



August 21, 2009

Terry Grier, Superintendent  
San Diego Unified School District  
4100 Normal Street  
San Diego, CA 92103

Dear Superintendent Grier:

The purpose of this management letter is to present the findings and recommendations developed by the Fiscal Crisis and Management Assistance Team (FCMAT) for the San Diego Unified School District.

## Background

The district administration requested that FCMAT review the reorganization plan prepared by the Business Division. On July 17, 2009, the district entered into a contract with the FCMAT team to perform the following scope of work:

1. Review and validate the district's reorganization plan for the Business Division including a position-by-position comparison of job duties, responsibilities, and job descriptions.
2. Provide training for district staff on budget development, budget presentations, a Standardized Account Code Structure (SACS) overview, and working with FCMAT's Budget Explorer multiyear projection software.

This scope of work was subsequently amended to focus only on the Financial Planning Department to ensure delivery of service to schools and departments upon opening of school in the fall. This was a result of retirements under the early retirement offerings and the elimination of those positions, causing 72 schools to be reassigned to the remaining budget analysts.

FCMAT worked directly with the budget analysts and budget technicians to help develop an organizational structure that would best support the district. Over a period of a few weeks, FCMAT helped the analysts and technicians prepare a proposed organization structure for management approval. The following management letter articulates the key components of the proposed structure and the delivery of services to school sites and departments.

### FCMAT

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## Overarching Goals

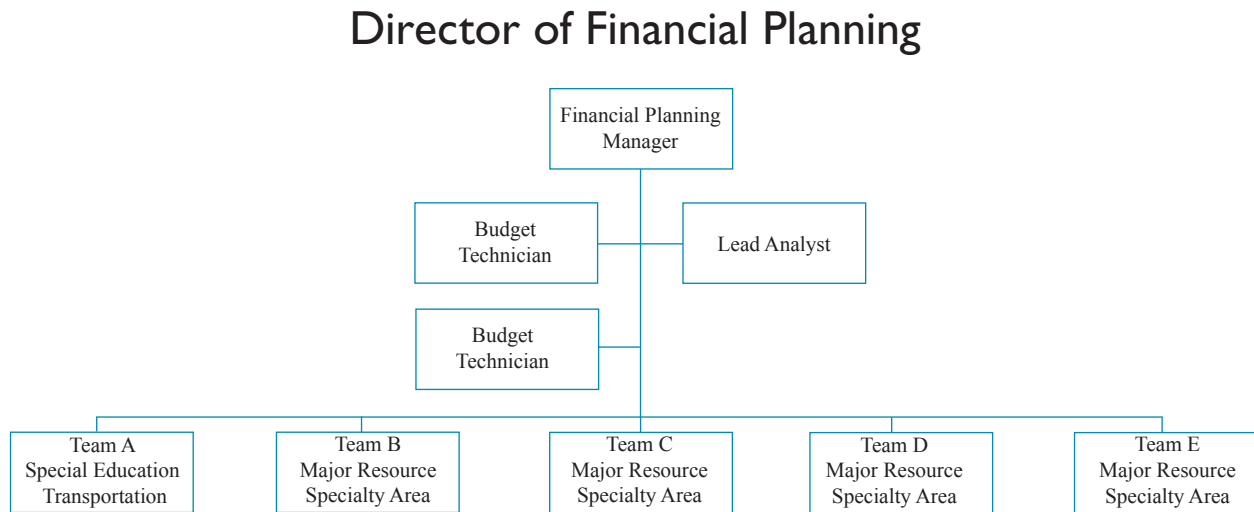
The analysts and technicians identified several goals that would ensure timely and standardized financial reporting; consistency of processes and procedures; appropriate alignment of human resources to support other departments and school sites; professional and peer training; and an equitable workload.

To achieve these goals, the analysts and technicians defined four major components:

- Structure
- Communication
- Process and procedures (including written documentation), and
- Skill requirements

Although all these components are necessary for success, structure was most critical because of the opening of school in just a couple of weeks. Therefore, this report will focus on the *structure* of the department. The district should continue its work on the other component areas.

The following depicts the proposed structure of Financial Planning Department.



The Financial Planning Department would be grouped into the following five teams:

Team A: This specialty team consists of analysts that support unique districtwide programs including special education, transportation and facilities. These programs require a high degree of knowledge in a specific area. This team will provide support to the other four teams in these areas.

Teams B – E: These teams include at least three analysts; a resource analyst, a school analyst and one department analyst. Each group would be required to service a *defined set* of school sites and support departments. Each team member would be able to assist basic questions for schools and departments in the absence of other team members.

In addition, each team will be assigned a major specialty resource such as federal title programs, English-learner programs, child development and instructional materials (to be determined by management). The team will support the other teams with technical questions and provide assistance or guidance on types of expenditures that can be spent with these funds, reporting requirements and budget development. Services include but are not limited to the following:

- Making budget transfers
- Answering budget questions
- Handling research issues/problems
- Providing general assistance
- Preparing workbooks
- Assisting with the allocation of resources
- Acting as Liaison to support departments
- Performing specialized reporting for categorical programs and grants

The department has two budget technicians that will provide assistance to all teams on an as-needed basis.

The lead budget analyst will provide technical support, but no supervisory responsibilities, to all teams and have the ability to realign budget analyst and budget technicians between teams based on workload and departmental needs. The advantages to this type of structure include the following:

1. The structure ensures that a defined team can directly assist schools and departments and/or redirect issues to other support departments including Accounts Payable, Purchasing, Payroll and Human Resources. These departments would address the issue and report back to the school or department.
2. Individual team members will be cross-trained in each budget area: school site, department and specialty resources budgets.
3. Each team member will be able to provide assistance in the absence of other team members, providing timely service.
4. Processes and procedures will be documented so that all teams utilize the same method and provide a common message.
5. Standardized monthly reporting will be provided to school sites and departments utilizing report formats designed in part by the budget analyst.
6. Workload will be distributed in an equitable manner.
7. The lead budget analyst has the ability to realign human resources between teams based on workload, absences and other department needs.

## Assumptions

- Each team member will bring his or her current assignment of schools, departments and resources to the team assignment.
- Seventy-two schools will be redistributed between the four teams.
- The restructuring plan is subject to refinement by management.
- The lead budget analyst will support all teams as described above.
- Budget technicians will support all teams.

The district has eliminated several positions in the central office, particularly in the Budget/ Finance Division. The district has one special education budget analyst and two budget technicians. The district should add one special education budget analyst to specialty team A, and one additional budget technician to support the other four teams.

To support a team structure, the district should relocate the individual teams so they are close to each other and the other teams. This will allow team members to move between teams as necessary and provide maximum support to the district's schools and departments.

This concludes FCMAT's work for the San Diego Unified District regarding the proposed reorganization plan for the Business Division. If we can serve you in any other way, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Debi Deal". The signature is stylized with a large, sweeping underline that loops back under the name.

Debi Deal  
Fiscal Intervention Specialist.