

March 15, 2019

Diann Kitamura, Superintendent
Santa Rosa City Schools
211 Ridgway Avenue
Santa Rosa, CA 95401

Dear Superintendent Kitamura,

The purpose of this letter is to provide the Santa Rosa City Schools with an update regarding progress made in implementing the recommendations identified by the Fiscal Crisis and Management Assistance Team (FCMAT) in its final report dated April 20, 2017.

In December 2016, Santa Rosa City Schools and FCMAT entered into an agreement for a management review. The scope of work specified that FCMAT would perform the following:

- Conduct an organizational and staffing review of the district's Business Services and Human Resources departments and provide recommendations for staffing improvements or reductions, if any.
- Evaluate the current workflow and distribution of functions within and between the above departments, and provide recommendations for improved efficiency, if any.
- Review operational processes and procedures for the Business Services Department and provide recommendations for improved efficiency, if any, in the following areas:
 - Budget Development
 - Budget Monitoring
 - Accounts Payable
 - Accounts Receivable
 - Payroll
 - Position Control
- Review operational processes and procedures for the Human Resources Department and provide recommendations for improved efficiency, if any, in the following area:
 - Position Control

The initial scope included reviewing the district's 2016-17 general fund budget and developing a multi-year financial projection (MYFP) for the current and two subsequent fiscal years to validate the district's financial status. When fieldwork began in January 2017, the district and FCMAT agreed not to complete

FCMAT

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this specific scope item due to the district's concurrent actions to identify recommendations for 2017-18 expenditure reductions and/or revenue enhancements. It was agreed that generating an MYFP was not cost efficient or helpful to the district until the board approved all recommendations to help the district eliminate its structural budget deficit and maintain financial solvency.

FCMAT visited the district on February 26, 2019 to collect data, conduct interviews and review supporting documentation to evaluate the district's progress on implementing recommendations contained in the April 2017 report. The following comments summarize the district's progress.

The FCMAT follow-up team for this update consisted of the following member:

Michelle Giacomini
FCMAT Deputy Executive Officer
Petaluma, CA

In writing its reports and letters, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Original Recommendations and Status of Implementation

Communication, Policies and Procedures

1. Implement cross-departmental communications, including regular meetings between Human Resources and Payroll staff members, to ensure that the Human Resources and Business Services departments function well together.

Status: Implemented

Bimonthly meetings are held with Human Resources and Business Services so managers and staff can discuss procedures related to accounting, finance and human resources. These meetings have become a forum to discuss specific employee situations, address issues with cross-departmental procedures, and help both departments ensure that employees are appropriately served and that deadlines and statutory requirements are better met. Staff members who attend the meetings can add items to the agenda. These meetings also provide an opportunity for professional development. The budget process, building safety/emergency planning, and team building have been or will be discussed in 2019. The plan is to continue the meetings in 2019-20 on the same bimonthly schedule.

2. Prepare written procedures in both the Human Resources and Business Services department practices to guide operations. Focus on the most critical functions first.

Status: In Progress

Manuals are being developed. Each staff member in Human Resources has their own binder where they maintain over 75 procedures that have been distributed. The next step will be to digitize this manual for easier updating and retrieval. In Business Services, although procedures have been discussed, binders have not been started or procedures distributed. Well-written policies and procedures allow employees to understand their roles and responsibilities while allowing management to guide operations without constant intervention. Additionally, well-written policies and procedures help ensure consistent implementation of

practices, increase efficiencies, reduce potential errors, mitigate risks, and allow managers to hold employees accountable to predetermined standards.

3. Ensure that all new employees receive training from other department staff.

Status: In Progress

During FCMAT's prior visit, little time was dedicated to new employee training, mainly due to numerous position vacancies. Although some new staff received some training from other department staff, it was limited. FCMAT found no evidence of standardized formats or content for departmental procedures. This FCMAT visit found that staff were better trained and more knowledgeable. Regular meetings between HR and Business, as well as monthly payroll meetings, have helped in this area. HR has a formal training calendar for all incoming employees. Training is done by all members of the department, and the time frame to complete training is approximately one year. Business Services still lacks documented procedures and processes, even though some progress has been made as discussed in the previous recommendation. Without formal procedures in place, training of new staff in the future will be difficult and ineffective.

4. Develop an annual calendar of essential tasks for Business Services, using the Human Resources annual calendar as an example.

Status: In Progress

Business Services lacks a formally approved annual calendar of the significant department tasks for each month and the staff member(s) assigned to each, although the calendar is in draft form and is close to being finalized. When complete, the calendar should reflect, for each month, the significant activities that need to take place and the statutory or contractual deadlines that may apply. The annual calendar should be a standing agenda item for each department's staff meetings and should be used as a tool for communications and developing teamwork and cross-training for departmental staff. It also can be used to equalize workload among staff members as work demands fluctuate. Parts of this calendar also could be shared with other district departments to improve awareness of common deadlines and initiatives.

Staff Development

1. Prepare a staff development plan for Human Resources and Business Services staff members to improve efficiency and outcomes.

Status: Implemented

During FCMAT's initial visit the Business Services and Human Resources departments had several employees who were not formally trained when they were hired or had not received enough training to keep abreast of legal requirements and modern practices for their jobs. Staff development opportunities had been limited due to budget constraints and minimal staff to manage the workload. For this update, the district provided evidence of in-house training provided to staff on topics such as budgeting, emergency planning, team building, supervisory issues, consultants/volunteers, position control and other topics, as well as several examples of training opportunities presented by outside experts.

In both HR and Business, new employees are provided a training plan to get them up to speed and comfortable with their jobs. Then, as part of the annual evaluation, there is discussion about what professional development should occur over the next year to keep employees abreast of requirements and upgrade skills.

2. Ensure that staff members have access to regular updated information related to their responsibilities, including sufficient formal training.

Status: Implemented

Staff members in both Human Resources and Business Services have benefited from formal training opportunities to ensure they understand the expectations and responsibilities of their positions. Through continuing internal and external trainings, employees will be able to keep abreast of best practices and changes in laws and regulations. Training has also provided staff members with the resources to develop the skills and knowledge needed to be successful in their positions and prepare for potential advancement.

3. Continue having Human Resources notify managers when employee evaluations are due and follow up to ensure they are completed.

Status: Implemented

Human Resources continues to notify managers monthly when evaluations of their employees are due and follows up, when needed, to ensure that evaluations are completed. This process is now being automated, further simplifying it.

4. Ensure that Human Resources provides relevant feedback and ensures that a standardized evaluation process is in place to guide promotional considerations, create a structure for holding employees accountable, and provide opportunities for personal and professional growth.

Status: In Progress

Although an annual evaluation training needs to be developed and scheduled for supervisors, directors and administrators to cover topics such as process, feedback, timelines, goal setting and professional growth, principals do receive monthly training at the principals' meetings on evaluations and other HR topics. In addition, online training through Target Solutions covers legally mandated and self-elected training on many human resources topics.

Job Descriptions

1. Ensure that job descriptions keep pace with the actual work being performed.

Status: In Progress

A plan needs to be created to review and update out-of-date job descriptions to keep pace with the actual work being performed, including the identification of essential versus marginal duties. All new job descriptions since 2015 have been created using a template with all legally required elements. Approximately 25 existing job descriptions have been updated using this template. Although progress has been made, many job descriptions still need updating. The district has approved the use of an outside consultant to lead this effort over the next year.

2. Ensure that all positions have job descriptions.

Status: In Progress

A plan is being developed to review and update all job descriptions over the next year.

3. Implement a process and plan to update out-of-date job descriptions and ensure that this process occurs regularly by job family, on a rotating basis.

Status: In Progress

An outside consultant has been selected to update all out-of-date job descriptions over the next year. The district also is working with CSEA in updating descriptions as they are identified as lacking, although the process to do so is lengthy. About 15 job descriptions have been updated over the last two years, and approximately 20 have been added. Over the next year, it is planned that all classified, supervisor and management job descriptions will be updated with all required language.

4. Consider subscribing to CODESP.

Status: Not Implemented

The district has been investigating outside resources other than CODESP to complete this recommendation due to the high cost, and a decision has been made to retain an outside company (DWG) to update classified, supervisor and management job descriptions. The timeline and specifics are still being negotiated.

5. Update job descriptions to include the identification of essential versus marginal duties to assist in determining accommodations or light duty opportunities for employees.

Status: In Progress

A plan needs to be identified to review and update job descriptions to ensure they are up to date, including the identification of essential versus marginal duties. Although progress has been made in this area, internal resources are not adequate to complete the updates in a timely fashion. The district plans to use an outside consultant to complete this task.

Position Control

1. Hold recurring meetings of Business Services and Human Resources staff to manage position control.

Status: Implemented

Position control is considered a constant element to be communicated in staff meetings and bimonthly Human Resources/Business Services meetings. A position control procedure was discussed and distributed at a recent bimonthly meeting (February 2019).

2. Ensure that Business Services is more involved in the oversight of staffing once the department has built capacity.

Status: Implemented

Business Services is more involved in the oversight and monitoring of staffing now that the department has built capacity. Human Resources and Business Services are working together and have built checks and balances into the system.

3. Fully utilize Escape for reports rather than relying on Microsoft Excel, thus minimizing errors and requiring less work.

Status: Implemented

Although the district does utilize Microsoft Excel and Google Sheets, Escape is used to generate the data, minimizing errors and requiring less work.

4. Automate personnel requisitions so they are electronically submitted, routed for approval, and then the position created in Escape.

Status: In Progress

The Escape system does not currently have an automated personnel requisition form that works well, although the district and Sonoma COE continue to work with the vendor to try to utilize the option. Informed K12 is being used for that purpose. Although the form does not integrate with the Escape system, it does allow for automated disbursement and for fewer errors than the paper format.

5. Designate an employee in Business Services to be responsible for reconciling the budget against position control on a regular basis to ensure that budgeted amounts are sufficient and align with position control records.

Status: In Progress

Although a formal reconciliation is not completed, the budget is regularly reviewed against actuals and position control reports/human resources records to see what adjustments are needed, if any. Since position control is now used to drive the budgeted amounts for salary and benefits, which was not occurring at FCMAT's last visit, there are fewer chances for discrepancy. There is also an improved understanding of the importance of inputting changes to position control based on employee change forms on a regular and ongoing basis to better ensure that changes are reflected in the budget.

Accounts Payable

1. Consider reducing the review of checks returned by the county office.

Status: Implemented

The practice of requiring a staff member to review the checks received from the county office prior to mailing has been discontinued.

2. Require sites and departments to code their own credit card activity, with review and assistance from Business Services, rather than the accounting technician II doing so.

Status: Implemented

Sites and departments now code credit card purchases with the appropriate budget codes, rather than the accounting technician II, holding the sites more responsible for information as well as making the process more efficient.

3. Ensure that employees understand they must return receipts for purchases, as well as utilize purchase orders for appropriate items per district policy.

Status: Implemented

Better communication and enforcement have decreased the number of times that employees do not have receipts for purchases, and the number of small-ticket items that should have been billed under a purchase order.

4. Implement a formal employee reimbursement policy if it is decided to accommodate employee reimbursements for expenses.

Status: Implemented

Board Policy 3300 states that “all purchases shall be made by formal contract or purchase order ...”.

Employee reimbursements are paid through a requisition purchase order process in Escape; the requisition requires department or site administrator approval and budget status approved by a budget technician prior to approving the reimbursement. Once all approvals are provided, the purchase order is generated. When the accounts payable department receives the approved purchase order with original receipts from the employee requesting reimbursement and the information is verified and approved, the reimbursement check is cut to the employee. If a purchase order with original receipts is not in place, the reimbursement check will not be issued.

5. Restrict the ability for account clerk III positions to increase purchase orders if an invoice exceeds the limit of a purchase, unless an electronic approval or a limit on the amount of the increase is established.

Status: Implemented

Account clerk III positions can no longer increase the final purchase order without additional electronic approvals. The overage can only be covered through an additional purchase order, ensuring that authority to pay the amount is obtained.

Accounts Receivable

1. Include another position in the accounts receivable process to establish appropriate segregation of duties, strengthen internal controls, and provide a backup when needed.

Status: Not Implemented

Administration is still discussing options to strengthen internal controls in this area. In the district’s current fiscal status, it is difficult for departments to add positions, and an existing staff member has not been identified to pick up additional responsibilities.

2. Establish a calendar and/or formalize communication for facility use/billable events so that invoices are sent out timely.

Status: Implemented

The district utilizes Civic Center permit software both at the school sites and in the district office, which allows invoices to be generated once all insurance and other requirements are met. This process appears to be working well, with invoices issued timely.

3. Establish a procedure for documenting the steps for approving facility use and consistently coding all billable activity so that costs and invoices can be reconciled.

Status: Implemented

The district utilizes Civic Center permit software both at the school sites and in the district office, which allows invoices to be generated timely and costs and invoices to be reconciled. Communication has increased so that goal code 1399 is more consistently used on time sheets to ensure proper coding.

4. Include another position in the collection of developer fee process to establish adequate segregation of duties.

Status: Not Implemented

Administration is still discussing options to strengthen internal controls in this area. In the district's current fiscal status, it is difficult for departments to add positions, and an existing staff member has not been identified to pick up additional responsibilities.

Budget Development/Monitoring

1. Ensure that a formalized budget calendar is provided to alert all parties involved in budget development about the timelines.

Status: In Progress

A detailed, annual calendar is necessary as it provides notice to all parties of deadlines, both state and local, that must be adhered to for Business Services to collect the necessary data. An annual calendar also can improve the flow of communication, but only if it is widely distributed. The last budget calendar brought to the board for approval was December 20, 2017. A calendar was put into place for 2018-19 budget after FCMAT's initial visit, but this has not been accomplished for the 2019-20 budget development cycle. A current budget calendar is being discussed with the budget advisory committee and will be published soon.

2. Schedule meetings with site and department leaders for budget development.

Status: Implemented

Budget meetings were held with site and department leaders for 2018-19 budget development and are soon to be scheduled for 2019-20 development. These meetings increase transparency of the budget process and provide an opportunity for questions in a face-to-face setting, promoting working relationships and allowing both parties to focus on the budget and work on accountability for staying within budget.

3. Provide supporting information for calculated numbers.

Status: Implemented

Previous issues surrounding lack of communication and supporting documentation seem to have been remedied now that positions are filled.

4. Fully utilize the budget controls in Escape.

Status: Implemented

The previous practice of allowing users to override budget controls and submit vendor requisitions without sufficient funds appears to be remedied. An “insufficient funds” warning appears when funds are inadequate, and vendor requisitions cannot be submitted if funds are not available.

5. Consider requiring the sites and departments to enter budget transfers.

Status: Not Implemented

There are plans to require sites and departments to enter their own budget transfers in Escape. Escape can be set up so that the sites and departments submit budget transfers electronically, which are routed to a budget technician for approval, creating further accountability and building capacity for monitoring budgets. Estimated completion date is January 2020.

6. Consider implementing a review process for student attendance records prior to state submittal.

Status: Implemented

A review process has been implemented so student attendance records are reviewed prior to state submittal.

7. Ensure that the person responsible for calculating the LCFF revenue for the budget analyzes the student attendance reports for reasonableness.

Status: Implemented

The staff member responsible for calculating the Local Control Funding Formula revenue reviews the student attendance reports with the attendance clerk and performs an analysis for reasonableness.

8. Ensure that the cabinet reviews information on attendance changes year over year to identify trends.

Status: Implemented

An analytical review is now prepared for cabinet to show changes year over year and identify possible trends.

9. Evaluate workloads based on title and responsibility to determine which job duties would be better aligned with another position, while maintaining effective internal controls.

Status: Not Implemented

Administration is still discussing options to strengthen internal controls. In the district's current fiscal status, it is difficult for departments to add positions, and existing staff members have not been identified to pick up or change existing responsibilities.

Payroll

1. Realign duties to cross-train payroll staff on certificated and classified employee payrolls.

Status: Not Implemented

The Payroll Department is fully staffed and continues to process payroll by splitting responsibilities between classified and certificated staff, rather than based on the alphabet. Although FCMAT's report previously recommended splitting the responsibilities differently, now that the department is fully staffed and employees are trained, the district has decided to continue with the current alignment. Realignment may be investigated at a future date.

2. Consider altering the deadline for month-end time sheets.

Status: Implemented

Although the district researched altering the deadlines for month-end time sheets, based on county office and other legal deadlines, such a change was not possible. Rather, the department increased communication and outreach with sites and departments about deadlines, making them more aware of when time sheets were due and understanding the tight time frame between the due date and submittal requirements. Increasing communication has increased cooperation from school sites and department in sending in their information, improving efficiency and decreasing stress to payroll employees in meeting their deadlines.

3. Develop procedures to reconcile Aesop records to time sheets.

Status: Not Implemented

Although procedures are being investigated to reconcile the Aesop time management system and employee leaves, one has not been found. Individuals are paid based on their time cards; leave balances in Escape are manually updated based on Aesop reports. In the continued absence of electronic communication between Aesop and Escape, a process is still needed to verify that employee leaves in Aesop match those reported to payroll in the case that a site or department supervisor was unable to ensure the leave was properly reported. Recent comprehensive training attended by the Frontline administrator in HR has yielded information on available system upgrades in Frontline. These will be researched to see if a reconciliation can now be accomplished systematically.

Operations and Communications

1. Develop a training plan to ensure that HR staff members are appropriately trained to cover the significant functions of each other's desks.

Status: Implemented

The HR Department is fully staffed, and employees are trained. Each HR position has a backup person who knows the role and can cover in their absence. In addition, resource binders of processes and procedures are available for reference.

2. Formalize backup assignment for the three HR technician positions.

Status: Implemented

Each position in Human Resources has a backup in the department who knows the role and can cover absences.

3. Shift the responsibility for initial screening of all applications to the HR department and set a standard to have this completed in a timely manner.

Status: Implemented

Much improvement has occurred in this area. Initial screenings of applications are timely. During the initial LCAP years, staff struggled to meet the demand of hiring over 150 certificated staff prior to the start of school (between end of July and third week of August). With the implementation of Informed K12, 2018-19 was significantly improved. Electronically sending information has eliminated much of the delay, as has communication with the sites so they better understand the importance of timely and complete information.

4. Prepare handbooks for each employee group – certificated, classified, management, and substitute employees – including information about the district as well as policies and procedures that apply to each group and where to find further information.

Status: Not Implemented

FCMAT found no evidence of handbooks being provided to the various groups of employees (certificated, classified, management and substitute) containing information on the district's mission, vision, goals, organizational structure, expectations, and applicable employment policies and procedures. The plan is to provide handbooks to all new hires and to post them on the HR website for easy access by all employees. The HR Department maintains some of this relevant information on the district website.

The district maintains an online platform for employee information, including collective bargaining agreements, benefit information and all other pertinent employee forms and information. The district plans to include handbooks for each employee group, as well as policies and procedures, on the site by June 2020.

5. Consider ways to make a job offer as soon as the finalist is selected rather than the current process of taking several weeks so that the best candidates are not lost to other employers.

Status: Implemented

The district has worked diligently to make job offers timelier so that the best candidates are not lost to other employers. In most cases, once the hiring paperwork is received (if it is complete), the turnaround time to make an offer is 24 hours or less. Issues do arise when incomplete packets are received (no references, missing interview notes, no credential) so

more intervention is necessary prior to being able to make an offer. Better communication and understanding of requirements from the sites has helped decrease these occurrences. The district is also using the Informed K12 process for digital routing of the Successful Candidate packet.

6. Consider designating specialists for employee leaves, health benefits, and credentials, as they are some of the more technical and complex areas of personnel operations. Ensure a backup is trained for each specialist.

Status: Not Implemented

Although the district has decided to not implement the recommendation of designating specialists, staff has been fully trained and kept abreast of their complex assigned areas to help ensure compliance and manage risk. Staff are provided training to stay up to date on the latest practices, statutes and regulations, and have a backup employee for each position as well.

7. Provide training to school sites and departments on essential HR-related functions.

Status: In Progress

The district has planned but not implemented training of site and department managers on essential employment functions such as discipline, complaints, etc. An online professional learning program, Target Solutions, has been made available for all mandated and many other trainings.

In addition to the planned trainings mentioned above on subjects like discipline and complaints, site and department managers and secretaries should receive annual training on how to report employee absences, workers' compensation and other employee transactions to the HR Department and why it is critical for these notices to be timely. There also should be the opportunity for HR to provide training annually and as needed for all managers on how to handle employee discipline, complaint investigations, grievances, and other matters in board policies, administrative regulations, or collective bargaining agreements to ensure consistent application of the district's policies. This is being done at monthly administrator meetings, but the scope of attendees needs to be extended to ensure appropriate training to all employees in a supervisory capacity.

8. Discontinue the practice of paying out accrued vacation to active employees and instead require supervisors to work with employees that have high vacation balances to use the accrued vacation at a mutually agreeable time.

Status: Implemented

The district no longer pays out excess vacation to employees. Tentative Agreement CSEA 75 17-18 #4 TA assists in this endeavor. Effective July 1, 2019, if a unit member has not scheduled vacation by the tenth month of their anniversary date, the employee's supervisor will meet with the unit member and schedule their vacation to be taken by the employee's anniversary date. If the employee does not take vacation prior to their anniversary date, vacation accumulation stops until the number of vacation hours is at or below the maximum allowable accumulation.

9. Hold employees accountable for ensuring that excess accrued vacation is used, and that vacation time continues to be used in the future to avoid accumulation of an excess balance.

Status: Implemented

Supervisors work with their employees to use the accrued vacation time at a mutually agreeable time, rather than accumulating excess balances. Tentative Agreement CSEA 75 17-18 #4 TA also assists in this endeavor. Effective July 1, 2019, if a unit member has not scheduled vacation by the tenth month of their anniversary date, the employee's supervisor will meet with the unit member and schedule their vacation to be taken by the employee's anniversary date. If the employee does not take vacation prior to their anniversary date, vacation accumulation stops until the number of vacation hours is at or below the maximum allowable accumulation.

10. Create a file to contain employee Form I-9 and supporting documents.

Status: Implemented

Form I-9, the Employment Eligibility Verification form, a U.S. Citizenship and Immigration Service form, is filed separately from the main personnel file for each employee so it is confidential and ensures that Social Security numbers are not kept in employees' personnel files.

11. Consider various methods to further automate HR functions, as described above.

Status: In Progress

The district is working with Informed K12 to manage and automate several paper processes. The district has implemented the request to recruit forms, the new employee onboarding forms, and board policy acknowledgement forms. Classified evaluations, leave of absence and successful candidate forms are in the pilot phase. The employment authorization forms and coach's payroll forms are to be developed. Forms that have been automated through Escape include the Employee Notification Forms for all employees. In addition, the district plans to utilize the Frontline system (formerly Aesop) to integrate the professional learning system to eliminate manual release forms and approval for leave forms. Another improvement is that the coach's onboarding process moved to an automated platform called SportsNet, allowing for more efficient processing of coaches and their clearances once they have been identified.

12. Continue to send notices when performance evaluations are due for personnel, following up to ensure they are completed.

Status: Implemented

The HR Department continues to send notices out to all supervisors when performance evaluations are due for both classified and certificated personnel. HR also follows up to ensure that the evaluations are completed. This is essential in ensuring supervisors complete evaluations timely and carry out their responsibilities effectively and efficiently.

Summary

The district has made significant progress toward implementing the recommendations identified by FCMAT in its final report dated April 20, 2017. The district has implemented or has made progress in implementing 42 of the original 51 recommendations, as follows:

Implemented	29
In Progress	13
Not Implemented	9

FCMAT would like to thank the district staff for their assistance, cooperation, communication and time during this review. We trust that the results will help further assist the Santa Rosa City Schools.

Sincerely,



Michelle Giacomini

Deputy Executive Officer