HR department has procedures in place to ensure that poorly performing employees are not repeatedly transferred among school sites in lieu of termination of their employment.	√	

## Survey of Absenteeism & Personnel Records Management Practices

1. The HR department has efficient and cost-effective systems for managing absenteeism and the use of substitute teachers and other substitute personnel.	YES	NO
a. The HR department monitors rates of absenteeism and the use of substitutes among teachers and other essential employees. The district has defined the rate of absenteeism that requires district review, and has developed policies/practices to deal effectively with the problems created by excessive absenteeism.	√	

## Review of the Organization and Operations of the Los Angeles Schools

b. The HR department recruits and maintains a sufficient number of substitute teachers to cover most absenteeism peaks. The district has clearly defined procedures for teachers and essential non-instructional personnel to notify the appropriate school or district officials of an anticipated absence and for substitutes to be contacted.	√	
c. The HR department provides ongoing training and orientation for substitute teachers.	√	
d. The HR department routinely provides special assistance (training and oversight) to those who must substitute for extended teacher absences.	√	
e. The HR department has implemented ways to decrease absenteeism, which may include an incentive program to reward good attendance.	√	
2. The HR department maintains personnel records in an efficient and readily accessible manner.		
a. The HR department maintains personnel records, including confidential records, in accordance with State statutes and regulations.	√	
b. The HR department uses automated record-keeping systems and minimizes the use of antiquated or time-consuming hardcopy record systems.	√	
c. The HR department has an efficient and effective record keeping system for both automated and hardcopy personnel records, including a system for the identifying and archiving of old records.	√	
d. The HR department has established procedures to allow officials at school sites to access automated personnel records.		√
e. School administrators can amend personnel records without compromising the security of those records, thus diminishing the need for the transfer of paper from the school to the district office.		√
f. The HR department can demonstrate that it updates personnel records in a timely manner, and, when dealing with a filing backlog, files hardcopy records in a prioritized fashion so that needed records can be found in the file.	√	

## Review of the Organization and Operations of the Los Angeles Schools

### Respondents

Albuquerque Schools Public Schools  
Anne Arundel County Public Schools  
Anoka Hennepin Independent School District  
Anchorage School District  
Arlington Independent School District  
Austin Independent School District  
Baltimore City Schools Schools  
Boise City Independent School District  
Boston Public Schools  
School Board of Broward County  
Buffalo City Schools  
Carroll County Schools  
Charlotte Mecklenburg Schools  
Chicago Public Schools  
Cincinnati Public Schools  
Clark County School District  
Clay County Public Schools  
Cleveland Municipal School District  
Clovis Unified School District  
Cobb County School District  
Collier County School District  
Columbus Public Schools  
Corpus Christi Independent School District  
Cumberland County Schools  
Cypress Fairbanks Independent School District  
Dallas Independent School District  
Dayton Public Schools  
DeKalb County Schools  
Denver Public Schools  
Des Moines Independent School District  
Detroit Public Schools  
Duval County Public Schools  
East Baton Rouge Parish Schools  
Fairfax County Public Schools  
Fort Bend Independent School District  
Fort Wayne Schools  
Fort Worth Independent School District  
Frederick County Public Schools  
Fresno Unified School District  
Fulton County Schools  
Grand Rapids Public Schools  
Guilford County Schools  
Hamilton County School District  
Hartford Public Schools  
Jefferson County (KY)  
Jordan School District  
Kansas City School District  
Kanawha County Schools  
Lincoln Public Schools  
Long Beach Unified School District  
Miami-Dade County Public  
Milwaukee Public Schools  
Minneapolis Public Schools  
Montgomery (AL) Public Schools  
Muscookee County School District  
Nashville-Davidson County Schools  
New York City Public Schools  
Newark Public Schools  
Norfolk Public Schools  
North East Independent District  
Northside Independent District  
Oakland Unified School District  
Omaha Public Schools  
School Board of Orange County  
School Board of Palm Beach County  
Pasadena Independent District  
School District of Philadelphia  
Pinellas County Public Schools  
Pittsburgh Public Schools  
Plano Independent School District  
Portland Public Schools  
Prince William County Public Schools  
Providence Public Schools  
Richmond City Schools  
Round Rock Independent District  
St. Louis Public Schools  
St. Paul Public Schools  
Salt Lake City School District  
San Antonio Independent District  
San Diego Unified School District  
San Francisco Unified District  
San Juan Unified School District  
Santa Ana Unified School District  
Shawnee Mission Schools  
Sioux Falls School District  
Sweetwater Union High Schools  
Toledo City Public Schools  
Tucson Unified School District

## **Review of the Organization and Operations of the Los Angeles Schools**

School Board of Hillsborough County  
Houston Independent School District  
Howard County Public Schools  
Indianapolis Public Schools  
Jackson Parish School District  
Jefferson County (CO) Public Schools

Volusia County School District  
Wake County Schools  
Washoe County School District  
Wichita Public Schools  
Winston-Salem/Forsyth County  
Ysleta Independent School District

## **Review of the Organization and Operations of the Los Angeles Schools**



### APPENDIX J. CURRICULUM-BASED BUDGETING

#### Example from Charlotte-Mecklenburg

The school district's goals and objectives are carefully crafted with specific measures and targets to ensure that they move the district toward the ultimate goal of higher student achievement. In Charlotte-Mecklenburg (CMS), these objectives are defined in the district's Balanced Scorecard (BSC), which was put into place as the "roadmap" for implementing the system's Strategic Plan several years ago. (The district indicates that aligning the district's academic goals with its budget could be done without a full BSC but that it is better done with it.) Either way, alignment of the budget is viewed by CMS as just one component of a more comprehensive Aligned Management System in which the focus of the district rests squarely on student achievement. Beginning such a process might begin with the following steps—

- Have each central office "fund manager" (e.g., director, manager, etc.) evaluate his or her resource needs for the upcoming year by aligning personnel costs with specific academic objectives:
  - ✚ Charge each "fund manager" with listing each central office employee (or group of employees) and allocate employee' time to specific objectives that they support based on how they use their time. Fund owners could choose to estimate the time allocation in consultation with each individual's supervisor or could conduct periodic time studies to support the allocation. These estimates should be reviewed annually.
  - ✚ Establish time allocations for school-based personnel. The process might differ somewhat at each level. For instance—
    - (a) A regular classroom teacher's time might be allocated based on his or her class schedule, interviews with the principals, and/or the assistant superintendents (e.g., curriculum coordinators), as well as by reviewing the standard course of study at each grade level. The combination of these methods or others should result in a reasonably accurate allocation of instructional staff time.
    - (b) A principal, assistant principal, and support staff member's time allocation might be based on his or her evaluation instrument (which also would need to be aligned explicitly with district academic objectives) and have the percentage allocation verified by an independent observer, such as a regional superintendent. Interviews and time studies also could be used with members of the support staff, but the allocation of support staff members' time most likely would mirror that of the person that they support.

## **Review of the Organization and Operations of the Los Angeles Schools**

- (c) The time of instructional support employees (e.g., media specialists, psychologists, etc.) could be allocated based on interviews with supervisors closest to the actual employee.
- Have each “fund manager” allocate nonpersonnel costs by examining each category of expenditure and determine what those resources will be used for and how that expenditure will move the district toward achieving its academic goals and objectives. Each expenditure should be detailed and aligned explicitly with a specific objective or combination of objectives.
  - Ensure that the sum of expenditure allocations, whether personnel or nonpersonnel, equals 100 percent. The district should develop a “100 percent verification check” within the template used to capture the allocation. This step will save time when looking for errors once all the allocations are compiled.
  - Then, after all budgeted resources have been aligned with specific objectives, prepare summary reports to illustrate how the district’s resources are aligned with and will be used to meet the district’s academic objectives.

The result of this process is a series of allocations that may not be 100 percent accurate, particularly in the first several years. But the process accomplishes two critical goals: 1) it enables each fund owner to consider carefully the resources needed and how they are used to meet district objectives; and (2) it allows senior management to determine if appropriate levels of resources are being directed toward the district’s objective of improving academic performance.

**APPENDIX K. ABOUT THE COUNCIL**

The **Council of the Great City Schools** is a coalition of 66 of the nation's largest urban school systems. Its Board of Directors is composed of the Superintendent of Schools and one School Board member from each member city. An Executive Committee of 24 individuals, equally divided in number between Superintendents and School Board members, provides oversight of the 501(c3) organization in between Board meetings. The mission of the Council is to advocate for and to assist in the improvement of public education in the nation's major cities. To meet that mission, the Council provides services to its members in the areas of legislation, research, communications, teacher recruitment, curriculum and instruction, and management. The group convenes two major conferences each year on promising practices in urban education; conducts studies on urban school conditions and trends; and operates ongoing networks of senior managers in each city with responsibility in such areas as federal programs, operations and finance, personnel, communications, research, technology, and others. The Council was founded in 1956 and incorporated in 1961, and has its headquarters in Washington, D.C.

## **Review of the Organization and Operations of the Los Angeles Schools**

## Review of the Organization and Operations of the Los Angeles Schools

### APPENDIX L. HISTORY OF COUNCIL REVIEWS

City	Area	Year
Albuquerque		
	Facilities and Roofing	2003
	Human Resources	2003
	Information Technology	2003
	Special Education	2005
	Legal Services	2005
Anchorage		
	Finance	2004
Broward County (FLA.)		
	Information Technology	2000
Buffalo		
	Superintendent Support	2000
	Organizational Structure	2000
	Curriculum and Instruction	2000
	Personnel	2000
	Facilities and Operations	2000
	Communications	2000
	Finance	2000
	Finance II	2003
Caddo Parish (LA.)		
	Facilities	2004
Charleston		
	Special Education	2005
Cincinnati		
	Curriculum and Instruction	2004
Cleveland		
	Student Assignments	1999, 2000
	Transportation	2000
	Safety and Security	2000
	Facilities Financing	2000
	Facilities Operations	2000
	Transportation	2004
	Curriculum and Instruction	2005
Columbus		
	Superintendent Support	2001
	Human Resources	2001
	Facilities Financing	2002
	Finance and Treasury	2003
	Budget	2003

## Review of the Organization and Operations of the Los Angeles Schools

	Curriculum and Instruction	2005
Dayton		
	Superintendent Support	2001
	Curriculum and Instruction	2001
	Finance	2001
	Communications	2002
	Curriculum and Instruction	2005
	Budget	2005
Denver		
	Superintendent Support	2001
	Personnel	2001
	Curriculum and Instruction	2005
Des Moines		
	Budget and Finance	2003
Detroit		
	Curriculum and Instruction	2002
	Assessment	2002
	Communications	2002
	Curriculum and Assessment	2003
	Communications	2003
	Textbook Procurement	2004
Greensboro		
	Bilingual Education	2002
	Information Technology	2003
	Special Education	2003
	Facilities	2004
Hillsborough County		
	Transportation	2005
	Procurement	2005
Jacksonville		
	Organization and Management	2002
	Operations	2002
	Human Resources	2002
	Finance	2002
	Information Technology	2002
Kansas City		
	Human Resources	2005
	Information Technology	2005
	Finance	2005
	Operations	2005
Los Angeles		
	Budget and Finance	2002
	Organizational Structure	2005

## Review of the Organization and Operations of the Los Angeles Schools

	Finance	2005
	Information Technology	2005
	Human Resources	2005
	Business Services	2005
Louisville		
	Management Information	2005
Miami-Dade County		
	Construction Management	2003
Milwaukee		
	Research and Testing	1999
	Safety and Security	2000
	School Board Support	1999
Minneapolis		
	Curriculum and Instruction	2004
	Finance	2004
	Federal Programs	2004
New Orleans		
	Personnel	2001
	Transportation	2002
	Information Technology	2003
	Hurricane Damage Assessment	2005
Norfolk		
	Testing and Assessment	2003
Philadelphia		
	Curriculum and Instruction	2003
	Federal Programs	2003
	Food Service	2003
	Facilities	2003
	Transportation	2003
	Human Resources	2004
Pittsburgh		
	Curriculum and Instruction	2005
Providence		
	Business Operations	2001
	MIS and Technology	2001
	Personnel	2001
Richmond		
	Transportation	2003
	Curriculum and Instruction	2003
	Federal Programs	2003
	Special Education	2003
Rochester		
	Finance and Technology	2003

## Review of the Organization and Operations of the Los Angeles Schools

	Transportation	2004
	Food Services	2004
San Francisco		
	Technology	2001
St. Louis		
	Special Education	2003
	Curriculum and Instruction	2004
	Federal Programs	2004
	Textbook Procurement	2004
	Human Resources	2005
Toledo		
	Curriculum and Instruction	2005
Washington, D.C.		
	Finance and Procurement	1998
	Personnel	1998
	Communications	1998
	Transportation	1998
	Facilities Management	1998
	Special Education	1998
	Legal and General Counsel	1998
	MIS and Technology	1998
	Curriculum and Instruction	2003
	Budget and Finance	2005
	Transportation	2005



## **Review of the Organization and Operations of the Los Angeles Schools**

## **Review of the Organization and Operations of the Los Angeles Schools**