

# MGT OF AMERICA, INC.'S PERFORMANCE AUDIT OF THE SOUTHWEST VERMONT SUPERVISORY UNION

## FINAL REPORT

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October 25, 2010



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## EXECUTIVE SUMMARY

With a weakened economy, declining public school student enrollment, and decreased revenues at the state-level, the cost of education is coming under greater scrutiny. This has prompted many school systems in Vermont to try to identify opportunities for increased efficiency and effectiveness, such as cost sharing with other public and private organizations.

In April 2010, the Vermont State Auditor's Office (SAO) hired MGT of America, Inc. (MGT/audit team) to audit the delivery of services within the Southwest Vermont Supervisory Union (SVSU). The audit consisted of 18 tasks, which were divided across three phases in alignment with the distinct processes and subject matter areas of the audit. The objectives of the audit included reviews of the SVSU Administration, Human Resources Management, Financial Management and Purchasing, Food Service, Technology Management, Transportation, Education, and Special Education programs and services. The SVSU was invited to volunteer for the performance audit and was generally helpful and cooperative throughout the process. This report contains more than 60 findings and recommendations for SVSU, which if implemented, should allow SVSU to save more than \$2 million annually.

According to State Auditor Tom Salmon, CPA:

*"The genesis for this audit in Bennington occurred after an initial attempt to attain buy-in from a Supervisory Union in Addison County failed. It was paramount to find a willing superintendent and business manager to ensure a high degree of cooperation for a complex process, given that Vermont schools have not experienced an audit of this type. My deputy and I met with Superintendent McClure on May 6, 2009 in Rutland, shortly after it was announced that she had been hired as the new superintendent of SVSU, to begin the process of seeking a participant for an audit that would inform an important discussion on Vermont's future. It was agreed that improvement to Vermont schools will not only improve process, but should lead to better student outcomes over time. I appreciated that the Superintendent was looking for long-term positive change that would serve future superintendents seeking to improve student outcomes through an improved education delivery system."*

The audit fieldwork, which concluded in July 2010, identified opportunities for increased efficiency and effectiveness of the SVSU and its member schools. In this section, the audit team presents a high-level summary of the audit findings and recommendations, as well as the SVSU's response to our audit report. The **Introduction and Appendix C** of the report provides the audit team's methodology and work plan and the specific objectives. **Appendix B** highlights our commendations for SVSU.

### SVSU BACKGROUND

The SVSU is located in the southwest corner of Vermont and is comprised of six independent school districts, nine schools, and the Central Office/supervisory union (SU). Each district and the SU are governed by individual school boards responsible for providing leadership, establishing educational vision, developing performance standards, assessing the achievement of standards, reporting to the community, and boosting the schools' climates and cultures. Three members of each of the six district school boards serve on the SU Board, for a total of 18 Board members. The district school boards have three-to-11 members.

The SVSU provides its member school districts the services required by state statutes, including establishing policy to coordinate curriculum plans, coordinating educational and noneducational services for member schools as determined by Board vote or creating joint agreements, and submitting an annual report of financial operations and other financial information to the district auditor, among other functions. Additionally, the SVSU member school districts have empowered SVSU to provide bookkeeping, teacher core materials, special education programs and related services, curriculum development, policy development, and a host of statistical analysis and related services.

## **AUDIT RESULTS**

Over the past decade, student enrollment has decreased across SVSU, but the number of schools and administrative staff has remained relatively constant. The member schools continue to maintain local control through their own board of directors in addition to their shared administration, board, and superintendent of SVSU. There have been efforts by SVSU to consolidate schools and programs to increase efficiency and effectiveness. An attempt to change the school governance structure in the early 1990s was voted down by four of the SVSU districts. As part of a Student Redistribution Study undertaken in 2006, SVSU explored additional alternatives that included an elementary school closure and reconfiguring grade levels.

Despite SVSU's attempts to achieve a unified vision and direction, the audit team found that the majority of our audit findings derived in whole or in part from the divided structure and governance of SVSU and the member districts. The Vermont State Statutes, Title 16 (Education), Chapter 7 (Supervisory Unions) establish the state's legal framework governing supervisory unions, including the duties of the supervisory union board, joint agreements among supervisory unions, and audit requirements, among others.

Each SVSU member school district is autonomous according to provisions of the statute. The SVSU Board does not have policy or procedure domain or authority over the school district boards, unless the individual school district(s) agree to specific arrangements. As such, except for areas where the statute requires the supervisory union to supervise/coordinate or provide services, the individual boards choose to collaborate and cooperate where they deem appropriate.

The seven independent governing boards meet separately to discuss various operational issues, budgets, and policies. Having so many boards leads to fractured decision-making and inconsistent guidance for the school district and SVSU staff. For example, three of the six school district boards agreed to centralize the transportation contract process to obtain better rates and take advantage of joint purchasing power. One board refused to ratify the decision and entered into its own contract. One school district does not offer transportation and the other district was unable to join the contract, without participation from the district that refused. Without the authority to compel member school districts, decisions may be made at the school-district level that are not in the best interest of SVSU or its students. Effective boards operate as policy boards focusing on setting goals, objectives, and targets and by evaluating progress. Setting a unified strategy that is agreed to by all boards may assist SVSU. The audit team found that SVSU and its member districts would benefit by seeking authorization to convert to and become a supervisory district.

Each of the superintendents in a supervisory district works for one school board and is the educational leader of the school district. The supervisory district boundaries are the same as those of the school district. Thus, for all intents and purposes, the supervisory district is the school district. In most supervisory districts, there are multiple schools, each with a principal

who serves as the educational leader of the particular school. This type of structure has the benefit of avoiding the blurred lines of leadership that can often exist in the supervisory union structure because the individual school boards can override the decisions of the superintendent of the supervisory union. Reporting and responding to the needs of multiple governing bodies often makes it difficult for supervisory union superintendents to focus on a comprehensive vision for the education of all their students.

In 2009, the Vermont School Boards Association (VSBA) Board of Directors approved for discussion a governance reform proposal. The VSBA stated in the proposal that legislators and others had begun to question the viability of supervisory unions as they are currently structured. The VSBA identified several areas that need to be clarified including the supervisory union's legal standing to own property and carry out municipal functions; clarifying ambiguity in the supervisory union statutory responsibilities; and the indirect accountability of the supervisory unions to the voters and member boards. The VSBA made several recommendations in its proposal, including the following:

- Supervisory union board duties that were optional for provision of special education, transportation, financial management, and teacher negotiations, should be made mandatory.
- Superintendents should be empowered to employ and dismiss all persons who work for supervisory unions.
- School district boards would hire and dismiss principals, and principals would hire and dismiss teachers and others who work for individual schools.

The audit team compared SVSU annual costs by category to those of the three supervisory districts closest in size to SVSU. The audit team found that SVSU's per-student expenditures for administrative and board costs far exceeded those of the supervisory districts. If SVSU converted to a supervisory district model, it would achieve savings by not duplicating positions, functions, and costs between the central administrative offices and each school district. The audit team's calculations of expected savings for converting to a supervisory district and matching the average cost for administrative and board costs reported by the three comparable supervisory districts, show that SVSU may be able to achieve savings exceeding \$1.25 million per year (the difference between \$960 and \$577 per student). Even if SVSU only decreased administrative and board costs to the highest per student cost reported by a comparison supervisory district (Burlington), it would still achieve savings of more than \$950,000 per year (the difference between \$960 and \$668 per student), if SVSU operated as a supervisory district.

The savings would include savings resulting from eliminating multiple boards and administrative functions. For example, as reported in **Chapter 5** of this report, the audit team estimates that SVSU could save nearly \$250,000 by eliminating six boards, treasurers, and financial audits and with reductions in paying bills for multiple entities. In addition, our educational expert recommended adopting the following:

- Eliminate the Assistant Superintendent position—annual savings of \$127,550.
- Eliminate the Grants Management Director position—annual savings of \$91,250.
- Convert from director-level to coordinator-level the After School Programs, Student Support Services, and Early Education Services directors—annual savings of \$40,356.

- Eliminate the assistant principal position for elementary schools with fewer than 300 students—annual savings of \$94,913.

Ultimately, by converting from a supervisory union to a supervisory district and eliminating redundant boards and administrative functions or positions, the audit team believes that SVSU could save between \$950,000 and \$1,250,000 per year.

Furthermore, this would help achieve savings for SVSU's Business Office. Because each of the school districts and SVSU are separate legal entities, SVSU maintains separate budgets and accounting records. In addition, each entity has its own annual external financial audit and its own independently elected treasurer who oversees cash balances and provides cash management. The SVSU could achieve significant savings through the Business Office if the seven separate schools, school districts, boards, and treasurers were consolidated into one organization. Consolidation would allow the entities to keep one set of books, to conduct and pay for only one annual audit, to process one large payroll instead of seven; to prepare for, pay, and attend meetings for only one board; and to pay and communicate with one treasurer.

Other key findings that the audit team identified largely related to the fragmented governance structure at SVSU, including the following:

- The SVSU Business Office does not have formal performance measures/metrics to ensure good customer service and accountability.
- Most of the SVSU Board policies are out of date, with an average of almost seven years since the policies were reported as being updated.
- The SVSU does not have written curriculum and instruction procedures and its curriculum policies do not address several critical components recommended by educational experts.
- The SVSU does not uniformly communicate a vision of curriculum and instruction across the school districts and to all personnel through written goals, objectives, procedures, time lines, and benchmarks for achievement by individual units.
- The SVSU has many effective instructional programs and interventions in the schools. However, SVSU has not designed a mechanism to systematically examine and promulgate best practices to principals and staff throughout the supervisory union.
- The SVSU does not provide adequate staff development to general education teachers regarding differentiated instruction, accommodations, and research-based instructional strategies.
- The SVSU does not have a strategic plan for its special education services, which is important because it did not meet special education state performance targets for graduation rates, dropout rates, assessment proficiency, least restrictive educational environments, or transition services.
- The SVSU lacks a consistently effective inclusive education model for students with disabilities. Students with disabilities lag behind their typical peers in academic performance as measured by state assessments.
- Options for SVSU students with disabilities in planning and implementing transition services to post-secondary opportunities are limited.



- Hiring practices (screening, interviewing, and reference checking) are inconsistent from site-to-site, and there is no formal training regarding interview and reference check protocols.
- The SVSU's facilities use and management, including custodial services and maintenance, are not efficient or cost-effective. Because each of the school districts separately employs custodial and maintenance staff, there is a lack of overall supervision, lack of efficiency in ordering and purchasing equipment and materials, and a lack of planning.
- The SVSU does not have a long-range comprehensive facility master plan to guide decision-making about facilities that support the educational programs. As a result, some facilities are under-capacity (such as Mount Anthony Union Middle School), and some educational services are not provided (for example, prekindergarten).
- The SVSU lacks a formal method of surveying students regarding satisfaction levels of food service, quality, and choice.
- There are no minimum expectations for technology expertise by new teacher hires, and there are no requirements for staff development in technology. This lack of technology-related expectations could create inequities with regard to students' experiences in the classroom.
- The SVSU does not centrally coordinate transportation services for all of its member districts.
- Transportation for students with disabilities is provided by a paraprofessional coordinator and between eight-to-ten drivers who use their personal vehicles to transport 90 to 100 students. This system is difficult to manage, and carries high liability and insurance risks.

It is important to note however, that implementing many of the recommendations in this report will be a great challenge given the current structure of SVSU with seven separate entities. In addition, implementing several of these recommendations under the current structure will be far more time consuming and costly to develop than if the districts were to consolidate into one entity. We recommend that the SVSU first consider our recommendation for consolidation and then consider the best approach for implementing other recommendations.

## SUMMARY OF SVSU RESPONSE

The SVSU was unable to provide feedback to the audit team by the final deadline the audit team had set and in time for us to consider their feedback and to allow them additional time to review and comment on the report. The audit team gave SVSU three separate opportunities to review and comment on the draft report between July 21 and October 18, 2010, and met in person and fielded several calls with SVSU to go over the report. The SVSU was unable to respond timely or fully to any of the drafts—resulting in the delays in issuing this report. With each of the drafts, the audit team had encouraged SVSU to begin preparing their formal response to the recommendations in the report, which remain largely unchanged in each of the drafts. Therefore, SVSU had ample opportunity—nearly three months—to craft a response to the report's recommendations. In any event, SVSU provided only a brief response, stating "...we are unable to offer comments that are fully responsive at this time." In addition, SVSU stated, "After we receive the final report we will submit a formal response to the Performance Audit." The SVSU's complete response can be found in **Appendix D**. The audit team's comments on the SVSU response can be found in **Appendix E**.

# INTRODUCTION

In April 2010, the Vermont State Auditor's Office (SAO) hired MGT of America, Inc. (MGT/audit team) to audit the delivery of services within the Southwest Vermont Supervisory Union (SVSU). The scope of the audit included Administration, Human Resources Management, Financial Management/Purchasing, Food Service, Technology Management, Transportation, Education, and Special Education. The audit identified opportunities for increased efficiency and effectiveness of the SVSU and its member schools.

According to State Auditor Tom Salmon, CPA:

*"The genesis for this audit in Bennington occurred after an initial attempt to attain buy-in from a Supervisory Union in Addison County failed. It was paramount to find a willing superintendent and business manager to insure a high degree of cooperation for a complex process, given that Vermont schools have not experienced an audit of this type. My deputy and I met with Superintendent McClure on May 6, 2009 in Rutland, shortly after it was announced that she had been hired as the new superintendent of SVSU, to begin the process of seeking a participant for an audit that would inform an important discussion on Vermont's future. It was agreed that improvement to Vermont schools will not only improve process, but should lead to better student outcomes over time. I appreciated that the superintendent was looking for long-term positive change that would serve future superintendents seeking to improve student outcomes through an improved education delivery system.*

*We continued our discussions with the superintendent over the phone and then finally in person along with her business manager on February 1, 2010. A letter to the superintendent dated March 4, 2010 set the stage for the project. In that letter, it stated that "detailed audit procedures and specific areas for review will depend upon planning meetings with you and your staff."*

*MGT personnel met on April 6, 2010 in Bennington with Superintendent McClure and Business Manager Rick Pembroke to pursue and discuss the potential benefits of this project of this type, along with details of the audit process and specific areas of review. We are very grateful for the courage of SVSU as they seek to improve school services and functions on behalf of Vermont students."*

## A. BACKGROUND

### A.1. Vermont's Supervisory Union Structure

The state of Vermont has a long public education history. In the early 19<sup>th</sup> Century, the state school system primarily consisted of common schools, whose districts largely aligned with village and settlement borders. Over time, the governance and oversight of these schools were consolidated into town school districts. By the late 19<sup>th</sup> Century, concerns over the shortcomings of local governance led to the state introducing the concept of a "supervisory union,"...to provide town districts a vehicle by which to share supervisory staff, including a superintendent. In contrast, school districts that continued self-supervision assumed the title of a "supervisory district."

The supervisory union and supervisory district structures continue today. As of July 2010, Vermont had 46 supervisory unions and 13 supervisory districts. Given that participation within

a supervisory union is voluntary and each union determines the scope of its duties and influence, these organizations often lack uniformity. However, the Vermont Education Statute Chapter 7, Section 261a outlines several duties of supervisory union boards:

- Set policy to coordinate curriculum plans for member schools.
- Assist member schools with following their curriculum plans.
- Review the compatibility of the union's curriculum plan with that of other schools outside of the union that are teaching union students.
- Establish a plan for receiving and disbursing federal and state funds.
- Establish a written policy on teacher professional development.
- Coordinate educational and noneducational services for member schools as determined by Board vote or creating joint agreements.
- Report union financial transactions to the commissioner and State Board.
- For supervisory unions, submit an annual report of financial operations and other financial information to the district auditor.
- Create a treasury and elect a treasurer for transacting the financial affairs of the union and any joint operations.

With a weakened economy, declining public school student enrollment, and decreased revenues at the state-level, the cost of education is coming under greater scrutiny. This has prompted many school systems to identify opportunities for increased efficiency and effectiveness, such as cost sharing with other public and private organizations. This audit of SVSU is an outgrowth of the state's efforts to ensure its school structure meets the demands of the 21<sup>st</sup> Century.

## **A.2. The Southwest Vermont Supervisory Union**

The SVSU is located in the southwest corner of Vermont and is comprised of six school districts, nine schools, and the supervisory union (SU). Each district and the SU are governed by individual school boards responsible for providing leadership, establishing educational vision, developing performance standards, assessing the achievement of standards, reporting to the community, and boosting the schools' climates and cultures. Three members of each of the six district school boards serve on the SU Board (representing their independent boards), for a total of 18 Board members. The district school boards have three-to-11 members.

The six school districts are Bennington, North Bennington, Shaftsbury, Pownal, Woodford, and Mount Anthony Union School District No. 14 (Middle and High Schools). The Bennington School District has three kindergarten to grade 5 schools—Bennington Elementary, Molly Stark Elementary, and Monument Elementary. North Bennington, Shaftsbury, Pownal, and Woodford School Districts each have a kindergarten to grade 6 elementary school. Mount Anthony Middle School serves Bennington School District's grades 6 to 8 as well as grades 7 and 8 from North Bennington, Shaftsbury, Pownal, and Woodford. The Mount Anthony Union School District successfully passed a Bond issue in 2000 for the building of a new middle school for grades 6 to 8, and the Mount Anthony Middle School was built in 2004. Students from all towns in SVSU attend Mount Anthony Union High School for grades 9 to 12. Mount Anthony High School students also have access to the Southwest Vermont Career Development Center located on

the same campus. The Career Development Center is its own Supervisory Union with its own Superintendent/Principal.

Exhibit I-1 shows the number of schools, grade levels taught, student enrollment, and the annual budget for each district for FY 2009-10.

**EXHIBIT I-1**  
**SVSU MEMBER SCHOOL DISTRICT INFORMATION**  
**FY 2009-10**

DISTRICT	SCHOOLS AND GRADE LEVELS	STUDENTS ENROLLED	BUDGET	BUDGET/PUPIL
Bennington	Bennington (K-5) Molly Stark (K-5) Monument (K-5)	787	\$10,546,410	\$13,401
North Bennington	(K-6)	140	2,024,724	14,462
Shaftsbury	(K-6)	194	2,709,720	13,968
Pownal	(K-6)	260	3,532,382	13,586
Woodford	(K-6)	32	496,707	15,522
Mount Anthony	Middle (6-8) High (9-12)	1,739	23,994,734	13,798
SVSU	None provided	102	N/A	N/A
<b>TOTALS:</b>		<b>3,254</b>	<b>\$43,304,677</b>	<b>\$13,308</b>

Source: State of Vermont Department of Education, 2010 Teacher/Staff Full-Time Equivalency (FTE) and Salary Report and SVSU 2009-10 budget reports.

In addition to statutorily required services, the SVSU member school districts have empowered SVSU to provide bookkeeping, teacher core materials, special education programs and related services, curriculum development, and a host of statistical analysis and related services.

Exhibit I-2 shows 2009-10 expenditures, net of special education expenditures, in each school district in the SVSU for the 2009-10 school year. As shown:

- Woodford had the highest expenditure per student with \$18,639.
- North Bennington, Pownal, and Mount Anthony spent more than \$10,000 per student.
- Bennington had the highest enrollment of the Elementary Districts, resulting in the lowest expenditure per student at \$8,196.

**EXHIBIT I-2**  
**EXPENDITURES BY DISTRICT WITHIN SVSU (NET OF SPECIAL EDUCATION)**  
**FY 2009-10**

SCHOOL DISTRICT	GRADES	STUDENT FTE	PK-12 CURRENT	
			EXPENDITURES	EXPENDITURES PER STUDENT FTE
Bennington	K-5	854	\$6,996,277	\$8,196
North Bennington	K-6	141	1,504,235	10,698
Shaftsbury	K-6	205	1,951,939	9,533
Pownal	K-6	248	2,632,571	10,597
Woodford	K-6	25	470,828	18,639
Mount Anthony	6-12	1,625	16,750,609	10,306

Source: State of Vermont Department of Education, 2010.

Exhibit I-3 shows enrollment data, the number of teachers, and the student-to-teacher ratio for the 2007-08 through 2009-10 school years. Over the three-year period:

- Enrollment decreased.
- Teacher FTE increased.
- Student-to-teacher ratio decreased.

**EXHIBIT I-3**  
**ENROLLMENT, NUMBER OF TEACHERS,**  
**AND STUDENT-TO-TEACHER RATIO**  
**2007-08–2009-10 SCHOOL YEARS**

YEAR	ENROLLMENT	TOTAL TEACHER FTE	OVERALL S/T RATIO
2008	3,371	296.11	11.38
2009	3,269	309.19	10.57
2010	3,254	309.12	10.53

Source: State of Vermont Department of Education, 2008, 2009, and 2010 Teacher/Staff Full-Time Equivalency (FTE) and Salary Reports.

Exhibit I-4 shows teacher salaries for the 2007-08 through 2009-10 school years. As shown, expenditures for teacher/aide salaries and average teacher/aide salaries generally increased each year.

**EXHIBIT I-4**  
**TEACHER SALARIES**  
**2007-08 THROUGH 2009-10 SCHOOL YEARS**

YEAR	TOTAL TEACHER FTE	TEACHER SALARIES	AVERAGE TEACHER SALARY	TEACHER AIDE FTE	TEACHER AIDES SALARIES	AVERAGE TEACHER AIDE SALARY
2008	314.11 <sup>a</sup>	\$14,954,023	\$47,608.00	173.40	\$2,521,600	\$14,542.10
2009	309.19	15,595,004	50,438.25	176.26	2,717,925	15,419.98
2010	309.12	16,044,703	51,904.00	159.26	2,594,190	16,289.00

Source: State of Vermont Department of Education, 2008, 2009, and 2010 Teacher/Staff Full-Time Equivalency (FTE) and Salary Reports.

- a Note: This number differs by 18 from Exhibit I-3 due to the inclusion of the Southwest Vermont Career and Development Center FTE here.

Over the past decade, student enrollment has decreased significantly across the SVSU, although the number of schools and administrative staff has remained relatively constant. The member schools continue to maintain local control through their own board of directors in addition to their shared administration, board, and superintendent of SVSU. As a result, there have been efforts by SVSU to consolidate schools and programs to increase efficiency and effectiveness. An attempt to change the school governance structure in the early 1990s was voted down by four of the SVSU districts. As part of a Student Redistribution Study undertaken in 2006, SVSU explored additional alternatives that included an elementary school closure and reconfiguring grade levels.

## B. SCOPE AND METHODOLOGY

The SVSU audit consisted of 18 tasks, which were divided across three phases in alignment with the distinct processes and subject matter areas of the audit. The specific tasks and their components are summarized in **Appendix C**.

## C. AUDIT STANDARDS

The audit was conducted in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States. These standards pertain to the auditor's professional qualifications, the quality of the audit effort, and the characteristics of professional and meaningful audit reports. Specifically, the audit team followed the general standards pertaining to qualifications, independence, and due professional care. The audit team also followed standards for conducting the audit fieldwork and preparing the audit report. By following these standards, the audit team ensured the independence and objectivity of the audit staff, the analysis, and the findings and recommendations offered in this report. The audit team limited its review to those areas specified in the scope section of this report.

## 1.0 ADMINISTRATION

This chapter presents the findings and recommendations for the overall administrative organization of SVSU. The sections of the chapter include:

- 1.1 Board of Education/Governance Overview
- 1.2 Policies and Procedures
- 1.3 Legal Services
- 1.4 SVSU Organization
- 1.5 Planning and Accountability

### 1.1 BOARD OF EDUCATION/GOVERNANCE OVERVIEW

The Vermont State Statutes, Title 16 (Education), Chapter 7 (Supervisory Unions) establishes the state's legal framework governing supervisory unions, including SVSU. See **Appendix A** for a copy of the statute. This statute establishes key requirements, including the duties of the supervisory union board, joint agreements among supervisory unions, and audit requirements, among others.

The SVSU includes six school districts, each with its own Board: Shaftsbury School District (five board directors); North Bennington School District (five board directors); Pownal School District (five board directors); Woodford School District (three board directors); Bennington School District (seven board directors); and Mount Anthony Union High School District (11 board directors).

The SVSU Board is comprised of 18 members, with three board-elected representatives from each school district serving on the SVSU Board as required by statute. Each SVSU member school district is autonomous according to provisions of the statute. The SVSU Board does not have policy or procedure domain or authority over the school district boards, unless the individual school district(s) agree to specific arrangements. As such, except for areas where the statute requires the supervisory union to supervise/coordinate or provide services, the individual boards choose to collaborate and cooperate where they agree and deem appropriate.

#### FINDING

The SVSU and the member school districts constitute seven boards, all of which meet separately to discuss various operational issues, budgets, and policies. Having so many boards can lead to fractured decision-making and inconsistent guidance for school district and SVSU staff. As will be discussed later in the transportation chapter, although three of the school district boards agreed to centralize the transportation contract process to obtain better rates and take advantage of joint purchasing power, one refused to ratify the decision and entered into its own contract. Without the authority to compel member school districts, decisions may be made at the school district level that is not in the best interest of SVSU or its students.

Effective boards operate as policy boards focusing on setting goals, objectives, and targets, and by evaluating progress by the review of frequent reporting of results. Exhibit 1-1 provides a summary of concepts from the National School Boards Association's *Key Work of School Boards Guidebook*, published on the Vermont School Boards' Association (VSBA) Web site, to illustrate the framework and principles of an effective school board.

## EXHIBIT 1-1 EFFECTIVE SCHOOL BOARDS

### **The Role of School Board**

Today's local board of education is the leader on the front lines of public education. The board is responsible for putting in place the proper keystones for students to learn and achieve at the highest level possible. Board members' primary agenda is raising student achievement and involving the community in the attainment of that goal.

In an effort to help local school boards best fulfill their role, the National School Boards Association has articulated the Key Work of School Boards, a framework for raising student achievement through community engagement. It is designed to give school boards concrete action tools to help them be effective in their roles as community leaders. The framework is based on the premise that excellence in the classroom begins with excellence in the boardroom.

### **Vision**

The board envisions the community education future and then formulates the goals, defines the outcomes, and sets the course for its public schools. Vision is not about what we are, but what we want to be. Vision captures a critical dimension of dynamic systems. For school boards, it is about where we are going and what kind of school systems we are trying to create now and for the future.

Closely related to vision is mission. At one level, the mission of an organization is what it is created to do. In effective organizations, the mission statement also captures and reflects the core values and beliefs that guide the organization and its members in pursuit of stated aims and goals.

### **Standards**

Another major component of a systems approach is the establishment of standards for performance. In order to know whether we are performing in accordance with expectations, we need to establish specific and clearly delineated standards. Those standards need to be tied in realistic ways to the expectations of the community.

### **Assessment**

Promoting outstanding student performance based on clearly delineated standards is central to the key work of school boards. The next step is to determine how well students are doing in meeting those standards. School boards need information in order to make decisions, not only about how well they are doing, but also about what may be needed in order to ensure that system goals will be met.

### **Accountability**

Increasingly, local school districts are being held accountable for what happens to students and how well they perform on a variety of assessment measures. Local school boards, similarly, are being held accountable for student performance. Examples are the Act 60 and No Child Left Behind requirements that schools annually report student performance results to the community.

### **Alignment**

Alignment is another key component of a systems approach to school board leadership. A critical role of the board is to establish high quality standards and system priorities focused on enhancing student achievement. The board is responsible for creating the conditions under which excellent teaching and student performance will take place. The next critical step is to align the organization by harnessing the system's resources to the achievement of the system's standards and priorities.

*Continued*



**Climate and Culture**

Climate is an essential aspect of system culture. Climate is a by-product of culture and is dependent on it. Leading-edge organizations are very conscious of climate because of its powerful effect on behavior. Effective school boards give priority attention to climate as well, because it factors importantly in what students and teachers are able to accomplish. Climate also is a critical determinant of how parents and others in the community view schools.

**Collaborative Relationships**

Relationships are an important dimension in effective organizations. We know that when individuals work together effectively, the product of their efforts will almost always be superior to the efforts of any single individual. In the Information Age, relationships are not just important, they are critical. The quality of relationships in an organization will largely determine how well that organization produces.

**Continuous Improvement**

The board causes the continuous assessment of all conditions affecting education and ensures that schools are accountable for results in student learning. Boards monitor student achievement, make program corrections as necessary, keep the public informed of the status of education programs and progress, and ensure that all functions of the school work together well.

Source: Vermont School Boards Association Web site "Role of the School Board" adapted from the National School Boards Association publication *Key Work of School Boards Guidebook*.

Setting a unified strategy agreed to by all boards may assist SVSU in reconciling some of its issues of fragmentation. The VSBA publishes a "School Board Self-Assessment Survey" that board members could use to guide and improve the quality and quantity of SVSU and member school district board meetings.

**RECOMMENDATION 1-1:**

**The SVSU Board and member district boards should assess their operations and determine methods to streamline and centralize decision making for consistency, beginning with a board assessment using tools such as the Vermont School Boards Association survey.**

**FISCAL IMPACT**

The VSBA provides training and tools on its Web site that the boards could use at no additional cost.

**FINDING**

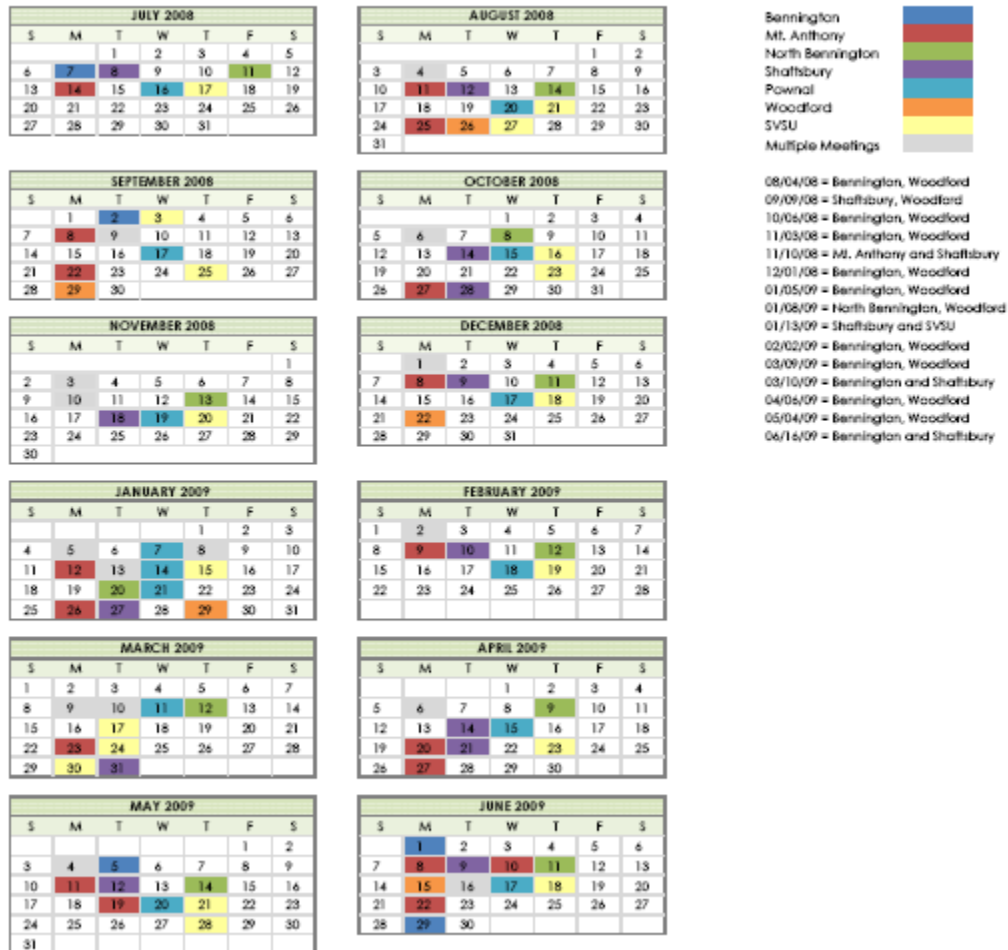
The seven boards in the SVSU schedule overly frequent board meetings, resulting in an excessive time commitment for the school district Board Directors, staff who must prepare agendas, meeting minutes, and board packets, and the SVSU, which attempts to have a representation attend the Board meetings in all of the school districts. During her first six months at SVSU, the Superintendent made a commitment to try to attend every board meeting to increase her knowledge and familiarity with each of the districts. In some instances, boards will meet on the same day, causing scheduling conflicts for the Superintendent and any board members who may serve on multiple boards—this is especially evident when board meetings for the SVSU Board coincide with board meetings of one or more of the six schools.

The audit team's review revealed that during fiscal years 2008-09 and 2009-10, as shown in Exhibit 1-2 and Exhibit 1-3 below, the SVSU seldom had a week where there were no board

meetings. In fact, in both years, there were only seven weeks (out of 52 weeks in the year) when no board meetings occurred. In many instances, school boards met on multiple occasions during a single month, adding to the board members', school staff's, and SVSU Superintendent's time commitments and work load.

**EXHIBIT 1-2  
FY 2008-09 BOARD MEETINGS FOR SVSU BOARDS**

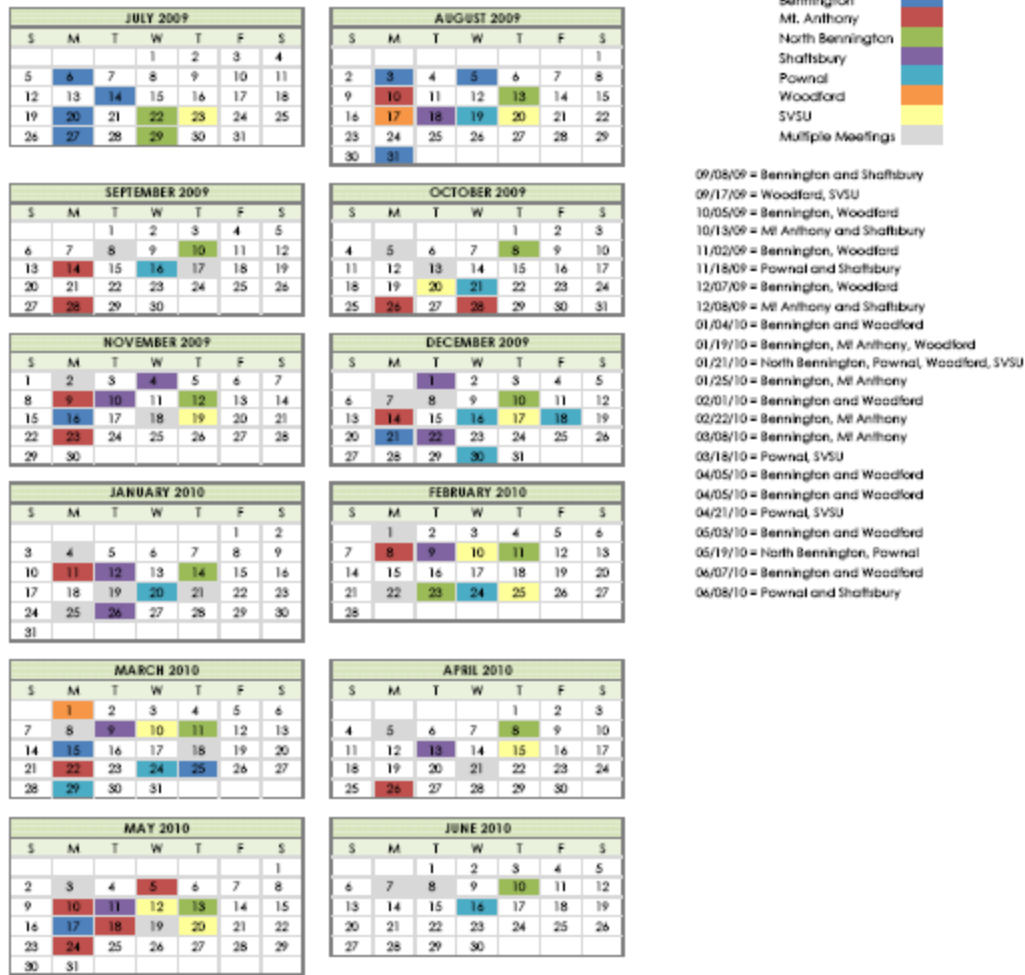
**Fiscal Year 2008-09**



Source: The SVSU Board Minutes and Agendas Web site.

EXHIBIT 1-3  
 FY 2009-10 BOARD MEETINGS FOR SVSU BOARDS

Fiscal Year 2009-10



Source: The SVSU Board Minutes and Agendas Web site.

The frequency of meetings results in extensive time demands placed not only on Board members but also the SVSU Superintendent, SVSU staff, and principals. Boards need to be cognizant of the time scheduled meetings require of administrators to prepare for the meetings, attend the meetings, and follow-up on matters identified at meetings. The SVSU administrators could use their time more effectively in directing the day-to-day operations of the SVSU and seeking to improve the outcomes of the students and schools. Board members could better focus on results, analyzing data, setting policies, and planning while holding the administrators accountable for administration and results through more structured, but less frequent, meetings.

High performing boards help school districts make improvements by focusing their time and attention on establishing mission-driven strategies; being results-oriented and holding management accountable for meeting requirements; building relationships with the school's management; and nurturing a culture of inquiry to ensure all voices are heard. The number of meetings currently held within SVSU reflects an ineffective use of board and staff time and concentration of activities to maximize value.

**RECOMMENDATION 1-2:****Consider reducing the number of Board meetings.**

Scheduling less frequent meetings (every other month) with agendas focused on policy, planning, results, and accountability would lessen the obligation to meet frequently and help in making the transition to a policy board. To ensure that the Superintendent or a designee is able to attend the meetings, the Boards should attempt to coordinate schedules to reduce multiple meetings on a single date.

**FISCAL IMPACT**

This recommendation can be implemented at no additional cost to SVSU and can be implemented with existing staff. Implementing this recommendation will reduce board-related expenses as well as the burden on the Superintendent, SVSU's administrative staff, and board members time.

**FINDING**

The school district Board members receive stipends for their work, approved annually by voters. The stipend varies from Board to Board, and ranges between \$800 and \$1,200 per Board member. Additionally, some Boards have a stipend paid to the Board's clerk or an independent secretary.

In addition to the Board stipends, each school district tracks expenditures related to Board activities, such as a share of Federal Insurance Compensation Act (FICA) tax, legal services, advertising, printing, and supplies. Excluding costs tracked under the school board category for the assessment paid to SVSU, one-time-consultant costs, and contingency funds, the annual expenditure for Board stipends and costs for the six school districts exceeds \$110,000. Exhibit 1-4 details recurring costs from the FY 2009-10 budget by school.

**EXHIBIT 1-4**  
**SCHOOL DISTRICT BOARD COMPENSATION 2009-10**

SCHOOL DISTRICT	BOARD STIPENDS	ALL OTHER COSTS	TOTAL BOARD COSTS
Bennington	\$8,400	\$30,987	\$39,387
Mount Anthony Union	8,448	40,607	49,055
North Bennington	5,000	8,169	13,169
Pownal	6,000	8,189	14,189
Shaftsbury	4,000	7,590	11,590
Woodford	3,100	4,637	7,737
<b>TOTAL, FISCAL YEAR 2009-10</b>	<b>\$39,700</b>	<b>\$100,179</b>	<b>\$127,398</b>

Source: The SVSU fiscal year (FY) 2010-11 budget Documents by school, 2010.

In constrained budget times, many boards are electing to reduce or eliminate stipends to better reserve funds for programs and direct services. Many school board members across the nation do not receive stipends or eschew accepting the stipend for their public service. Alternatively, the Boards could consider reducing the stipend to a nominal amount per meeting—for example, \$15 per meeting—to cover the members' travel to and from the meetings.

**RECOMMENDATION 1-3:**

**The SVSU and its school district Boards should consider reducing or eliminating the stipends for Board members and redirect the money to programs and direct services for the school districts.**

Elimination of stipends for Board members would be a small, financial sacrifice and allow those funds to be redirected to a school district or school need in constrained economic times, such action by Board directors would send a strong message of public service to their constituency.

**FISCAL IMPACT**

The school district boards could save \$39,700 annually by eliminating stipends. This recommendation is partially redundant with **Recommendations 1-8 and 5-6** where we recommend consolidating SVSU into one entity, which would eliminate six of the seven boards.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Eliminate Board Stipends	\$39,700	\$39,700	\$39,700	\$39,700	\$39,700

**1.2 POLICIES AND PROCEDURES**

Policies and procedures ensure that employees are aware of the organization's goals and objectives; how these are to be accomplished; and who is responsible for the specific tasks. The official copy of the SVSU policy manual is located in the Superintendent's office. The SVSU policies are also posted on the Web site.

**FINDING**

Most of the SVSU Board policies appear out of date, with an average of almost seven years since the policies were apparently last updated. According to the new Superintendent, some of the policies have been reviewed and updated, but the practice has been not to change the date on the policies unless revisions were made. Nevertheless, it is clear that some policies are out of date and that several required and recommended policies do not exist. Without a periodic review and update of policies, an organization cannot ensure that its policies are aligned with changes in state or federal laws and regulations, grant requirements, or recommended best practices.

The SVSU Board Policy #7194 Policy Review and Evaluation states "it is the policy of the Directors of the SVSU to keep its written policies up-to-date so that they may be used consistently as a basis for Board Action and administrative decision." The audit team's review of the Community Relations, Administration, Business and Non-Instructional, Personnel, and Operations policies revealed that it has been an average of 6.8 years since most policies were last recorded as having been updated, as shown in Exhibit 1-5.

**EXHIBIT 1-5  
SVSU BOARD POLICIES AND LAST UPDATE AS OF MAY 31, 2010**

POLICY NUMBER	POLICY DESCRIPTION	LAST UPDATED	SINCE LAST UPDATED	
			NUMBER OF DAYS	NUMBER OF YEARS
1000	Policy on Policies	06/16/1998	4,367	12.0
1004	Custodial, Joint Custodial, and Non-Custodial Parental Rights and Responsibilities	12/16/1999	3,819	10.5
1005	Identification Card Policy	11/17/2005	1,656	4.5
1015	Disruptive Persons	01/20/2000	3,784	10.4
1018	School Community Relations	06/15/2006	1,446	4.0
1020	Visits to School by Parents-Guardians, Community Members, or Media Interviewing, Filming, Video	09/02/1999	3,924	10.7
1025	Public Complaints about Personnel	04/17/2003	2,601	7.1
1090	Use of School Facilities	06/21/2001	3,266	8.9
1100	Fixed Asset Policy	02/26/2004	2,286	6.3
1200	Marketing, Advertising, Surveying, and Donations in the Schools	02/21/2008	830	2.3
2200	Non Discrimination	01/18/2001	3,420	9.4
2600	Superintendent of Schools Evaluation and Review	12/16/2005	1,627	4.5
3100	Transportation	09/25/2008	613	1.7
3101	Mandatory Drug and Alcohol Testing—Transportation Employees	08/21/2003	2,475	6.8
3105	Residency Requirements for Student Enrollment	02/26/2004	2,286	6.3
3110	Activity Accounts	12/20/2001	3,084	8.4
3200	Emergency Closings	08/21/2002	2,840	7.8
3215	School Parking	01/18/2001	3,420	9.4
4001	Harassment of Employees	09/20/2007	984	2.7
4003	Bullying Prevention—Adults	10/18/2007	956	2.6
4020	Appointments of Administrators	02/24/2005	1,922	5.3
4035	Conflict of Interest in Hiring	06/16/1998	4,367	12.0
4080	Background and Criminal Records Check	08/25/2005	1,740	4.8
4100	Alcohol and Drug-Free Workplace	02/21/2008	830	2.3
4120	Professional Development	10/01/2007	973	2.7
4261	Substitute Teachers	11/12/2008	565	1.5
4276	Supervision of Volunteers and Work Study Students	09/20/2001	3,175	8.7
4310	Health Insurance Portability and Accountability Act Compliance	09/20/2007	984	2.7
4327	Family and Medical Leave	08/22/2002	2,839	7.8
4328	Military Leave	12/20/2001	3,084	8.4
4400	Safety and Security of Employees	08/21/2003	2,475	6.8
7192	Correspondence to the Board	06/21/2001	3,266	8.9
7194	Policy Review and Evaluation	11/15/2001	3,119	8.5
7195	Execution of Policy—Administrative Regulations	06/21/2001	3,266	8.9
1205/7205	Directors Conflict of Interest	06/16/1998	4,367	12.0
<b>AVERAGE</b>			<b>2,476</b>	<b>6.8</b>

The audit team's concern stems from changes in laws and regulations that may not be reflected in these documents. For example, the attachments included in Policy 4327—Family and Medical Leave—include a 1993 version of the U.S. Department of Labor's Publication WH-1420. The outdated publication does not include information stemming from changes since that date, such as modified requirements of the Family and Medical Leave Act that allows employees to take leave on an intermittent basis or to work a reduced schedule under certain circumstances. Additionally, the audit team's review of Policy 4120—Professional Development found that it was issued in 2000 and did not include requirements the VSBA added in 2007 (to meet state requirements), related to principles for guiding professional development.

In outlining the critical nature of updated school policies, the NSBA states that school board policy is "...*the means by which educators are accountable to the public.*" As such, the policies should be readily accessible, available to the public, and should reflect current practices. Policies direct the focus and operation of the school system administrators. Maintaining an updated policy book is important so that administrators clearly understand Board expectations. We discuss policies and procedures in more detail in **Chapter 4, Section 4.1**.

#### **RECOMMENDATION 1-4:**

**The SVSU Board should routinely take action to update and approve Board policies at the annual meeting for the election of officers.**

Establishing an annual cycle for policy review and approval coincident with the annual meeting to elect officers will help to bring the SVSU policies into compliance. Currently, each updated policy travels for opinion, then warning, then for approval at each of the seven boards ending with the SVSU board. Obviously, consolidation of the seven entities would make the policy approval process more efficient.

#### **FISCAL IMPACT**

This recommendation can be implemented at no additional cost and can be implemented with existing staff.

### **1.3 LEGAL SERVICES**

#### **FINDING**

Costs for legal services for school districts in the United States can be quite expensive; in many instances, school districts pay large amounts due to litigation over special education.

The SVSU is spending increasing amounts on legal expenses. The SVSU's budget for legal expenses increased from \$50,000 in fiscal year (FY) 2007-08, to \$60,000 in FY 2008-09, and to \$75,000 in FY 2009-10. Moreover, the audit team's review revealed that expenditures in FYs 2007-08 and 2008-09 exceeded the SVSU's original budget by almost \$19,000 in each year. The audit team is concerned that even with the increase to the FY 2009-10 budget, SVSU may again go over budget if prior expense trends continue.

The majority of legal expenses are reported under the SVSU budget. In addition, the audit team's review of legal expenses for the six school districts revealed that the schools had budgets between \$0 and \$2,500. The SVSU contracts for legal services from the firm Stitzel, Page & Fletcher, P.C., located in Burlington, Vermont.

**RECOMMENDATION 1-5:**

**The SVSU should continue its efforts to budget an appropriate amount for legal work in fiscal year 2010-11 in anticipation of all legal services needed.**

This recommendation could be made for several areas in the SVSU budget; however, with the risk and rising costs of litigation, our overall review of administration focuses on legal expenses and practices.

**FISCAL IMPACT**

The fiscal impact for this recommendation cannot be determined, as legal costs may vary.

**1.4 SVSU ORGANIZATION**

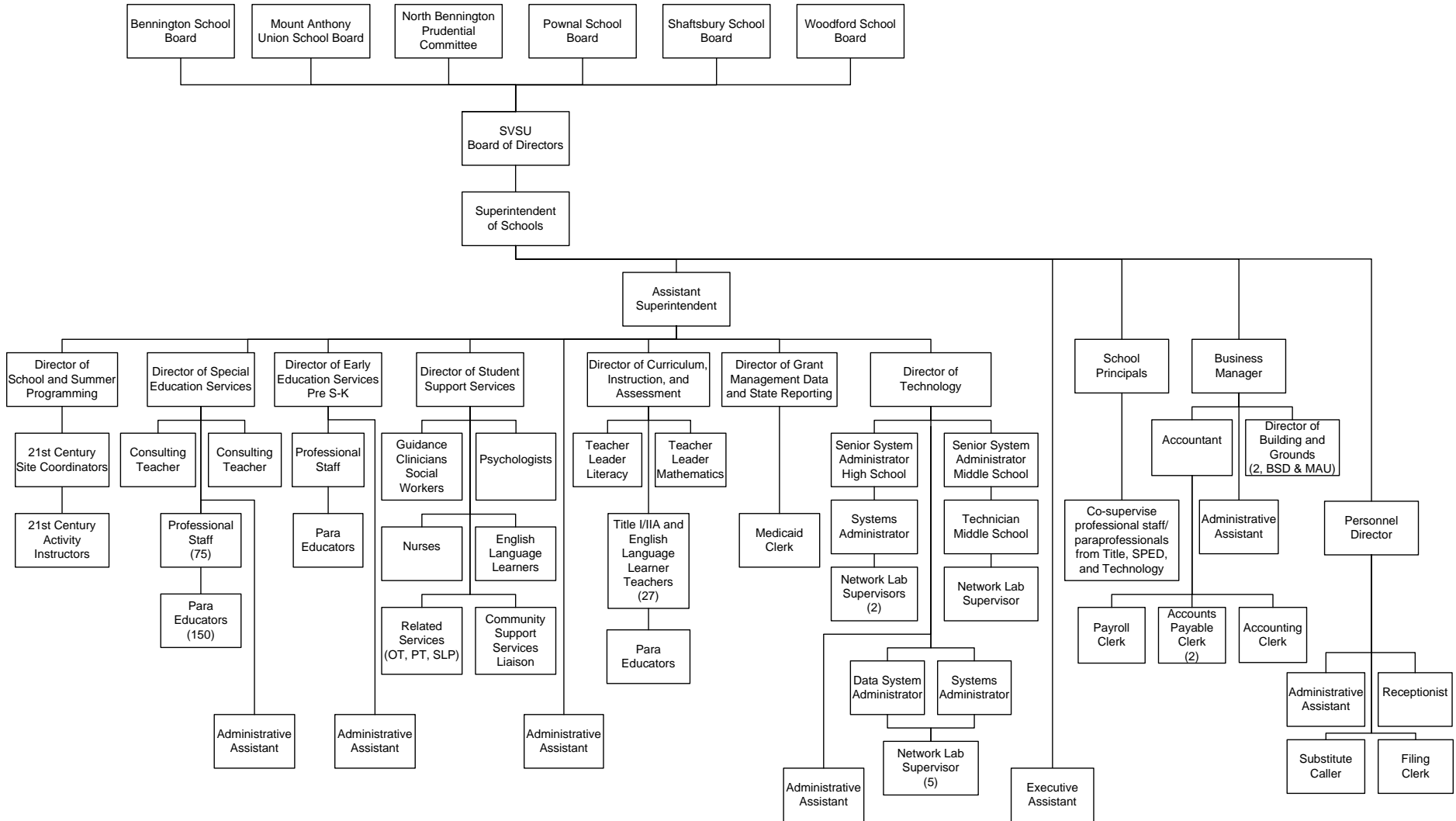
The organizational structure and management of a school system are key factors in determining the ability to meet goals and to operate in an effective and efficient manner. Important developments in organizational design have tried to support the interdependent nature of people and functions in organizations, and to improve the functioning through horizontal—rather than vertical—reporting relationships. The trend in recent years is for fewer layers of management and reporting. Additionally, many organizations group units or jobs by function, bringing together staff whose jobs require the same knowledge, skills, and resources, in order for them to work more efficiently and to promote the development of greater expertise. A drawback to this type of arrangement, however, is that organizational goals can become secondary to departmental goals. An effective organizational structure should ultimately be one that is dynamic and that supports the system's mission and strategic plan. The more the culture of the organization limits its flexibility, the less likely the organization will meet client requirements and experience success.

The current SVSU organizational chart (Exhibit 1-6) reflects a traditional hierarchical organization. The executive and administrative functions are managed through a system that is organized into lines, but does not show staff relationships with official spans of authority and communication channels. The exhibit also shows the functional structure of SVSU. The exhibit shows that four positions are direct reports to the Superintendent:

- Business Manager
- Assistant Superintendent
- Personnel Director
- Principals



**EXHIBIT 1-6  
SVSU ORGANIZATIONAL CHART  
2009-10**



Source: The SVSU, 2010.

The Superintendent has statutory responsibilities as outlined in Exhibit 1-7.

**EXHIBIT 1-7  
CURRENT DUTIES OF SUPERINTENDENTS  
VERMONT STATUTES**

**Section 242. Duties of Superintendents**

The superintendent shall be the chief executive officer for each school board in the supervisory district, and shall:

1. Carry out the policies adopted by the school board relating to the educational or business affairs of the school district.
2. Identify the educational goals and objectives of the school district and prepare plans to achieve those goals and objectives for adoption by the school board.
3. Recommend that the school board employ or dismiss persons as necessary to carry out the work of the school district.
4. Furnish the commissioner data and information required by the commissioner.
5. Provide for the general supervision of the public schools in the supervisory union or district. (Added 2003, No. 36, Section 1.)

Source: Title 16: Education 5: Commissioner of Education 16 V.S.A. Section 242. Duties of Superintendents.

**FINDING**

The audit team's review revealed that SVSU may have unnecessary management layers within its organizational structure and appears to have more administrative staff than would be expected.

The SVSU and its member school districts employ 107 administrative staff<sup>1</sup> (staff not directly involved in the provision of educational services to children). This represents 16 percent of all FTEs in SVSU. Although this percentage is not excessive in comparison to other supervisory districts or unions (see **Chapter 4.0**, Exhibit 4-2), it is much higher than expected for the state as a whole and even nationwide averages. For example, the United States Department of Education reported that the average FY 2007-08 school administrators, school district administrators, and administrative support staff was 10.5 percent of all staff nationwide, and 9.36 percent of school district staff in Vermont. In part, it appears that the excessive number of administrative staff is due to the supervisory union structure—effectively, the SVSU and its member school districts are operating seven administrations rather than as one.

According to the new Superintendent, she had reorganized the district in September 2009 to create a horizontal rather than vertical structure. The intent was to flatten the structure and eliminate complaints that the decision-making was limited to four individuals—the Superintendent, business manager, and the two assistant superintendents. Other complaints she heard included a lack of transparency, ineffective communication, and a lack of credibility for the Central Office. The new flattened structure was to provide a more collaborative decision-making model between the new Central Office directors and the principals and to provide more director visibility and participation in the schools, to build credibility, trust, and to improve communication. The Superintendent explained that the structure was based on articles published by the Annenberg Institute for School Reform. Although the Superintendent believes the new structure had led to improvement, making the change has had some challenges.

<sup>1</sup> Includes General Administration, School Administration, Central Support, Operations and Maintenance, and Transportation.

**RECOMMENDATION 1-6:**

**The SVSU and member school districts need to consider moving to a more consolidated structure that reduces the number of administrative positions.**

Each of the member school districts and schools within SVSU have selected positions that have some overlapping duties with SVSU central positions, or that may not be needed given the size of the schools and school districts. For example, some of the schools have an assistant principal position. Smaller schools may not need the position or could share a resource with other schools. The audit team, in Recommendation 1-8, more fully explains the recommended changes to SVSU.

**FISCAL IMPACT**

The SVSU and its member school districts may be able to eliminate some administrative positions, which would result in salary savings. The fiscal impact for this recommendation, however, is reflected in Recommendations 1-8 and 1-9 later in this chapter to avoid double reporting of estimated fiscal savings.

**1.5 PLANNING AND ACCOUNTABILITY**

These findings and recommendations pertain to the SVSU's strategic planning process.

*A strategy is the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole (from James Brian Quinn, Strategies for Change: Logical Incrementalism).*

Strategic planning is a proactive process for envisioning the future and developing the necessary strategic actions to bring that vision to fruition. In essence, a good strategic plan serves as a map for an organization's members to guide actions towards meeting organizational goals. In addition, planning moves organizations from reactive to proactive modes by connecting goals, strategies, performance measures, and action plans to an overall resource allocation process. Organizations that link these elements through the planning process are more likely to achieve identified goals and enhance their overall organizational effectiveness.

**FINDING**

The SVSU lacks an updated strategic plan. Although some of the schools and school districts have established action plans, and SVSU has a K to 12 Long-Range Plan, SVSU has not created a formal strategic plan that complies with best practice recommendations. Without a strategic plan, SVSU lacks a road map for future growth and development and the ability to achieve its goals could be significantly diminished.

Furthermore, many of the SVSU's documents are outdated and not relevant to current operations. The K to 12 Long-Range Plan was last adopted in 2001, and the mission statement and goals were drafted in 2005; however, the mission statement and goals are still marked as "Draft."

The school plans are individually constructed, are school-driven, and are not part of any comprehensive SVSU Strategic Plan. Each school has an action plan with varying dates of duration (most expiring in 2010) and in a variety of formats. The plans do not attempt to centralize school goals with those of the state or SVSU and are not linked to or dependent on other plans.

The development of a strategic plan that encompasses not only academics, but the overall operation of the school system, is critical to the efficient and effective operation of SVSU. Best practices recommend the following six general steps in the strategic planning process:

- Conduct an environmental scan or situational analysis of the strengths and weaknesses of the organization, including an analysis of external threats and opportunities.
- Form a vision for the future and an accompanying mission statement to define the fundamental purpose of the organization, its values, and its boundaries.
- Develop general goals, specific targets or objectives, and performance measurements to gauge organizational progress.
- Develop a set of action strategies to indicate what will be done to accomplish the goals and objectives.
- Develop and implement detailed operational or tactical plans to provide for staff assignments and schedules.
- Create an evaluation component to monitor and revise the overall strategic approach as it unfolds.

As indicated above, goal setting is an inherent part of strategic planning. As a part of the strategic planning process, SVSU should establish strategic goals. Exhibit 1-8 references the work of two top researchers in the areas of goal setting and staff motivation.

#### EXHIBIT 1-8 LOCKE AND LATHAM GOAL “SMART” GOAL SETTING MODEL

Dr. Edwin Locke’s pioneered research on goal setting and motivation in the late 1960s. In his 1968 article “Toward a Theory of Task Motivation and Incentives,” he stated that employees were motivated by clear goals and appropriate feedback. Locke went on to say that working toward a goal provided a major source of motivation to actually reach the goal – which, in turn, improved performance. Locke’s research showed that there was a relationship between how difficult and specific a goal was and people’s performance of a task. He found that specific and difficult goals led to better task performance than vague or easy goals.

##### **SMART Goals:**

A useful way of making goals more powerful is to use the SMART mnemonic. While there are plenty of variants, SMART usually stands for:

##### **S Specific, M Measurable, A Attainable, R Relevant, and T Time-bound SMART**

Telling someone to “Try hard” or “Do your best” is less effective than “Try to get more than 80% correct” or “Concentrate on beating your best time.” Likewise, having a goal that’s too easy is not a motivating force. Hard goals are more motivating than easy goals, because it’s much more of an accomplishment to achieve something that you have to work for. A few years after Locke published his article, another researcher, Dr Gary Latham, studied the effect of goal setting in the workplace. His results supported exactly what Locke had found, and the inseparable link between goal setting and workplace performance was formed.

In 1990, Locke and Latham published their seminal work, “A Theory of Goal Setting and Task Performance.” In this book, they reinforced the need to set specific and difficult goals, and they outlined three other characteristics of successful goal setting.

##### **Five Principles of Goal Setting**

To motivate, goals must take into consideration the degree to which each of the following exists:

1. Clarity.
2. Challenge.
3. Commitment.
4. Feedback.
5. Task complexity.

Source: Mindtool.com Web site, Locke’s Goal Setting Theory, 2008.

## **RECOMMENDATION 1-7:**

**The SVSU should develop a five-year strategic plan that is aligned with its strategic goals and budget, and ensure that Board policies and all other plans are aligned with the strategic plan and goals.**

A strategic plan should be developed by the Superintendent in consultation with and approved by the SVSU Board. The Superintendent should assign a team comprised of key senior staff, and select school site personnel, parents, and community leaders to develop this plan. The strategic plan should establish SVSU's vision, strategic goals, and guiding principles, and clearly define SVSU's mission. It is important to note however, that implementing this recommendation will be a great challenge given the current structure of SVSU with seven separate entities, and may not yield the best results for SVSU as a whole if seven separate plans are developed independently. In addition, implementing this recommendation under the current structure will also be more time consuming and costly to develop than if the districts were to consolidate into one entity. We recommend that SVSU first consider our recommendation for consolidation and then consider the best approach for implementing this recommendation.

In order to ensure the success of the Board, the Superintendent, and assigned staff in the development of the strategic plan, outside facilitators/consultants could be hired to train the leaders in plan development, implementation and communications; facilitate the initial training and plan development sessions; facilitate the vetting process; and facilitate the development of the communications plan. These facilitators/consultants should be experts in strategic planning and project team management training.

Many school systems construct a strategic plan without using the services of an external facilitator. The SVSU may wish to review the strategic plan of the Washington Central Supervisory Union which is characterized by being clear and concise (six pages) in its vision. The plan is available online.<sup>2</sup>

## **FISCAL IMPACT**

This recommendation can be implemented using existing staff and resources. It will require a time commitment from staff and the Board to develop the strategic plan. However, with the audit team's recommendation to reduce the frequency of board meetings, staff and the Board may be able to use the time saved from not attending meetings to draft the plan. The SVSU may incur expenditures if an external facilitator is hired. However, many Web sites, including the Vermont School Boards Association, provide resources to assist in the development of an effective strategic plan.

## **FINDING**

According to a report by the Commissioner of Education in 2006, basic education in Vermont is provided by schools and local school districts. For more than 100 years, the state has also authorized supervisory unions, a structure that enables towns to join together for better supervision of their schools. Each of the superintendents in a supervisory district works for one school board and is the educational leader of the school district. The supervisory district boundaries are the same as those of the school district. Thus, for all intents and purposes, the

<sup>2</sup> [http://www.wcsuonline.org/index.php?option=com\\_content&view=section&layout=blog&id=13&Itemid=116](http://www.wcsuonline.org/index.php?option=com_content&view=section&layout=blog&id=13&Itemid=116).

supervisory district is the school district. In most supervisory districts, there are multiple schools, each with a principal who serves as the educational leader of the particular school.

Alternatively, supervisory union boards consist of board members from member school districts who have been elected by their peers to serve on the supervisory union board. Supervisory unions do not operate schools. Their boards hire the superintendents who in turn coordinate and provide services, such as special education and fiscal administration for the member school districts. The superintendents serve as both the educational leaders and as the leaders of the service provider organizations. However, the lines of leadership are often blurred because the individual school boards can override the decisions of the superintendent. This can result in the individual school boards relying more heavily on their principals for services that might otherwise be expected of the superintendent of supervisory districts. This can lead to confusion about the roles and responsibilities of the superintendent and the principals. Reporting and responding to the needs of multiple governing bodies often make it difficult for supervisory union superintendents to focus on a comprehensive vision for the education of all their students.

In the 2006 report, the Commissioner recommended reducing the number of school districts in Vermont from 284 to 63, drawing new school district boundaries to align with the existing supervisory union and school district boundaries, and adopting the supervisory district (rather than the supervisory union) as the governing model. As of 2006, there were 311 schools and 284 school districts within Vermont. Each school district was led by a board that varied in size from three-to-14 members. Vermont also had 51 supervisory unions and 12 supervisory districts as of 2006.

However, the Commissioner's recommendations were not implemented. As of July 2010, the state has 325 schools, with 47 supervisory unions and 13 supervisory districts. The Vermont Department of Education in an October 2009 publication reported that its educational system is highly decentralized and administratively heavy, which creates inherently higher costs. Additionally, a 2008 survey conducted by the Snelling Center found that the majority of those polled believed that school governance in Vermont is complicated and should be simplified, and favored consolidation of school districts. The majority also expressed their opinion that consolidation would improve education for students as well as cost control efforts and leadership turnover rates.

Vermont's laws and regulations establish duties and powers for supervisory unions and school boards. Exhibit 1-9 shows the requirements for the various entities.

**EXHIBIT 1-9**  
**STATUTORY REQUIREMENTS FOR**  
**VERMONT SCHOOL DISTRICT BOARDS AND SUPERVISORY UNION BOARDS**

ITEM DESCRIPTION	SCHOOL DISTRICT BOARD REQUIREMENTS	SUPERVISORY UNION BOARD REQUIREMENTS
Educational Policies and Direction	Determines the educational policies of the school district.	Sets policy to coordinate curriculum plans among the schools in the SU.
Administration	<ul style="list-style-type: none"> <li>• May take any action that is required for the sound administration of the school district.</li> <li>• Shall exercise the general powers given to a legislative branch of a municipality.</li> <li>• Must establish policies and procedures designed to avoid the appearance of board member conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>• Must take reasonable steps to assist each school in the SU to follow its respective curriculum plan as adopted under the requirements of the state board of education.</li> <li>• Provide for general supervision of the public schools in the SU.</li> </ul>
Curriculum Oversight and Development	<ul style="list-style-type: none"> <li>• Must provide, at the expense of the district, subject to the approval of the superintendent, all textbooks, learning materials, equipment, and supplies.</li> <li>• Must allow any high school student who has met the academic requirements of the high school to graduate and receive a diploma in less than four years.</li> </ul>	<ul style="list-style-type: none"> <li>• Sets policy to coordinate curriculum plans among the schools in the SU.</li> <li>• Must take reasonable steps to assist each school in the SU to follow its respective curriculum plan as adopted under the requirements of the state board of education.</li> <li>• Must periodically review the compatibility of the SU's curriculum plans with other schools if students residing in the SU receive their education outside the SU.</li> <li>• Identify the educational goals and objectives of the school district and prepare and adopt plans to achieve those goals and objectives.</li> </ul>
Provision of Special Services	<ul style="list-style-type: none"> <li>• Has the discretion to furnish instruction to pupils who have completed a secondary education and to administer early educational programs.</li> <li>• Must adopt a policy, which in accordance with rules adopted by the state board of education, will integrate home study students into its schools through enrollment in courses, participation in co-curricular and extracurricular activities and use of facilities.</li> </ul>	<p>Must provide, or, if agreed upon by a unanimous vote at a SU meeting, coordinate provision of the following educational services on behalf of member districts:</p> <ul style="list-style-type: none"> <li>• Special Education</li> <li>• Compensatory and remedial services.</li> <li>• Other services as directed by the State Board and local boards.</li> </ul>
Federal and State Funding and Grants Management	<ul style="list-style-type: none"> <li>• May apply for grants and may accept and expand grants or gifts.</li> <li>• Has the authority to engage in short-term borrowing to cover the costs of those portions of projects approved by the state board and which will be reimbursed by the state board under Sections 3447-3456 of this title but which payments will be delayed.</li> </ul>	Must establish a plan for receiving and disbursing federal and state funds distributed by the State Department of Education.
Facilities Management	<ul style="list-style-type: none"> <li>• Has the possession, care, control, and management of the school district property.</li> <li>• Must keep the school buildings and grounds in good repair, suitably equipped, insured, and in safe and sanitary condition at all times.</li> <li>• May relocate or discontinue use of a schoolhouse or facility.</li> </ul>	N/A
Professional Development	N/A	Must provide for the establishment of a written policy on professional development of teachers employed in the SU and periodically review that policy.

Continued

ITEM DESCRIPTION	SCHOOL DISTRICT BOARD REQUIREMENTS	SUPERVISORY UNION BOARD REQUIREMENTS
Financial Management and Controls	<ul style="list-style-type: none"> <li>• Must establish and maintain an adequate system of financial disbursement, accounting, control and reporting procedures that ensures that all payments are lawful and in accordance with a budget adopted or amended by the school board.</li> <li>• Must establish with the advice and consent of the auditor of accounts and the commissioner, a system of accounts for the proper control and reporting of school district finances and for stating the annual financial condition of the school district.</li> <li>• May execute contracts on behalf of the school district, including contracts providing for binding arbitration, by its chair or any person designated whose appointment is recorded in the minutes of the board.</li> <li>• Must employ a public accountant at least once every three years to audit the financial statements of the school district and the average daily membership count submitted by the school district to the Department of Education.</li> <li>• May authorize an audit in conjunction with another school district or SU.</li> </ul>	<ul style="list-style-type: none"> <li>• Must employ a person or persons qualified to manage the SU accounts.</li> <li>• May be authorized to conduct a financial audit of the SU in conjunction with the school districts.</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• Must prepare and distribute to the electorate not less than 10 days prior to the school district's annual meeting, a report of the conditions and needs of the school district system.</li> <li>• Must prepare annually, on or before August 5th, a report for the school district containing, on forms prescribed and furnished by the commissioner, a classified statement under oath of the actual cash expenditures of the school district for the preceding school year for school purposes and other such information as the commissioner prescribes.</li> </ul>	<ul style="list-style-type: none"> <li>• Must require that the superintendent as the executive officer of the SU board be responsible to the commissioner and state board for reporting on all financial transactions within the SU. On or before August 15th of each year, the superintendent, using the format approved by the Commissioner, shall forward to the Commissioner a report describing the financial operations of the SU for the preceding school year.</li> </ul>
Reporting <i>(continued)</i>	<ul style="list-style-type: none"> <li>• May present informational materials to the electorate on any matter to be voted at the expense of the school district.</li> </ul>	<ul style="list-style-type: none"> <li>• Submit to the town auditors of each member school district a summary report of financial operations of the SU for the preceding school year, an estimate of its financial operations for the current school year, and a preliminary budget for the SU for the ensuing school year.</li> <li>• Furnish the commissioner such data and information as may be required by the commissioner.</li> </ul>
Budgeting	<p>Must prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the commissioner.</p>	<p>On or before June 30<sup>th</sup> of each year, adopt a budget for the ensuing school year.</p>

Continued



ITEM DESCRIPTION	SCHOOL DISTRICT BOARD REQUIREMENTS	SUPERVISORY UNION BOARD REQUIREMENTS
Human Resources	Must employ such persons as may be required to carry out the work of the school district and dismiss any employee when necessary.	<ul style="list-style-type: none"> <li>• If it chooses, must employ a superintendent.</li> <li>• Must employ such persons as may be required to carry out the work of the SU and dismiss any employee when necessary.</li> <li>• Assign the superintendent or other employee to carry out the policies adopted by the school board, relating to the educational or business affairs of the school district.</li> </ul>
Other Services	<p>May enter into joint agreements with the SU and other member school districts for the provision of:</p> <ul style="list-style-type: none"> <li>• Centralized purchasing</li> <li>• Construction management</li> <li>• Budgeting, accounting, and other financial management.</li> <li>• Teacher negotiations</li> <li>• Transportation</li> <li>• Other appropriate services</li> </ul>	<p>May provide the following services for the benefit of member school districts according to joint agreements formed under Section 267 of this title:</p> <ul style="list-style-type: none"> <li>• Centralized purchasing</li> <li>• Construction management</li> <li>• Budgeting, accounting, and other financial management.</li> <li>• Teacher negotiations</li> <li>• Transportation</li> <li>• Other appropriate services</li> </ul>

Source: Vermont Statutes, Title 16, Sections 563 (Powers of School Boards) and 261(a) (Duties of Supervisory Union Board).

In 2009, the VSBA Board of Directors approved for discussion, a governance reform proposal. The VSBA stated in the proposal that legislators and others had begun to question the viability of supervisory unions as they are currently structured. The VSBA identified several areas that needed to be clarified including the supervisory union's legal standing to own property and carry out municipal functions; clarifying ambiguity in the supervisory union statutory responsibilities; and the indirect accountability of the supervisory unions to the voters and member boards. The VSBA made several recommendations in its proposal, including the following:

- Supervisory union board duties that were optional for provision of Special Education, Transportation, Financial Management, and teacher negotiations should be made mandatory.
- Superintendents should be empowered to employ and dismiss all persons who work under or within supervisory unions.
- School district boards would hire and dismiss principals, and principals would hire and dismiss teachers and others who work for individual schools.

In recent years, SVSU has expanded the number of director positions within the central administrative offices, adding several director-level positions. As shown earlier in Exhibit 1-6, many of the new director positions have relatively narrow spans of control. As will be discussed later in **Chapter 5**, research indicates that an ideal span of control should range between a low of six subordinates per manager, to between 15-and-20 subordinates per manager. The audit team's review of SVSU spans of control found that these are generally much lower than the best practices recommendations.

Moreover, as part of the reorganization, SVSU maintained an Assistant Superintendent position. However, this has not resulted in a reduction of duties for the Superintendent and the audit team's review of comparable supervisory districts revealed that most do not have this middle layer between Directors and the Superintendent. Further, the SVSU converted a number of positions to director level positions but did not have justification for why it needed these

positions to be “director” level rather than the previous “coordinator” or “manager” level. As discussed earlier, the new Superintendent explained that she attempted to flatten the structure to provide better communication and coordination between the administration and the districts and to build the credibility of the Central Office.

Adding to SVSU's and its member school districts' costs is each school district's ability to choose whether or not to participate in collective purchasing and contracting situations. For example, as discussed in **Chapter 9**, the Pownal School District does not use the SVSU's contracted bus service and instead owns and services its own buses for regular daily service and special runs. The Pownal School District's decision has the effect of increasing overall SVSU and school district costs while reducing the collective bargaining power of the SVSU as a whole. Additionally, although the Mount Anthony Middle School facility is a state-of-the-art facility with a robust and comprehensive program for educating 6<sup>th</sup> grade students, other SVSU districts do not allow students to attend classes at this facility. The audit team found that the 6<sup>th</sup> grade students at Woodford attend classes in a combined classroom with the 5<sup>th</sup> grade students. Thus, the students are missing an opportunity to participate in a comprehensive variety of class offerings.

The audit team compared SVSU annual costs by category to those of the three supervisory *districts* closest in size to SVSU. The audit team found that the SVSU's per-student expenditures for administrative and board costs far exceeded those of the supervisory *districts*, as shown in Exhibit 1-10.

**EXHIBIT 1-10**  
**2010-11 BUDGETED ADMINISTRATIVE AND**  
**INSTRUCTIONAL EXPENDITURE COMPARISONS**

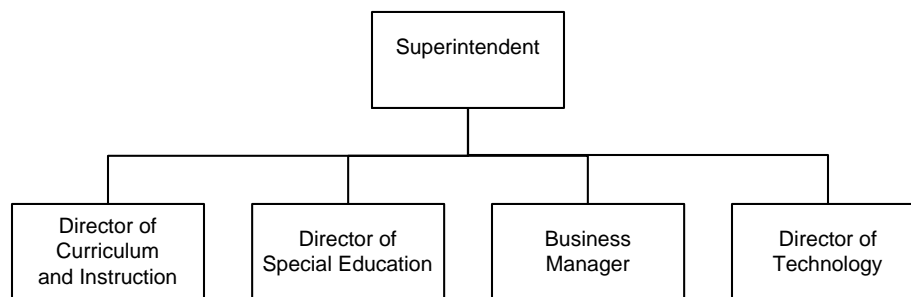
ENTITY	ADMINISTRATION AND BOARD EXPENDITURES		INSTRUCTIONAL EXPENDITURES	
	TOTAL DOLLARS	DOLLARS PER STUDENT	TOTAL DOLLARS	DOLLARS PER STUDENT
Southwest Vermont Supervisory Union	\$3,124,530	\$960	\$38,931,187	\$11,964
Burlington Supervisory District	2,558,797	668	37,586,392	9,816
South Burlington Supervisory District	1,104,777	419	38,512,492	14,621
Rutland City Supervisory District	1,529,161	603	43,030,270	16,968
<b>AVERAGE OF THREE COMPARISON SUPERVISORY DISTRICTS</b>		\$577		\$13,236

Source: The SVSU, Burlington Supervisory Districts, South Burlington Supervisory Districts, and Rutland City Supervisory Districts annual budgets for school year 2010-2011 and auditor analysis.

If SVSU converted to a supervisory district model, it would achieve savings by not duplicating positions, functions, and costs between the central administrative offices and each school district. The audit team's calculations of expected savings for converting to a supervisory district and matching the average cost for administrative and board costs reported by the three comparable supervisory districts, show that SVSU may be able to achieve savings exceeding \$1.25 million per year (the difference between \$960 and \$577 per student). Even if the SVSU only decreased administrative and board costs to the highest per-student cost reported by a comparison supervisory district (Burlington), it would still achieve savings of about \$950,000 per year (the difference between \$960 and \$668 per student).

Further, the audit team's organizational school district expert reviewed the current SVSU and school district structure and determined that there is a need to streamline and simplify the SVSU organizational structure. For the size of the school system, based on enrollment and number of schools, and in comparison to peer supervisory districts or school districts outside Vermont, the Central Office administration is overstaffed with director-level positions. The audit team's organizational school district expert determined that neither the size of SVSU nor its budget necessitates the number of director-level positions that it currently funds. School districts the size of SVSU have streamlined their bureaucracies so that more direct communications and contacts are made between superintendents and principals. As shown in Exhibit 1-11, the audit team's organizational school district expert recommended a more streamlined structure for SVSU.

**EXHIBIT 1-11  
PROPOSED ORGANIZATIONAL STRUCTURE  
SVSU LEVEL 1**



Source: Created by MGT, 2010.

**RECOMMENDATION 1-8:**

**The SVSU should present the potential savings and benefits of converting to a supervisory district (from its current supervisory union status) to its electorate and member school districts.**

The SVSU should seek permission from the electorate and member school districts to convert to a supervisory district to benefit from the reduced administrative and board costs.

**RECOMMENDATION 1-9:**

**The Vermont Department of Education should continue to advocate for the recommendations contained in the 2006 Commissioner report to consolidate school districts, and the Vermont Legislature should convert supervisory unions to supervisory district models statewide.**

Doing so would allow the state to reduce its unusually high administrative costs and to reallocate the funds to other areas of need.

**FISCAL IMPACT**

The savings would include savings resulting from eliminating multiple boards and administrative functions. For example, as reported later in **Chapter 5** of this report, the audit team estimates that SVSU could save nearly \$250,000 by eliminating six boards, treasurers, and financial audits and with reductions in paying bills for multiple entities. In addition, our expert recommended adopting the following:

- Eliminate the Assistant Superintendent position—annual savings of \$127,550.
- Eliminate the Director of Grant Management Data and State Reporting position—annual savings of \$91,250.
- Convert from director-level to coordinator-level the After School Programs, Student Support Services, and Early Education Services directors—annual savings of \$40,356.
- Eliminate the assistant principal position for elementary schools with fewer than 300 students—annual savings of \$94,913.

Ultimately, by converting from a supervisory union to a supervisory district and eliminating redundant boards and administrative functions or positions, the audit team believes that SVSU could save between \$950,000 and \$1.25 million per year. However, to avoid duplicate reporting of fiscal impacts of our recommendations, we have reduced the potential savings in the table shown below for those recommendations and fiscal impacts presented later in **Chapter 5** of this report. It is also important to note that the individual directors all have three-year contracts through 2013.

RECOMMENDATION	YEAR ONE	YEAR TWO	YEAR THREE	YEAR FOUR	YEAR FIVE
Convert SVSU to a supervisory district	\$950,858	\$950,858	\$950,858	\$950,858	\$950,858
Less—savings related to Finding 5-6	(\$248,905)	(\$248,905)	(\$248,905)	(\$248,905)	(\$248,905)
Estimated net savings from converting to a supervisory district	\$701,953	\$701,953	\$701,953	\$701,953	\$701,953

## 2.0 SPECIAL SERVICES AND PROGRAMS

This chapter presents findings and recommendations relating to special services and programs. The sections in this chapter are as follows:

- 2.1 Special Education Services
- 2.2 Gifted and Talented Education
- 2.3 Extended Learning Programs
- 2.4 Early Childhood Programs

### CHAPTER SUMMARY

Special services and programs offer an array of opportunities for students beyond the general education curriculum or traditional educational setting. Special education services are provided to students with disabilities to ensure access to the general education curriculum to the greatest extent possible; Individual Educational Plans (IEPs) also provide for individualized instruction for students with disabilities. Gifted and talented education aims to provide extended or accelerated learning opportunities for students who demonstrate higher order skills or talents. Extended learning programs offer an extension of the school day through organized after-school programming. Early childhood programs aim to prepare children to enter kindergarten ready to learn.

### 2.1 SPECIAL EDUCATION

Federal law governs services for children with disabilities. The Individuals with Disabilities Education Improvement Act (IDEA) regulates how states and public agencies provide early intervention, special education, and related services to more than 6.5 million eligible infants, toddlers, children, and youth with disabilities. Infants and toddlers with disabilities (birth to age 2) and their families receive early intervention services under IDEA Part C. Children and youth (ages 3 to 21) receive special education and related services under IDEA Part B. Further, the NCLB requires states to measure baseline and targets for student proficiency on state reading/language arts and mathematics assessments for students with disabilities.

Exhibit 2-2 shows the number of students with disabilities that receive special education services in SVSU. As shown, during school year 2009-10, there were a total of 658 students with disabilities in SVSU. The largest subset in this group represented students classified with learning disabilities.

**EXHIBIT 2-2**  
**SVSU DEPARTMENT OF SPECIAL EDUCATION**  
**ENROLLMENT OF STUDENTS WITH DISABILITIES**  
**2009-10 SCHOOL YEAR**

DISABILITY CODE	ENROLLMENT
Learning Impaired	59
Deaf or Hard of Hearing	10
Blind or Visually Impaired	1
Speech and Language	60
Emotionally Disturbed	92
Orthopedically Impaired	1
Health Impaired	85
Learning Disabled	204
Autism	36
Traumatic Brain Injury	2
Multiple Disabilities	7
Developmentally Delayed	101
<b>TOTAL</b>	<b>658</b>

Source: The SVSU, Department of Special Education, 2010.

## FINDING

The SVSU does not have a strategic plan for its special education services. This is of particular concern because the *Annual Performance Report for Southwest Vermont Supervisory Union 2008* indicates that SVSU did not meet special education state performance targets for graduation rates, dropout rates, assessment proficiency, least restrictive educational environments, or transition services. The data also indicates that the identification of students with disabilities continues to increase in SVSU and that identification percentages exceed the state performance targets for 2005-06, 2006-07, and 2007-08. According to the Superintendent, annual planning being completed is reactive to specific issues and procedures and is not within a full strategic planning model. Initiatives to improve the overall performance of students with disabilities include:

- Categorical resource rooms have been reduced after an internal audit of students assigned to those rooms.
- One program was closed in 2009-10.
- Work has been completed on a decision-making tool for the addition of new proposed paraprofessionals.
- Extensive reading professional development has been provided to special education teachers in 2009-10 with a plan to provide more extensive and purposeful training in 2010-11.
- An individual has been hired to begin transitional planning for students with disabilities and an increase in achievement was noted on portfolio assessments.

The district is moving forward actions to improve state performance targets and should continue those efforts under the leadership of the Superintendent and the director of Special Education, and through a strategic planning process.

Instructional leadership and strategic planning are important to all levels of SVSU and should include teachers, program directors, supervisors, principals, and Central Office administrators. Within SVSU, the selection of an organizational approach and instructional delivery model for special education services must be based on a clear and consistent mission and strategic plan for meeting the needs of all students.

Given the legislative requirements of NCLB and the reauthorization of IDEA, students with disabilities must be provided access to the general education curriculum and individualized instruction based on student IEPs. The instruction of students with disabilities who are seeking a standard diploma is equally the responsibility of general education. As SVSU moves toward trimesters in 2010-11, modifications are being made to the standards-based report card including more responsibility for the general education teacher, in collaboration with the special education teacher, for monitoring and reporting achievement.

At the school-district level, the selection of an organizational approach and instructional delivery model for special education services must be based on a clear and consistent mission and strategic plan for meeting the needs of students at all levels of the organization. The SVSU lacks this clear and consistent mission and strategic planning document for the delivery of special education services in conjunction with general education.

#### **RECOMMENDATION 2-1:**

**The SVSU should develop an annual special education strategic plan including the mission, vision, goals, objectives, activities, evaluation, and a scope and sequence time line of training and education support activities for its schools.**

The SVSU, in conjunction with school teams, should develop a framework for the development, implementation, and monitoring of special education services throughout the SVSU schools. The development of the special education strategic plan should be developed in collaboration within the Department of Curriculum and Instruction and should be written in alignment with Vermont's Framework of Standards and Learning, grade expectations, and school action plans for school improvement. The strategic plan should provide procedures to ensure that the department and schools share a similar focus and include coordination of services from the Department of Special Education and the Department of Curriculum and Instruction. The Department of Special Education should collaborate with other school district staff, school administrators, teachers, support staff, and related services personnel to identify issues that lead to the formulation of goals. From these goals, specific actions should be established for developing and meeting goals of improved effectiveness and efficiency services, such as collaborative instruction between general education and special education staff; standards-based instruction; benchmark assessment; accommodations; and staffing.

All staff should be involved in the establishment of focused professional development and training based upon the needs of the individual and SVSU, such as the literacy initiative. The strategic plan should be based on an analysis of needs and special education program and student data. The SVSU should provide schools with appropriate resources for the collection of student data to document adequate academic performance of students with disabilities.

The SVSU should establish a process to develop and meet goals for improving effectiveness and efficiency of all programs and services. By looking to the future, identified issues lead to the formulation of goals; and from these goals, specific actions are determined. This methodology

centers on disaggregating the vision, mission, and principles by strategic area into manageable components that can be planned for, measured, and adjusted.

The annual staff development and training plan should include goals and objectives that are directly related to school needs and individual staff certification requirements. It is recommended that employees continue to be surveyed regarding these needs and requirements within SVSU and within individual school districts. Finally, the scope and sequence time line of training and educational support activities should be designed collaboratively among all special education and related services staff members.

### **FISCAL IMPACT**

The associated costs for implementing this recommendation are related to staff time. There should be no additional costs to SVSU or schools if the strategy planning sessions are completed during school in-service days or during faculty meeting times.

### **FINDING**

The SVSU does not consistently implement support services for the educational support team, which leads to over-identifying students with disabilities and inappropriate referrals for evaluation of students for special education.

In the fall of 2008, SVSU provided a presentation to building principals outlining the SVSU Pyramid of Instruction and Intervention. The expectation was that the building principals would present the information to their teachers and develop a pyramid of instruction and intervention based on all available resources and personnel in each building. The development and implementation of the SVSU Pyramid of Instruction and Intervention varies from school to school.

The current Vermont statute does not require that the SVSU provide special education of leadership to the individual school districts. However, SVSU does employ special education teachers and paraprofessionals. The move to an SVSU strategic plan and implementation of an educational support system through the SVSU will be on the persuasion of the SVSU leadership and the strengthening of the new Superintendent's goal for collaborative decision-making and leadership between directors and principals.

Vermont Statute 2902 mandates that within *each school district's comprehensive system of educational services, each public school shall develop and maintain an educational support system for students who require additional assistance in order to succeed or to be challenged in the general education environment.* The legislation requires that each school's educational support system will:

- Be integrated in the general education curriculum.
- Be designed to increase the ability of the general education system to meet the needs of all students.
- Be designed to provide students the support needed regardless of eligibility for categorical programs.
- Provide clear procedures and methods for addressing student behavior.



- Ensure collaboration with families, community supports, and the system of health and human services.
- Identify classroom accommodations, remedial services, and other supports.
- Develop individualized strategies.
- Maintain written records.

Based on the federal child count, SVSU identified 20 percent of its students as disabled in 2008-09. This exceeds the 2008-09 state identification rate of 15 percent. The SVSU identification rate for students with disabilities was 18 percent in 2004-05; indicating a 2 percent increase of students with disabilities over a five-year period. Data further indicate that eligibility categories of learning disabilities and development delay showed the greatest increase.

Evaluation data, as shown in Exhibit 2-4, suggests that some SVSU schools do not consistently utilize the educational support team to assist the general education teacher prior to referral for special education evaluation. As shown in the exhibit, 87 percent of students referred for evaluation at North Bennington were determined to be eligible for special education services. This eligibility level corresponds with other observations indicating that the North Bennington referrals for evaluation were appropriate. Conversely, only 22 percent of the students referred for evaluation at Bennington were deemed to be eligible for special education services. The audit team’s review concluded that this is indicative of an inappropriate referral and evaluation process. Overall, the data appeared to indicate that Pownal and Molly Stark referrals for evaluation were appropriate and Monument referrals were inappropriate.

**EXHIBIT 2-4  
SVSU REFERRALS FOR EVALUATION AND PERCENTAGE  
RESULTING IN SPECIAL EDUCATION ELIGIBILITY  
2009-10 SCHOOL YEAR**

SCHOOL <sup>a</sup>	NUMBER OF EVALUATIONS	PERCENT ELIGIBILITY
Bennington	9	22%
Molly Stark	25	64%
Monument	12	33%
Pownal	22	86%
North Bennington	8	87%

Source: The SVSU, Department of Special Education, 2010.

a Data not available for Shaftsbury, Woodford, Mount Anthony Middle or Mount Anthony High.

The Response to Intervention tiered intervention model has also proven successful in alleviating academic and behavioral deficits in the general education setting. In 2009-10, the SVSU began a process to redefine supplementary-tiered interventions. As a result, reading specialists have been assigned to each Title I school. The process for strengthening education support teams will continue in 2010-11. Special education referral and eligibility data indicate, however, that not all SVSU schools utilize the educational support team process effectively to alleviate student deficits in the general education setting.

**RECOMMENDATION 2-2:**

**The SVSU should continue to develop the Response to Intervention tiered intervention model and strengthen education support teams in the schools.**

The SVSU should provide support to educational support teams and early intervening services (Response to Intervention) to students in the general education setting. An effective process can lead to decreased referrals for evaluation for special education services and improved identification of students who are truly disabled. The SVSU should also ensure that the school administrators are held accountable for the implementation and documentation of effective educational support teams and early intervening services that are required by state and federal regulations. The Department of Curriculum and Instruction should assume the lead in working with school-based teams with support from staff in the Department of Special Education. This should be recognized as a general education initiative to increase learning strategies and instructional accommodations in the general education setting.

**FISCAL IMPACT**

The Department of Curriculum and Instruction should initiate an embedded professional development related to Response for Intervention for targeted schools.

**FINDING**

In 2009-10, the directors of Special Education and Student Services coordinated specific professional development for principals with the SVSU attorney on special education law. School administrators, however, do not consistently demonstrate a thorough knowledge of special education regulations or requirements for maintaining compliance with special education law. School administrators must have a comprehensive working knowledge of state and federal regulations (IDEA) for special education services to ensure compliance with NCLB legislation. Principals must be responsible for ensuring that the instructional methodology, instructional materials, and professional development activities employed at the schools meet the NCLB definition of scientifically based research in terms of their proven effectiveness. By establishing a professional development plan for principals to provide current literature regarding special education law and NCLB, SVSU will ensure it has a structured procedure for meeting all state and federal requirements.

Along with NCLB, many federal K-12 grant programs require state and local education officials to use scientifically based research to guide their decisions about which programs and strategies to implement. Yet many school administrators within the SVSU have not been given the tools to identify which practices are truly supported by rigorous evidence and which are not.

Currently, the Vermont statute does not give SVSU authority for this accountability. However, because SVSU is unified in the employment of special education personnel throughout the districts and, by statute, receive federal flow-through funding, SVSU administration is hopeful that school administrators will accept this leadership of SVSU staff.

**RECOMMENDATION 2-3:**

**The SVSU should continue staff development for school administrators regarding special education regulations and compliance with federal law.**

The SVSU should develop staff development plans for school administrators regarding special education rules and regulations. By implementing this recommendation, the SVSU should establish a structured plan to help school administrators identify and implement evidence-based practices that should improve academic performance for students with disabilities, as well as assume responsibility for the oversight and compliance of special education services in the schools.

### **FISCAL IMPACT**

The associated costs for implementation of this recommendation are related to staff time and professional development materials. The staff development plan should include all associated costs for the administrative training at a time during the school day that is convenient to school administrators.

### **FINDING**

The SVSU lacks a consistently effective inclusive education model for students with disabilities. Students with disabilities lag behind their typical peers in academic performance as measured by state assessments.

A review of special education services and program models indicate that SVSU provides special education services primarily in self-contained settings or in a resource room setting. Furthermore, the *Annual Performance Report 2008* indicates that SVSU did not meet the Vermont State performance target for Indicator 5A (percent of children with IEPs served inside the regular class greater than or equal to 80 percent of the day), or Indicator 5B (percent of children with IEPs inside the regular class less than 40 percent of the day). In fact, SVSU did not meet the performance measure for Indicator 5A by 7.6 percent or Indicator 5B by 15 percent. The SVSU reported that 70.88 percent of its students with disabilities received special education services inside a regular class at least 80 percent of the day, as compared to the state performance target of 78.50 percent. The SVSU further reported that 22.56 percent of its students with disabilities received special education services inside a regular class less than 40 percent of the day, as compared to the state performance target of 7.50 percent. The data further indicate that the percent of SVSU students with disabilities in self-contained or segregated settings has actually increased rather than decreased, from 2005-06 to 2007-08 (the audit team requested, but did not receive placement data for 2009-10 while conducting our fieldwork).

The SVSU has a number of specialized service models for students with moderate and severe disabilities that require a more restrictive setting. These service models include the Individualized Diversified and Enhanced Academics and LifeSkills (IDEALS) model at Molly Stark Elementary, Mount Anthony Middle, and Mount Anthony High; the Autistic Children with Opportunities for Reaching New Success (ACORNS) model at Bennington Elementary, Mount Anthony Middle, and Mount Anthony High; and, the alternative education programs for students with severe emotional disabilities or mental health conditions. While more restrictive settings are often determined as the most appropriate placement for some students by the IEP team, each placement decision must be carefully considered prior to placement in a more restrictive setting.

Co-teaching is one preferred model for inclusive education for students with disabilities who do not require a more restrictive setting. Co-teaching is a model that embeds collaborations with general education classrooms and increases the likelihood that students with disabilities will progress in the general education curriculum. Co-teaching typically involves special and general education teachers working together to teach the general education curriculum to students who vary widely in their strengths and unique learning needs. Research suggests that shared

teaching has a positive impact on students' learning. The SVSU is piloting the co-teaching model at the middle school and Bennington Elementary. The middle school has formalized course work in co-teaching since 2008-09.

#### **RECOMMENDATION 2-4:**

**The SVSU should establish a co-teaching model of inclusive education for students with disabilities who do not require a more restrictive setting.**

The SVSU should consider establishing a co-teaching model of inclusive education and should work with school administrators to move from the traditional resource model to a more inclusive, co-teaching model at all grade levels. The SVSU should ensure that all schools are effectively providing appropriate inclusive education to students with disabilities. School administrators should work with the director of Special Education to ensure that co-teaching is established and effective in increasing the academic performance of students with disabilities. A viable approach to consider should be to address inclusive education as part of the professional learning community and provide embedded staff development during the school day. The SVSU should include goals and activities related to inclusive education in the proposed special education strategic plan. The proposed strategic plan should address the goals, objectives, content and time lines for staff development and the associated costs.

The SVSU should consider the utilization of math and literacy teacher leaders for implementation of this professional development recommendation.

#### **FISCAL IMPACT**

The cost associated with the implementation of this recommendation is planning and professional development. The proposed strategic plan should address the goals, objectives, content, and time lines for professional development, and the associated costs. Professional development should be embedded during the instructional day to the greatest extent possible using SVSU's general education curriculum and special education specialist or consultant staff, thus minimizing costs to SVSU.

#### **FINDING**

The local education agency (LEA) representative does not consistently participate in IEP meetings at the school level. Federal and state regulations state that the required participants of the IEP team must include the student's parents, the student (as appropriate), a special education teacher, a general education teacher, and the LEA representative.

The federal regulations clearly state that:

A representative of the local educational agency is:

- Qualified to provide or supervise the provision of specially designed instruction to meet the unique needs of children with disabilities.
- Knowledgeable about the general curriculum.
- Knowledgeable about the availability of resources of the LEA.

The participation of the LEA representative is crucial to the IEP team because of the individual's knowledge of the general curriculum, availability of resources, and ability to supervise the specialized services as specified in the IEP. Without such participation, the IEP team is lacking important and necessary information for making decisions about, developing, and implementing the IEP.

**RECOMMENDATION 2-5:**

**The SVSU should ensure that the local education agency representative participates in the Individual Educational Program meetings at the school level.**

The SVSU should ensure that an administrative staff member or designee serve as the LEA representative on the IEP team and should further ensure compliance with state and federal regulations regarding LEA representative's participation in the IEP meeting. The SVSU should further ensure that school administrators are knowledgeable of the special education compliance procedures regarding the IEP meetings and required IEP team members. Schools that fail to maintain compliance with IDEA regulations regarding the IEP team and development of IEPs should be held accountable through the administrative evaluation process.

**FISCAL IMPACT**

The SVSU or school districts should not incur any additional costs as a result of implementing this recommendation.

**FINDING**

Options for SVSU students with disabilities in planning and implementing transition services to post-secondary opportunities are limited. Lack of post-secondary opportunities in SVSU has proven to be challenging, and students with disabilities often lack the self-determination skills necessary to advocate for themselves in the world of adulthood.

The Annual Performance Report for SVSU for 2007-08 indicates that the dropout rate for students with disabilities was 4.7 percent in 2005-06, 10.7 percent in 2006-07, and 8.4 percent in 2007-08. The dropout rates for students with disabilities has consistently been higher than general education dropout rates of 6.7 percent in 2005-06, 8 percent in 2006-07, and 5 percent in 2007-08. The SVSU missed the state performance target for decreased dropout rate by 0.05 percent in 2005-06, 6.7 percent in 2006-07, and 5 percent in 2007-08 (the audit team requested, but did not receive data from 2008-09 or 2009-10.)

During onsite school visits, observations, and interviews, the audit team found that transition planning and post-secondary opportunities were lacking and in need of improvement. The IEP process includes transition plan documents, but the planning process has not consistently resulted in successful post-school outcomes for students with disabilities. Limited post-secondary opportunities in the local community have proven to be a challenge for post-secondary transition of students with disabilities.

Transition services are intended to prepare students to make the transition from the world of school to the world of adulthood. In planning what type of transition services a student needs to prepare for adulthood, the IEP team must consider areas such as vocational training, community employment, and post-secondary education for the student.

Exhibit 2-5 shows strategies for promoting self-determination for youth with disabilities. Instruction in self-determination can increase independence and aid in student transitions from school to post-secondary opportunities.

**EXHIBIT 2-5  
STRATEGIES FOR PROMOTING SELF-DETERMINATION  
IN YOUTH WITH DISABILITIES**

<p><b>PROMOTE CHOICE MAKING</b></p> <ul style="list-style-type: none"> <li>• Identify strengths, interest, and learning styles</li> <li>• Provide choices about clothing, social activities, family events, and methods of learning new information</li> <li>• Hold high expectations for youth</li> <li>• Teach youth about their disability</li> <li>• Involve children and youth in self-determination/self advocacy, opportunities in school, home and community</li> <li>• Prepare children and youth for school meetings</li> <li>• Speak directly to children and youth</li> <li>• Involve children and youth in educational, medical, and family decisions</li> <li>• Allow for mistakes and natural consequences</li> <li>• Listen often to children and youth</li> </ul> <p><b>ENCOURAGE EXPLORATION OF POSSIBILITIES</b></p> <ul style="list-style-type: none"> <li>• Promote exploration of the world every day</li> <li>• Use personal, tactile, visual, and auditory methods for exploration</li> <li>• Identify young adult mentors with similar disabilities</li> <li>• Talk about future jobs, hobbies, and family lifestyles</li> <li>• Develop personal collages/scrapbooks based on interest and goals</li> <li>• Involve children and youth in service learning (4H, Ameri-Corps, local volunteering)</li> </ul> <p><b>PROMOTE REASONABLE RISK TAKING</b></p> <ul style="list-style-type: none"> <li>• Make choice maps listing risks, benefits, and consequences of choice</li> <li>• Build safety nets through family members, friends, schools, and others</li> <li>• Develop skills in problem solving</li> <li>• Develop skills in evaluating consequences</li> </ul> <p><b>ENCOURAGE PROBLEM SOLVING</b></p> <ul style="list-style-type: none"> <li>• Teach problem solving skills</li> <li>• Allow ownership of challenges and problems</li> <li>• Accept problems as part of healthy development</li> <li>• Hold family meetings to identify problem at home and in the community</li> <li>• Hold class meetings to identify problems in school</li> <li>• Allow children and youth to develop a list of self-identified consequences</li> </ul> <p><b>PROMOTE SELF-ADVOCACY</b></p> <ul style="list-style-type: none"> <li>• Encourage communication and self-representation</li> <li>• Praise all efforts of assessments and problem solving</li> </ul>	<ul style="list-style-type: none"> <li>• Develop opportunities at home and in school for self-advocacy</li> <li>• Provide opportunities for leadership roles at home and school</li> <li>• Encourage self-advocates to speak in class</li> <li>• Teach about appropriate accommodation needs</li> <li>• Practice ways to disclose disability and accommodations needs</li> <li>• Create opportunities to speak about the disability in school, home, church, business, and community</li> </ul> <p><b>FACILITATE DEVELOPMENT OF SELF-ESTEEM</b></p> <ul style="list-style-type: none"> <li>• Create a sense of belonging within schools and communities</li> <li>• Provide experience for children and youth to use their talents</li> <li>• Provide opportunities to youth for contributing, to their families, schools and communities</li> <li>• Provide opportunities for individuality and independence</li> <li>• Identify caring adult mentors at home, school, church, or in the community</li> <li>• Models a sense of self-esteem and self confidence</li> </ul> <p><b>DEVELOP GOAL SETTING AND PLANNING</b></p> <ul style="list-style-type: none"> <li>• Teach children and youth family values, priorities, and goals</li> <li>• Make posters that reflect values and are age-appropriate</li> <li>• Define what a goal is and demonstrate the steps to teach a goal</li> <li>• Make a road map to mark the short-term identifiers as they work towards goal</li> <li>• Support children and youth in developing values and goals</li> <li>• Discuss family history and culture-make a family tree</li> <li>• Be flexible in supporting youth to reach their goals, some days they may need much motivation and help; other days they may want to try alone</li> </ul> <p><b>HELP YOUTH UNDERSTAND THEIR DISABILITIES</b></p> <ul style="list-style-type: none"> <li>• Develop a process that is directed by youth for self-identify: Who are you? What do you want/ what are your challenges and barrier? What supports do you need?</li> <li>• Direct children and youth to write an autobiography</li> <li>• Talk about the youth's abilities</li> <li>• Involve children and youth in their least restrictive environment</li> <li>• Use good learning style inventories and transition assessments</li> <li>• Identify and utilize support systems for all people</li> </ul>
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Source: Self-determination: Supporting Successful Transition, Bremer, Kachgal and Schoeller, 2003.

## **RECOMMENDATION 2-6:**

### **The SVSU should continue its efforts to improve successful post-secondary transition of students with disabilities.**

The schools should actively pursue participation from the Career Development Center and key agencies within SVSU to better assess, plan, and successfully transition students to post-school services. The SVSU should also consider incorporating self-advocacy training for students as a component of transition services.

## **FISCAL IMPACT**

This recommendation can be implemented with existing resources. The director of Special Education should include self-determination curriculum and staff development in the 2011-12 IDEA budget plan. The cost of curriculum is estimated to be \$1,965. Staff development costs are estimated to be approximately \$1,500 (six hours of training at \$32.75 per hour for ten staff = \$1,965).

## **FINDING**

The computers and software of special education teachers are not consistently upgraded to utilize the electronic system for developing and monitoring IEPs and compliance requirements of special education programs.

The IEP is a comprehensive plan that documents the strengths, needs, and annual and short-term objectives for students with disabilities. The IEP also documents other requirements as stated in state and federal regulations. The IDEA requires that an IEP include measurable goals, including benchmarks or short-term objectives in order for the student to progress in the general education curriculum and to meet the student's other disability-related needs.

The utilization of a software program for developing IEPs and for managing the special education program can provide administrators with a management tool that has extensive reporting capabilities and instant access to important student information. Electronic software programs have a compliance component that indicates when a student is in compliance, approaching a compliance deadline, or out of compliance. The compliance symbols can be visible at the SVSU, school, teacher, and student levels and allow for consistent monitoring of individual and overall school district compliance. Visual compliance tracks the:

- Evaluation of eligibility.
- Initial IEP.
- Annual review of IEP.
- Three-year review of eligibility.

Electronic IEP software also offers a number of standard reports that provide information such as caseload and various compliance reports. It can also reduce tremendous paperwork tasks for teachers. In addition, many of the functions of managing records and manually maintaining compliance requirements can now be completed electronically.

**RECOMMENDATION 2-8:**

**The SVSU should upgrade all computers and software for teachers to allow full utilization of an electronic system for development and monitoring IEPs and special education compliance.**

The access to the student information management system for developing IEPs and managing the compliance of special education services can improve the efficiency and effectiveness of the Department of Special Education. Currently, teachers do not have access to a case management system due to lack of access to computer hardware and software.

**FISCAL IMPACT**

This recommendation can be implemented within the current technology budget of SVSU.

**FINDING**

Although the allocation of paraprofessionals is often determined by the goals and objectives of IEPs, there appears to be inconsistency from school to school in how the SVSU's IEP teams interpret special education guidelines, and document the need for and the most appropriate utilization of paraprofessional support in classrooms or for individual students with disabilities. This lack of consistency seems to create an over-reliance on paraprofessionals and limits the development and implementation of proactive models for special education service delivery.

The SVSU exceeds three of four comparison peer supervisory districts or unions in the allocation of paraprofessionals. In addition, the student-to-special education paraprofessional staffing ratio in the elementary school resource classrooms ranges from 2:1 at Shaftsbury to 8:1 at Woodford. The SVSU recognizes that the paraprofessional allocation is high and began efforts to decrease the number of paraprofessional positions in 2009-10.

Exhibit 2-6 shows the comparison staff for direct instruction and paraprofessionals for SVSU and four similar size supervisory districts or unions in Vermont. The SVSU student enrollment is comparable to the student enrollment of approximately 600 students and the identified poverty levels. As can be seen, the SVSU instructional staff allocation is comparable to peer organizations. The SVSU paraprofessional allocation, however, exceeds every peer organization, with the exception of the Burlington School District. The SVSU's paraprofessional allocation exceeds that of the Orleans Essex North County Supervisory Union by 20 percent ( $176-141 = 35$  divided by 176); the Rutland City School District by 30 percent ( $176-123 = 53$  divided by 176); the Windham Southeast Supervisory Union by almost 10 percent ( $176-159 = 17$  divided by 176); and the average paraprofessional allocation for all peer comparisons by 8.5 percent ( $176-161 = 15$  divided by 176).



**EXHIBIT 2-6**  
**SVSU COMPARISON OF STAFFING FOR DIRECT INSTRUCTION**  
**AND PARAPROFESSIONALS WITH PEER SCHOOL DISTRICTS**  
**2009-10 SCHOOL YEAR**

DISTRICT/SUPERVISORY UNION	DIRECT INSTRUCTION	PARAPROFESSIONALS
Burlington SD	342.3	207.6
Orleans Essex North Country SU	319.0	141.4
Rutland City SD	241.7	123.1
SOUTHWEST VERMONT SU	309.2	176.3
Windham Southeast SU	281.9	158.6
AVERAGE	298.8	161.4

Source: Vermont Department of Education.

Exhibit 2-7 shows a comparison of the student-to-special education paraprofessional staffing ratios for the elementary resource classrooms in SVSU. While the average ratio of student to paraprofessional is 4:1, there is a ratio range from a low of 2:1 at Shaftsbury to a high of 8:1 at Woodford.

**EXHIBIT 2-7**  
**SVSU COMPARISON OF STUDENT TO PARAPROFESSIONAL STAFFING RATIOS**  
**FOR ELEMENTARY SPECIAL EDUCATION RESOURCE CLASSROOMS**  
**2008-09 SCHOOL YEAR**

SCHOOL	NUMBER OF STUDENTS	NUMBER OF PARAPROFESSIONALS	RATIO STUDENT:PARAPROFESSIONAL
Bennington	43	12.0	4:1
Molly	66	11.0	6:1
Monument	11	4.0	3:1
North Bennington	25	7.0	4:1
Pownal	47	11.0	4:1
Shaftsbury	18	10.5	2:1
Woodford	4	0.5	8:1
AVERAGE	31	8.0	4:1

Source: The SVSU, Department of Student Support Services, 2010.

The allocation of paraprofessionals is a function of the Department of Special Education, which provides guidelines for IEP teams to determine the need for paraprofessional support and services for individual students with disabilities. These guidelines include requirements for schools to do the following:

- Identify the needs of the students. This may require the assistance of supervision, which cannot be met within existing or alternative resources.
- Discuss/document the accommodations that have already been implemented to assist the student and why they did not work.
- Determine the specific location and duration of time when assistance/supervision is necessary. Develop specific goals and objectives for paraprofessional assistance.

- Determine how frequently the IEP team will meet during the year to review the student's progress toward independence.
- If the IEP team decides that a paraprofessional is needed for some part of the school day, discuss and document the following information in the team meeting minutes:
  - What training will the paraprofessional require?
  - Who will be responsible for the training?
  - Who will schedule, supervise, and evaluate the paraprofessional's performance?
  - What is the plan and time line to transition the student from the aide for increased independence?

While guidelines have been established by the SVSU's Department of Special Education, special education staff described inconsistencies in how school teams document the need for special education paraprofessionals. This inconsistency can in turn, lead to an over-allocation of special education paraprofessionals, as evidenced by the peer comparison data previously shown in Exhibit 2-6 and staffing inconsistencies as previously shown in Exhibit 2-7.

During onsite school visits and staff interviews, the audit team found that special education resource paraprofessionals are most often assigned to the general education classroom by the school principal and supervised by the general education classroom teacher. It was frequently reported by numerous sources that there is little communication or collaboration among the special education teacher, the general education teacher, and the special education paraprofessional. This communication is critical to ensure that the goals and objectives of the student's IEP are fully implemented and progress toward mastery is documented.

Research (*Intellectual and Developmental Disabilities*, Volume 48, Number 1:1-13, February 2010) suggests that assigning paraprofessionals has become an increasingly common response to support students with disabilities in general education classrooms. A series of recommended positions and initial actions prior to allocating a paraprofessional can offer alternatives to current allocation practices. These positions and actions include, but may not be limited to:

- Collect and report data regarding the use of paraprofessional supports. By collecting a variety of data, school districts can improve practices in their schools, classrooms, and with individual students. The SVSU has completed time samples of paraprofessional use as required for reimbursement from the Vermont Department of Education.
- Ensure that evidence-based parameters are utilized when using paraprofessionals. Instruction delivered by paraprofessionals should be supplemental rather than primary or exclusive, planned by a credentialed teacher (special education or general education), based on explicit training in research-based practices, and followed by ongoing supervision to ensure implementation fidelity.
- Consider one-to-one paraprofessional support among the most restrictive options. Assignment of a paraprofessional should be considered temporary, be assigned in direct relation to the goals and objectives of the IEP, and include a plan to fade the support over time. The SVSU has completed time samples of paraprofessional use as required for reimbursement from the Vermont Department of Education.
- Provide decision-making tools to determine when paraprofessional supports are appropriate and necessary. Rather than an all-or-nothing approach to assigning a

paraprofessional, decision-making tools should seek to match appropriate supports to the identified needs that may vary during the instructional day or week.

- Develop alternatives to the over-reliance on paraprofessionals and proactive models of special education service delivery, such as trading paraprofessional positions for special education teacher positions, co-teaching, increasing ownership of general education teachers and their capacity to include students with disabilities, transitional paraprofessional pools, reassigning paraprofessional roles, and increasing special educator opportunities to provide support in the general education classroom.

#### **RECOMMENDATION 2-9:**

#### **The SVSU should continue to develop alternatives to the overreliance on paraprofessionals and expand proactive models for special education service delivery.**

The SVSU's Department of Special Education should work with school administrators to revise the guidelines for IEP teams to determine the need for paraprofessional support for individual students with disabilities. These guidelines should be based on the most current research and ensure that paraprofessionals are considered among the most restrictive options for students with disabilities. The Department of Special Education should also work with school administrators to develop a plan to expand proactive models for special education service delivery, such as an increased collaboration among general education and special education teachers, increased instructional strategies, accommodations, and differentiated instruction by general education teachers. Another model is to directly assign paraprofessionals to the special education teacher to ensure the implementation and documentation of IEP goals and objectives.

#### **FISCAL IMPACT**

Existing administrative staff can revise the guidelines and plan for the development and implementation of proactive models for special education delivery. The SVSU should include associated staff development in the special education service delivery plan and the SVSU-wide professional development plan, including a phase-in process over a three-year implementation time line.

## **2.2 GIFTED AND TALENTED EDUCATION**

Although Vermont Statutes do not contain mandates for identifying or providing services for gifted and talented students, Mount Anthony High School provides advanced placement and honors classes in all core academic content areas. This section of the report summarizes the results of our review of the provision for gifted and talented education in SVSU.

#### **FINDING**

The SVSU does not have a written Board policy or plan for providing accelerated instruction for gifted and talented students. Vermont Statutes define gifted and talented as "*children ...who, when compared to others of their age, experience or environment, exhibit capability of high performance in intellectual, creative or artistic areas, possess an unusual capacity for leadership or excel in specific academic fields.*" Education for the gifted and talented differs from other content areas in that there are no state standards or grade-level expectations.

While Vermont does not mandate identifying or providing services for gifted and talented students, the SVSU does provide information about opportunities available through John Hopkins University's Talented and Gifted Youth based on state and local assessment data. Participants at the community forum expressed concern with the lack of academic programming for high performing and talented students. Data provided by SVSU indicate that while the number of students enrolled in advanced placement courses has decreased from 177 in 2007-08 to 143 in 2008-09, the number of students who took the advanced placement test and scored a 3 or above increased slightly from 100 students in 2007-08 to 106 in 2008-09.

During the 2009-10 school year, Bennington School District allocated a teacher position for gifted and talented education. Although the position was eliminated for 2010-11 because of the difficult economic times, the Board maintained \$50,000 in the budget for the development of opportunities for gifted and talented students. The administrators at three schools are currently working on a delivery model for implementation by the second semester of 2010-11.

During onsite interviews, the audit team also found that the SVSU administration recognizes the importance of providing differentiated or accelerated instruction for high-performing and talented students. For example, Mount Anthony High School offers:

- Advanced Placement (AP) courses that are designed for students with a history of academic success in demanding coursework. The AP courses are available for each core area of English, mathematics, science, and social studies. Each academic core may have a specific procedure used to determine which students will be best suited for these demanding courses. The process may include a review of teacher recommendations, grades, writing sample or portfolio, and standardized test scores.
- The AP courses that are weighted at the grade earned plus 5 percent on the 100 point scale. If an AP course is taken but the exam is not taken, the course will remain weighted and the course name will be changed to an honors course.
- Honors courses are designed for students with a history of academic success in related course work. Honors courses are available in various core areas. For grades 9 and 10, honors courses are the most academically demanding courses offered at the high school. In grades 11 and 12, the most academically challenging courses are AP courses, when available. Each academic core has a specific procedure to determine which students would be best suited for these courses. The process may include a review of teachers' recommendations, grades, writing sample or portfolio, and standardized test scores.
- A-level courses that are designed to support preparation of four-year college study. A-level courses include unified science, biology, chemistry, and social studies. Students are placed into A-level course by teacher recommendation and review of grades.

The Vermont Department of Education references the document, *Guidelines for Developing an Academic Acceleration Policy*, 2010, as a resource to supervisory unions and school districts. The guidelines are a joint effort by the Institute for Research and Policy on Acceleration, the National Association for Gifted Children and the Council of State Directors of Programs for the Gifted. The guidelines provide guidance on writing and modifying a school or school district's acceleration policy.

If SVSU chooses to identify gifted and talented education as a priority, a policy and program plan should be developed. At a minimum, a gifted and talented education plan should include:

- Identification and screening procedures.
- Curriculum scope and sequence.
- Parent information.
- Performance indicators.
- Demographic profiles.
- Continuum of advanced placement courses.
- Board policy.

**RECOMMENDATION 2-10:**

**The SVSU should consider developing an academic acceleration model Board policy and program plan.**

While gifted and talented education is not mandated by Vermont statute, community stakeholders and SVSU staff expressed a need to address the services provided to high performing and talented students. If SVSU decides to implement an education program for gifted and talented students, a Board policy and program should also be developed.

**FISCAL IMPACT**

This recommendation can be implemented by existing staff in SVSU during the workday without incurring additional costs.

## 2.3 EXTENDED LEARNING PROGRAMS

**FINDING**

Extended learning programs throughout SVSU are inconsistent in linking after-school activities to improved academic achievement of participating students.

While not required by Vermont statute, SVSU offers 21<sup>st</sup> Century Community Learning Center (CCLC) extended learning programs to eligible schools throughout the school districts, including Pownal, Molly Stark, Bennington Elementary, and the middle school. The purpose of the 21<sup>st</sup> CCLC program, as described in the federal statute, is to provide opportunities for communities to establish or expand activities that focus on:

- Improved academic achievement.
- Enrichment services that reinforce and complement the academic program.
- Family literacy and related educational development services.

Molly Stark has used school improvement funds to partially fund extended day programs. Bennington Elementary and Pownal have budgeted school improvement funds for extended day programs in 2010-11. The 21<sup>st</sup> CCLC program is a complement to these programs.

The audit team found inconsistency in the SVSU's linkage of after-school academic support and identification of student academic needs. One of the primary purposes of the 21<sup>st</sup> CCLC

program is to improve academic achievement in participating students. The practice of providing children and youth with extended learning opportunities, including after-school programs, to expand their learning has been found to provide young people with a positive alternative to spending time on the streets or at home alone. The Council of Chief State School Officers reports that there is a growing body of research evidence to support findings that high-quality after-school programs can reduce risk-taking behaviors, provide positive developmental opportunities, and improve the academic performance of students.

**RECOMMENDATION 2-11:**

**The SVSU should link after-school activities to the specific skills deficits of participating students.**

The SVSU should work with the schools to better utilize the extended learning program for providing additional support to students who demonstrate deficits in academic skills. There should be a direct link to academic activities in after-school programs and the academic needs of the participating students.

**FISCAL IMPACT**

There is no additional cost associated with implementation of this recommendation. Time will be required to coordinate this effort, but implementation can be accomplished during the workday of instructional and extended learning staff.

## 2.4 PRE-KINDERGARTEN EDUCATION

Pre-kindergarten programs in Vermont are supported by the Vermont Department of Education in collaboration with a number of other organizations. This section reviews pre-kindergarten education initiatives throughout SVSU.

**FINDING**

The SVSU works collaboratively with LEAs to coordinate and expand quality early education services to children throughout the local area.

The SVSU coordinates and provides many levels of early childhood services for the supervisory union in collaboration with community providers. This includes services for children and their families, including preschoolers with disabilities (EEE), children who are at risk of school failure (Title I), and children served through Act 62 public/private partnerships in the town of Shaftsbury.

Center-based services are provided in three classrooms at Molly Stark School in Bennington. Any eligible child residing in the towns of SVSU are able to attend these classrooms as appropriate and as space is available. The center-based program was recently awarded five STARS (the Step Ahead Recognition System of 1-5 stars) by the Child Development Division of Vermont's Department of Children and Families. The STARS is Vermont's quality rating system for childcare, preschool, and after-school programs.

Services are also provided in many community settings including the child's home, Head Start, licensed preschools, and registered family childcare homes. Services include educational

support team at Head Start; co-teaching, mentoring/coaching; specialized instruction; and speech, physical, and occupational therapy. Home visits are provided to families as needed.

Vermont school districts have the option of providing publicly funded pre-kindergarten education to three-to-five year olds by establishing partnerships with qualified early care education programs, by operating a pre-kindergarten program directly, or by doing both. Early education legislation includes:

- **Act 62**—allows interested communities to provide universal early education services in quality settings. This legislation provides state and local support for publicly funded pre-kindergarten education for three-to-five year old children by schools and programs. Shaftsbury School District was the first town in SVSU to provide universal pre-kindergarten services according to Act 62 for its four-year olds through partnerships with community providers. In addition, Shaftsbury has developed effective systematic transition activities for the four-year olds which include weekly visits to the school (January to May), to participate in activities facilitated by school staff. The initiative has been supported for the past three years through federal, local, and private grant funds. Shaftsbury's Act 62 initiative is a model for other towns.

The *SVSU Act 62 Pre-kindergarten Education Community Needs Assessment Report 2009-10*, indicates that overall, the community of families and childcare providers support the idea of pre-kindergarten education. There are 14 area childcare providers who are interested in partnering with the schools in the pre-kindergarten program. Assessment results further indicate that pre-kindergarten programs should include flexible schedules (full versus half-day) and year-round programs. An ongoing support system is in place for childcare providers to become more involved in the public school pre-kindergarten initiative.

- **Early Education Initiative (EEI)**—prepares at-risk preschool children for success in kindergarten and serves children who are ineligible or inadequately served by existing early childhood education programs. EEI services are to be coordinated with community programs to avoid duplication of services and to make the best possible use of local resources in the school districts and communities. The EEI services are intended to fill the gap created by restrictive requirements and insufficient resources. The SVSU is the fiduciary agent for two EEI grants developed collaboratively with community partners. The funds are used primarily at Bennington Head Start, Sunrise Family Resource Center, and Oak Hill Children's Center to increase quality opportunities for preschoolers in SVSU.
- **Essential Early Education (EEE)**—coordinates and provides early childhood special education services for children ages three-through-five. Services are administered through SVSU in three school-based integrated classrooms, as well as in conjunction with local early childhood service providers to ensure inclusive educational environments for young children with disabilities.

The Act 62 Pre-kindergarten Education Community Needs Assessment Report indicated that:

- North Bennington Graded School, with the support of SVSU and a Vermont Community Preschool Collaborative Grant (VCPC), will offer public pre-kindergarten services to all resident four-year-olds following the guidelines of Act 62. The pre-kindergarten services will be delivered through public/private partnerships with the following organizations: Head Start, Bennington Early Childhood Center, and Happy Days Playschool. The

SVSU is also exploring potential partnerships with Pownal and Bennington registered home providers.

- North Bennington four-year-olds will be the primary placements in the existing community early care and education programs. This model will help to strengthen the existing infrastructure in the community, while also offering quality opportunities for children. The Director of Early Childhood for SVSU and the Principal of North Bennington Graded School will co-lead the efforts. The SVSU will design, with input from North Bennington Graded School primary teaching staff and community partners, systematic activities to ensure a smooth transition for pre-kindergarten students into the public school system.

The SVSU coordinates early education and pre-kindergarten programs with community-based services with local childcare providers. An interagency approach is in place to identify eligible children, maximize early education placements for children, provide parent involvement and education activities, and provide professional development to local childcare providers. The SVSU has also worked with local schools to develop and implement a comprehensive transition program from pre-kindergarten to kindergarten.

The SVSU should continue to provide the leadership for coordinating, enhancing, and expanding early education and pre-kindergarten opportunities for young children and their families. An emphasis should continue to be placed on legislative requirements of quality care and kindergarten programs.



## 3.0 EDUCATION SERVICE DELIVERY

This chapter presents findings and recommendations relating to the education service delivery for SVSU. The sections in this chapter are as follows:

- 3.1 Curriculum and Instruction
- 3.2 School Improvement

### CHAPTER SUMMARY

The SVSU's first and most important function is the delivery and evaluation of educational services provided to students. In this chapter, the audit team presents the results of our examination of the SVSU's educational delivery system.

### 3.1 CURRICULUM AND INSTRUCTION

The SVSU's Department of Curriculum, Instruction, and Assessment provides support to schools through its director who provides general education curricular and instructional initiatives that support achievement for all students. This section of the report examines the management of curriculum and instruction throughout the SVSU. Please refer to **Chapter 1.0** for further review and recommendations to the SVSU's organizational structure.

#### FINDING

The SVSU curriculum guides need to be revised to include instructional objectives, scope and sequence, lesson overviews, and pacing of instruction in comprehensive documents by content subject areas. The curriculum guides also need to be aligned with national and state core content standards with identification of critical skills for instruction within the academic year. The SVSU re-established curricular review cycles and curriculum committees for this purpose.

In 2009-10, the SVSU re-established curricular review cycles and curriculum committees that had previously been abandoned. The SVSU's 1996 long-range plan curricular review cycles and committees were abandoned for approximately four-to-five years and prior to the appointment of the current SVSU administration. One of the most immediate actions of the incoming SVSU Superintendent and the incoming SVSU director of Curriculum, Instruction, and Assessment, was to re-establish curriculum committees in communications/literacy, mathematics, science, and health/wellness. These committees have the responsibility to review current scope/sequence and to write pacing guides among the other responsibilities within the curriculum review cycle. The current curriculum guides are not inclusive in one document. Teachers have access to three documents for instructional planning and delivery, including the instructional objectives, the scope and sequence, and lesson overviews. The pacing of the curriculum is embedded in the objectives and is not easily accessible for teachers. The SVSU administrators reported that three distinct curriculum guiding documents are cumbersome and difficult for teachers to effectively utilize, and that the documents should be consolidated and include the instructional objectives, the scope and sequence with suggested pacing, and lesson overviews.

The SVSU curriculum policy states that written curriculum guides will be developed locally for all curriculum framework areas and grade levels in the system. Based on the policy:

- The guides are to be reviewed and updated in accordance with the kindergarten through grade 12 long-range time line.
- The curriculum is to be congruent with state guidelines and relevant federal mandates when applicable.
- A curriculum writing team will follow an established process that includes research, writing, piloting, implementing, and evaluating the curriculum.
- At a minimum, the guides should include:
  - A philosophy or belief statement for the instructional area.
  - Program goals describing in broad terms what students will know and be able to do as a result of the program.
  - Objectives for student performance, which describe in specific terms what students will be able to do.
  - Recommended time allocations for instruction to assure that the curriculum can be delivered within the allotted instructional days per year.
  - Instructional methods, which are Board statements reflecting research and expert opinions about the best methods of instruction in the field of study.
  - Methods for evaluating the extent to which the objectives have been met by students.
  - Primary and secondary source materials.

The re-establishment of the curricular review cycles and curriculum committees demonstrates the SVSU's commitment to standards-based instruction and compliance with Board policy. The efforts of the curriculum committees should continue to review, revise, and align the core content curriculum guides.

#### **RECOMMENDATION 3-1:**

**Continue the efforts of the SVSU curriculum committees to review, revise, and align the SVSU core content curriculum guides with state and national content standards by 2012.**

The SVSU should continue to implement the curricular review process and curriculum committee efforts. The curriculum guides should represent comprehensive documents to include instructional objectives, scope and sequence with suggested pacing, and lesson overviews. The curriculum guides should identify the critical content for instruction by grade level and also should be easily accessible to teachers.

#### **FINDING**

The SVSU has developed and implemented a comprehensive student assessment plan in the participating school districts. This plan aims to provide student performance data to school administrators and teachers for instructional planning and delivery, as well as compare SVSU's students to their peers. While the student performance data are available to the schools, data utilization for instructional planning and delivery is inconsistent from school-to-school and from classroom-to-classroom.

Exhibit 3-1 on the following page shows an example of the SVSU Student Assessment Plan for pre-kindergarten through 5<sup>th</sup> grade. As the exhibit shows, SVSU has identified prescriptive local diagnostic measures and state assessments for each grade level in core academic areas. Local assessments are administered up to three times annually, such as the Primary Observation Assessment and Measures of Academic Progress (MAP). The MAP results are aligned with the Vermont grade level essential skills and are available to benchmark and monitor students' academic progress. Students' academic progress is also monitored by portfolio (work samples) and school monitoring plans.

In 2008-09 and 2009-10, the SVSU curriculum and instruction staff provided professional development in progress monitoring to school administrators, as well as to general education and special education teachers. All schools have established a data team for analysis of student data. Based on on-site interviews with SVSU curriculum and instruction staff, school administrators and teachers, the utilization of MAP results for progress monitoring is in its initial phase of implementation. The audit team found through school visits, interviews, and observations that the schools in need of improvement more readily utilized assessment data for analysis of student performance, instructional planning, and instructional delivery.

According to the National Center for Progress Monitoring, to implement progress monitoring, the student's current levels of performance are determined and goals are identified for learning that will take place over time. The student's academic performance is measured on a regular basis (weekly or monthly). Progress toward meeting the student's goals is measured by comparing expected and actual rates of learning. Based on these measurements, teaching is adjusted as needed. Thus, the student's progression of achievement is monitored and instructional techniques are adjusted to meet the individual students learning needs.

When progress monitoring is implemented correctly, the benefits are great for everyone involved. Some benefits include:

- Accelerated learning because students are receiving instruction that is more appropriate.
- More informed instructional decisions.
- Documentation of student progress for accountability purposes.
- More efficient communication with families and other professionals about students' progress.
- Higher expectations for students by teachers.
- Fewer Special Education referrals.

**EXHIBIT 3-1**  
**SVSU STUDENT ASSESSMENT PLAN**  
**2009-10 SCHOOL YEAR**

GRADE	ASSESSMENT	TYPE	TIME OF YEAR/ ASSESSMENT LENGTH
Pre-K	Developmental Indicators for the Assessment of Learning (DIAL)	Local—screening for learning capacity	March-May 2009 before entry into Kindergarten; (individually administered; at least 1 hour per student); with parent survey component
K	Primary Observation Assessment (POA) Rigby or Fountas & Pinnell	Local—Early Reading	September 2009, January and May 2010 (individually administered; 30 or more minutes per student)
K	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June (portfolio expectations in Writing, Math, and Science; performance assessments in other content areas)
1	Primary Observation Assessment (POA) Rigby or Fountas & Pinnell	Local—Early Reading	September 2009, January and May 2010 (individually administered; 30 or more minutes per student)
1	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June
K, 1	MAP for Primary Grades	Local—Reading, Math	Available for benchmarks and progress monitoring September through June
2	Primary Observation Assessment (POA) Rigby or Fountas & Pinnell	Local—Early Reading	September 2009, January 2010 (individually administered; 30 or more minutes per student)
2	Developmental Reading Assessment (DRA)	State—Reading	May 2010 (individually administered; 30 or more minutes per student; assessment is tape recorded for possible review)
2	Measures of Academic Progress (MAP)	Local—Reading, Language, Math	September 3-25, 2009; May 17-June 4, 2010 (online assessment; group administered; 45-60 minutes per test)
2	MAP for Primary Grades (for students reading lower than POA level 10-12)	Local—Reading Early Math	Available for benchmarks and progress monitoring September through June
2	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June
3	Measures of Academic Progress (MAP)	Local—Reading, Language, Math	September 3-25, 2009; May 17-June 4, 2010 (online assessment; group administered; 45-60 minutes per test)
3	New England Common Assessment Program (NECAP)	State—Reading, Math	October 1-23, 2009 (group administered; each content area has three tests sessions lasting 45-90 minutes for a total of 3 or more hours of testing)
3	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June

Continued

GRADE	ASSESSMENT	TYPE	TIME OF YEAR/ ASSESSMENT LENGTH
4	Measures of Academic Progress (MAP)	Local—Reading, Language, Math	September 3-25, 2009; May 17-June 4, 2010 (online assessment; group administered; 45-60 minutes per test)
4	New England Common Assessment Program (NECAP)	State—Reading, Math	October 1-23, 2009 (group administered; each content area has three tests sessions lasting 45-90 minutes for a total of 3 or more hours of testing)
4	NECAP Science	State—Science	May 10-27, 2010 (group administered in three test sessions—one session is an inquiry task; approximately 90 minutes per session)
4	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June
5	Measures of Academic Progress (MAP)	Local—Reading, Language, Math	September 3-25, 2009; May 17-June 4, 2010 (online assessment; group administered; 45-60 minutes per test)
5	New England Common Assessment Program (NECAP)	State—Reading, Writing <sup>a</sup> , Math	October 1-23, 2009 (group administered; each content area has three tests sessions lasting 45-90 minutes for a total of 3 or more hours of testing)
5	Local Comprehensive Assessment Program (LCAP)	Local—All	September through June

a The NECAP writing tests at grades 5 and 8 will be for pilot purposes only—no student, school, or district reports will be issued at grades 5 and 8 in writing.

Source: The SVSU, Department of Curriculum and Instruction, 2009.

### RECOMMENDATION 3-2:

**The SVSU should continue to provide professional development and technical assistance to school administrators and teachers regarding the use of data for progress monitoring and instructional planning and delivery.**

The SVSU should continue to work with school data teams in the utilization of student performance data for progress monitoring and instructional planning. School administrators should oversee the process in the schools and document the benefits to students and staff including, but not limited to:

- Accelerated learning because students are receiving instruction that is more appropriate.
- More informed instructional decisions.
- Documentation of student progress for accountability purposes.
- More efficient communication with families and other professionals about students' progress.
- Higher expectations for students by teachers.
- Fewer Special Education referrals.

## FINDING

The SVSU curriculum guides are not current and require revisions for the alignment with the National Core Standards and Vermont grade level expectations. The curriculum guides are not comprehensive and lack a focus on critical skills and pacing of instruction.

The Vermont Department of Education has begun to align to the National Core Standards, the Vermont Framework of Standards and Learning Outcomes, and the grade level expectations. The SVSU curriculum committees have also begun work on the alignment of the curriculum guides and the National Core Standards.

The SVSU has an instructional scope and sequence that is consistent with the Vermont Framework of Standards and Learning Opportunities. The instructional scope and sequence, however, is very broad and lacks a focused guide for the instruction of grade-level essential skills. While Vermont statute does not mandate that SVSU be responsible for the delivery of instruction, the SVSU does provide professional development and technical assistance to school administrators regarding the fidelity of curriculum implementation.

As reported by SVSU Central Office administration:

- Fidelity of curriculum is inconsistent at all grade levels.
- The curriculum guides are aligned with the Vermont grade expectations (GEs), but the GEs are linked to the curriculum guides for reference. The organization of the guides is cumbersome and difficult for teachers to utilize effectively.
- The SVSU mentor teachers are responsible for the orientation of new teachers to the Vermont standards, as well as the scope and sequence.

There seems to be inconsistency in the use of instructional materials within the schools. This lack of consistency leads to students having splintered content knowledge and skills as they enter middle school from elementary school.

As the SVSU administration is aware, best practice suggests that curriculum guides that are aligned with the Vermont Department of Education's grade expectations can offer focused, coherent, and developmentally appropriate instruction without narrowing the curriculum. Curriculum guides can also be used for aligning local curriculum and developing assessments for monitoring progress. Furthermore, the alignment of curriculum and instruction with grade expectations can differentiate performance on content knowledge or skills between adjacent grade levels, as well as clearly describing what students must do to demonstrate that they understand a designated concept. Finally, the consistency of curriculum guides and pacing of instruction can ensure that students transitioning from elementary schools to the middle school have received similar instruction related to specific Vermont grade expectations in each of the core academic areas.

The SVSU demonstrates best practice with a curriculum committee approach to revision of curriculum guides to ensure the alignment with the National Core Standards and Vermont Department of Education's GE.

**RECOMMENDATION 3-3:**

**The SVSU should continue to develop curriculum guides, pacing of instruction, and procedures for monitoring student progress that are aligned with the National Core Standards and the Vermont Department of Education’s Grade Expectations.**

**RECOMMENDATION 3-4:**

**The SVSU should proceed with the SVSU curriculum committee selection of instructional materials consistent with the recommendations and time lines provided by the Vermont Department of Education.**

The SVSU should continue to support the curriculum committees in the revision of the curriculum guides, their alignment with the National Core Standards and the Vermont Department of Education’s Grade Expectations, pacing of instruction, and the selection of instructional materials. Further, SVSU should continue to provide professional development and technical assistance to school administrators, teams, and teachers in standards-based instruction and full implementation of the revised curriculum guides.

**FISCAL IMPACT FOR RECOMMENDATIONS 3-3 AND 3-4:**

The costs associated with the implementation of this recommendation relates primarily to staff time and professional development. The SVSU should create a time line and associated costs for revision of curriculum guides and selection of instructional materials.

**FINDING**

The SVSU lacks adequate procedures to clearly define and guide the role of school administrators and its teacher and school administrator evaluation systems are not linked to student achievement or fidelity of instruction.

Various criteria have been identified as being important in the development of effective schools. One criterion of effective schools that is supported by research is the school administrator’s role as the instructional leader. The SVSU and school administrators have an array of SVSU- and school-based processes that are intended to improve teachers’ instructional skills and administrators’ instructional leadership, improve student achievement, focus attention on the needs and knowledge of individual students, and improve the use of that information to enhance instruction, professional development, and SVSU and district procedures. However, in many cases the school administrators lack guidelines to describe actions such as how to document goals, guide actions, or define parameters for instructional leadership, or how to observe and evaluate the fidelity of classroom instruction. The administrators could also benefit from written procedural guidelines for oversight of curriculum implementation and for data-driven decision-making. The SVSU has begun to assist schools to better define the role of the school administrator as the instructional leader. Specifically, the principal’s professional learning community was in part, established in 2009-10 for the purpose of developing and implementing specific guidelines for Central Office staff and school principals to use when evaluating/ observing literacy instruction. Consultants from the Vermont Reads Institute at the University of Vermont have also begun to provide instructional leadership professional development for principals including, but not limited to, readings, workshops, and video observation reviews.

Moreover, the teacher and principal evaluation systems are not linked to student achievement or the fidelity of instruction. In fact, the current evaluation systems are outdated and do not align with the state and federal legislative mandates for school improvement and adequate yearly progress of all students. The SVSU administrators recognize the need for revised evaluation systems for teachers and school administrators and plan to begin the process of revising the systems in 2010-11. Without updated evaluation systems, SVSU risks being out of compliance with state and federal mandates.

**RECOMMENDATION 3-5:**

**The SVSU should develop written procedures to clearly define the role of the school administrator as the instructional leader of the school.**

**RECOMMENDATION 3-6:**

**The SVSU should revise the teacher and school administrator evaluation system to align with the state and federal requirements of school improvement and adequate yearly progress of students.**

The SVSU Curriculum, Instruction, and Assessment Department is responsible to find, organize, and provide staff development for administrators and teachers that is based on review of student achievement results, best practice strategies, and highly effective schools research. While the current school administrative staff are committed to the SVSU's goals, and school administrators are trusted by the Superintendent and Board to accomplish their tasks, written procedural guidelines would further guide them in their roles and merge their efforts into a uniform, SVSU-wide structure to achieve consensual goals for school improvement, including the fidelity of instruction, utilization of student data for instructional planning and delivery, appropriate selection of curricular materials, observation of instruction, and student achievement. Administrative and teacher evaluation systems should be data-driven and reflective of quality instruction and academic achievement.

**FISCAL IMPACT**

This recommendation can be implemented with existing resources.

## **3.2 SCHOOL IMPROVEMENT**

The Vermont public school accountability system is mandated to comply with requirements of the reauthorization of the *Elementary and Secondary Education Act (ESEA)* of 1965) and the No Child Left Behind (NCLB) Act of 2001. This section of the report reviews SVSU's compliance with the entitlement programs of NCLB, which aim to improve school performance, student achievement, and Adequate Yearly Progress (AYP).

**FINDING**

The SVSU school districts' action plans could be more comprehensive and Title I schools could benefit from one school plan that addresses state and federal requirements.

Although the SVSU's action plans have been approved by district school boards and the Title I school-wide plans approved by the Vermont Department of Education, the plans could be a greater asset to schools if they:



- Identified specific goals and strategies for school improvement.
- Provided a comprehensive analysis of various sources of student performance data.
- Defined demographic subgroup achievement strengths and gaps.
- Assigned explicit responsibility for tasks to individuals or groups.
- Provided periodic time lines for examination of progress so that interim adjustments could be made based upon newly collected data.
- Combined the school action plan and the Title I school-wide improvement plan into one document.

The SVSU's Title I schools are required to develop a Title I school-wide improvement plan. The school-wide improvement plan includes a description of:

- How the school will implement ten specific components for school improvement.
- How the school will use resources and other sources to implement the components.
- A list of state and federal programs that will be consolidated in the school-wide program.
- How the school will improve individual student academic assessment results including an interpretation of those results, to the parents of a child who participates in the academic assessments in a language parents can understand.

The SVSU Title I schools are also required to develop an action plan consistent with the requirements of the Vermont Department of Education. The SVSU and school administrators agreed that the consolidation of all school plans into one document could streamline the school improvement planning process and represent a better working document for school administrators and teacher teams in the schools.

It appears that SVSU lacks a consistent process for providing technical assistance to school districts in the development of actions plans, and also in aligning the school districts' financial resources and professional development with school district goals and strategies. The lack of a consistent process to provide schools assistance in developing and writing action plans is related to the limitations on the SVSU's authority to direct the process. Specifically, Vermont statutes mandate that SVSU can only provide advice and technical support to the districts. The SVSU staff offer technical assistance when requested and within the capacity of SVSU's current staffing.

For noneducators reading this report, action planning is the key to continuous school improvement. The school improvement coordinators at the Vermont Department of Education assist identified schools to help students meet the standards set forth in Vermont's Framework of Standards and Learning Opportunities. While not a compliance document, the action planning guide provided by the Vermont Department of Education is designed to help all schools improve their action planning efforts and to focus on student performance results and other indicators that are closely associated with improved student learning.

As a best practice, efficient action planning uses student performance results as a guide and helps educators focus on measurable goals for improvement. Action plans developed at the school- level have the greatest impact on student achievement when teachers are members of

the action planning team. Through the action planning process, the number of students meeting or exceeding standards can be improved, and gaps in performance between different groups of students can be decreased. The Vermont Department of Education's action planning guide provides a template that specifically outlines goals and strategies for school improvement, student performance data, demographic subgroup information, the assignment of explicit responsibility to individuals or groups, and time lines for examining progress so that interim adjustments can be made based on benchmark assessments.

**RECOMMENDATION 3-7:**

**The SVSU should continue to support local district schools in the development of comprehensive action plans based on the Vermont Department of Education's school action plan template and guiding documents; and consider creating one school plan that incorporates the elements of the Vermont action plan and the Title I school-wide plan**

**RECOMMENDATION 3-8:**

**The SVSU should continue to provide advisement and technical assistance to school districts regarding the alignment of professional development and financial resources to the goals and objectives of school action plans.**

A well-constructed plan, such as the one that the Vermont Department of Education has compiled, can guide school improvement by providing:

- Details of goals and strategies it has identified as critical to improve student performance.
- An analysis of various sources of student performance data and demographic subgroup information.
- An assignment of explicit responsibility to individuals or groups.
- Periodic time lines for examination of progress so that interim adjustments can be made based upon newly collected data.

The SVSU staff should further support school districts in the alignment of professional development strategies and identification of fiscal and human resources for achieving school and school district goals required in School Quality Standards (doc.2000).

**FISCAL IMPACT**

Implementation of this recommendation can be accomplished with existing resources.

**FINDING**

The SVSU provided professional development and established SVSU-wide pre-kindergarten through 12<sup>th</sup> grade Professional Learning Communities (PLCs). However, SVSU lacks the structural supports and supportive leadership to effectively build or sustain PLCs in the schools.

The SVSU does not have the statutory authority to dictate the implementation of the PLC model to independent school districts. For this reason, the decision was initially made to form the SVSU-wide pre-kindergarten through 12<sup>th</sup> grade PLCs, while also initiating an attempt to bring best practices that are more consistent throughout the SVSU schools. Mount Anthony Middle

School, Mount Anthony High School, and Molly Stark Elementary moved to the PLC model in 2009-10, as required by the Vermont Department of Education's corrective action. Bennington Elementary and Pownal Elementary Schools will implement the PLC model in 2010-11, as also required by the Vermont Department of Education's corrective action. It is the goal of the SVSU administration to move toward school-based PLCs in 2010-11, with provision of all SVSU structural support provided within the school. The PLCs are in various stages of implementation throughout SVSU. The audit team found that some SVSU schools utilize the PLC model more effectively than others. School teams have also had varying levels of PLC staff development.

Although it can be challenging to show direct relationships between PLCs and student outcomes, research performed by the Center for Comprehensive School Reform and Improvement suggests that PLCs can contribute to instructional improvement and school reform. The PLCs can be most effective when their purpose is to enhance teacher effectiveness for the overall improvement of student achievement. By participating in PLCs, teachers may attain a variety of benefits that contribute to improved student achievement, including:

- Reduction of isolation.
- Increased commitment to the mission and goals of the school.
- Shared responsibility for student success.
- Greater job satisfaction and higher morale.
- Lower rates of absenteeism.

Further, best practices suggest that PLCs require organizational structures and supports to be successful. A summary of two often-cited supports are as follows:

- **Supportive Leadership.** Strong, supportive leadership is necessary to build and sustain PLCs. Even though principals' roles may change as they redistribute and share leadership, their support is one of the resources necessary for schools to become a PLC.
- **Structural Supports.** The PLCs require supportive conditions in which to develop and thrive. The PLCs require suitable spaces for meetings. Communication structures are used to keep people involved and informed (for example, meetings to discuss problem areas and new ideas, school-wide announcements, and distributing information) are also in place.

### **RECOMMENDATION 3-9:**

**The SVSU should continue to support participating school districts in establishing the organizational structures and supportive leadership necessary to build and sustain Professional Learning Communities in the schools.**

The SVSU should work with school administrators to create plans and establish supportive leadership for sustaining organizational structures, as well as building and sustaining the PLC model in all of the schools.

### **FISCAL IMPACT**

A plan to build and sustain the PLC model in the schools can be completed by existing staff.

## **FINDING**

The SVSU has many effective instructional programs and interventions in the schools. However, it has not designed a mechanism to systematically examine and promulgate best practices to principals and staff throughout the supervisory union. During on-site interviews, the audit team found few references to the use of research as a basis for instructional and curricular decisions.

The audit team found many examples of best practices that are taking place in schools throughout SVSU, including curriculum committees, school-based PLCs, school-based data teams, tiered intervention models, and positive behavioral supports. When questioned about the purposeful collection and dissemination of best practices among schools, however, SVSU employees cited few examples. The SVSU maintains an online professional learning community Web site for sharing projects, ideas, and resources. The Web site, however, appears to be under-utilized.

## **RECOMMENDATION 3-10:**

**The SVSU should continue to collect best practices and resources to disseminate to all schools in the SVSU utilizing the existing professional learning community Web sites.**

Best practices research and resources should continue to be shared and discussed as required in the new learning part of each SVSU PLC agenda. Principal meeting agendas should specifically include time to talk about and share best practices that are taking place in the schools. Principals should also create opportunities for themselves and their teachers to visit successful classrooms in their schools and in others within SVSU. The SVSU should also include a place to note observed best practices on a classroom observation form as one simple way to begin the best practice collection and dissemination process.

## **FISCAL IMPACT**

This recommendation can be implemented by PLCs in the schools and staff of the Department of Curriculum, Instruction, and Assessment at no additional cost to SVSU.

## 4.0 HUMAN RESOURCES

This chapter presents the findings and recommendations for the overall organization and administration of the Human Resources Department for SVSU. The sections in this chapter include:

- 4.1 Policies and Procedures
- 4.2 Recruitment, Screening, Interviewing, and Hiring Procedures
- 4.3 Staffing

The Human Resources (HR) Department is staffed by a personnel director and an administrative assistant. The personnel director also oversees the SVSU's receptionist and a part-time filing clerk, both of whom are "SVSU" rather than "HR" resources. For 2009-10, the personnel director reports to the superintendent, but previously reported to the business manager for a number of years. The HR Personnel director reported that her staff are committed to providing a high standard of service to SVSU. It is important to note that in Recommendation 5-1, we recommend moving the HR function back under the purview of the business manager.

### 4.1 POLICIES AND PROCEDURES

The HR Department is responsible for delivering services to all SVSU staff. Part of the Personnel Department's role is to develop and administer all human resources policies and procedures for all employees.

Policies and procedures for the department should be well written, comprehensive, easily accessible, and aligned with best practices in human resources management. The National School Boards Association (NSBA) describes Board policy as follows:

*Like Congress, state legislatures, and city or county councils, school boards establish the direction and structure of their school districts by adopting policies through the authority granted by state legislatures. School board policies have the force of law equal to statutes or ordinances. Policies establish directions for the district; they set the goals, assign authority, and establish controls that make school governance and management possible. Policies are the means by which educators are accountable to the public.*

#### FINDING

The audit team's review of the SVSU's human resources policies (series 4000) found that the SVSU policies are missing many of the VSBA required or recommended policy components. Although VSBA is not a regulatory body, the required policy components are those that are required by state law. Without these elements, SVSU, its member schools, and staff are at risk of not performing required activities or complying with best practices. Furthermore, many of the SVSU HR policies are out-of-date and have not been reviewed or updated in several years.

As shown in Exhibit 4-1, the audit team found that many of the HR policies maintained by SVSU do not contain all of the elements required by state law.

**EXHIBIT 4-1**  
**SVSU POLICIES COMPARED TO STATE LAW REQUIREMENTS**  
**AND VSBA RECOMMENDATIONS**

VSBA POLICY DESCRIPTION	REQUIRED BY STATE LAW OR RECOMMENDED BY VSBA?	SVSU POLICY COMPLIES WITH STATE LAW OR VSBA?	AUDITOR NOTES
D1. Personnel Recruitment, Selection, Appointment, Criminal Records Checks	Recommended	In Part	The SVSU's policy statement lacks the recommended language contained in the VSBA recommended policy. Also, the SVSU's policy lacks recruitment, selection, and appointment policies or procedures.
D2. Professional Development Updated 11/26/07	Required	In Part	The SVSU policy was adopted in 2000 and does not include some of the provisions required by state law and the VSBA guidance issued in 2007. It fails to mention the principles that guide professional development. It also lacks implementation guidelines that comply with the VSBA requirements. The SVSU policy does not contain procedures to be used in implementing the policy.
D3. Staffing Job Descriptions	Recommended	No	The SVSU lacks a policy for this item.
D4. Educator Supervision and Evaluation: Probationary Teachers	Recommended	No	The only policy maintained by SVSU is related to the evaluation of the Superintendent. The SVSU lacks a policy for educator supervision and the evaluation and review of probationary teachers.
D5. Personnel Files	Recommended	No	The SVSU lacks a policy for this item.
D6. Substitute Teachers	Required	Yes	The SVSU policy agrees with state law
D7. Volunteers and Work Study Students Updated 3/17/09	Required	In Part	The SVSU's policy appears more lenient than that of VSBA and as required by law. For example, VSBA states that "only" those who have been screened and approved by the superintendent may have extended unsupervised contact with students. The SVSU policy states that the principal "may" require volunteers and work-study students to complete background check information and the principal should be "reasonably sure" that the volunteer or work-study student is a person of good character. The SVSU's policy also fails to mention a process for screening workers against the Vermont Internet Sex Abuse Registry.
D8. Alcohol and Drug-Free Workplace Updated 11/26/07	Required	In Part	The SVSU's policy does not have a requirement that employees, volunteers, or work-study students should not be under the influence of illegal drugs or alcohol while on school grounds.
D9. Resignations	Recommended	No	The SVSU lacks a policy for this item.
D10. Public Complaints About Personnel	Recommended	Yes	The SVSU policy agrees with the VSBA recommendations.

Continued

VSBA POLICY DESCRIPTION	REQUIRED BY STATE LAW OR RECOMMENDED BY VSBA?	SVSU POLICY COMPLIES WITH STATE LAW OR VSBA?	AUDITOR NOTES
D11. Drug and Alcohol Testing: Transportation Employees Updated 11/26/07	Required	In Part	The SVSU policy does not require compliance with Subchapter 11 of Title 21 of the Vermont Statutes Annotated. The SVSU policy lacks information on contracting with external groups to provide testing services. The SVSU policy lacks mention of how the school will treat issues with over-the-counter medications. The SVSU lacks a policy to require that employees performing safety sensitive functions will be placed off-duty prior to test administration. The SVSU policy states that it will not cover the cost of tests—the VSBA policy says it should.
D12. Harassment of Employees Updated 11/26/07	Required	In Part	The SVSU policy lacks prohibitions against gender identity harassment. The SVSU policy lacks information on the state and federal discrimination enforcement agencies that employees can contact if the complainant is dissatisfied with the employer's action.
D13. Health Insurance Portability and Accountability Act Compliance (HIPAA) New 2/17/05	Required	Yes	The SVSU policy agrees with the requirements.

Source: The VSBA and SVSU policies and auditor analysis.

It should be noted that SVSU has issued six policies to cover areas for which VSBA has not created model policies. These include policies related to bullying prevention for adults; the appointment of administrators; addressing conflicts of interest in hiring; the Family Medical Leave Act; Military Leave; and the Safety and Security of Employees. The audit team noted that these appear to be policies that generally address areas that the HR best practices recommends to be covered in policy. However, in at least one instance—the Family Medical Leave Act (FMLA) policy—the SVSU's policy is outdated and does not contain the required disclosures to be compliant with FMLA.

Moreover, as discussed earlier in **Chapter 3**, the audit team's review of the SVSU's policies revealed that the majority are outdated. As mentioned previously, the SVSU's failure to update its policies can lead to policies and practices that do not comply with recent changes to federal and state laws and regulations.

#### RECOMMENDATION 4-1:

**The SVSU should update its human resource policies and present them to the Board for approval.**

As stated by NSBA, school board policy is "...the means by which educators are accountable to the public." As such, the policies should be readily accessible and available to the public. It is now a common practice for school districts to publish their policy manuals online. In addition to providing public access, publishing policy manuals online allows all school personnel to have

immediate access when matters involving policy arise in the work place. Electronic publication also allows for policy updates to be quickly disseminated to all stakeholders.

The SVSU should ensure that it is annually reviewing and updating its HR policies and procedures to make certain that the policies reflect the most current and relevant practices. The SVSU should present the policies to the Board for approval and document when the policies are reviewed and updated.

The SVSU also needs to review its HR policies periodically and ensure that these comply with required and recommended best practices, especially those issued by VSBA.

#### **FISCAL IMPACT**

Implementation of this recommendation would require a time commitment of selected HR staff and other designated personnel to review existing policies and to provide the information necessary for accurate updating.

#### **FINDING**

The majority of SVSU's job descriptions are undated. Best practices recommend that job descriptions include dates so that reviewers and HR managers can ensure that the job has not changed and that the information is still relevant since it was last created or updated.

#### **RECOMMENDATION 4-2:**

**The SVSU should ensure that its job descriptions are updated and include dates to indicate when they were last created or reviewed. The SVSU should also include periodic reviews and updates of all job descriptions to ensure these remain consistent and match current job requirements.**

#### **FISCAL IMPACT**

Implementation of this recommendation would require a time commitment of selected HR staff and other designated personnel to review existing job descriptions and to provide the data necessary for accurate updating.

#### **FINDING**

The SVSU does not have a consistent process for having its administrator contracts reviewed by its legal counsel. According to the personnel director, SVSU sometimes offers employment and signs employment contracts without a prior due-diligence review of the contract by legal counsel. Without such a review by experienced attorneys, SVSU increases its risk of being out of compliance with labor laws.

#### **RECOMMENDATION 4-3:**

**The SVSU should ensure that it has a consistent process for making certain that its administrator contracts are reviewed by legal counsel prior to finalization.**



## **FISCAL IMPACT**

The implementation of this recommendation should help SVSU improve its hiring practices and reduce the potential for lawsuits to occur. The SVSU can implement this recommendation at a modest cost for about one-quarter hour of legal counsel billing rate per contract, according to our school district expert.

## **4.2 RECRUITMENT, SCREENING, INTERVIEWING, AND HIRING PROCEDURES**

The SVSU is responsible for coordinating the recruitment, interviewing, and hiring processes of teachers. The staff turnover level in the SVSU for the past four years is relatively low in comparison with national averages.

### **FINDING**

Staff reported that hiring practices (screening, interviewing, and reference checking) are inconsistent from site-to-site, and that there is no formal training regarding interview and reference check protocols.

The audit team's review found that the SVSU has not established policies that meet VSBA best practice recommendations related to recruitment, selection, and the documentation of hiring practices. Therefore, individual school districts lack sufficient guidance to ensure that they are using clear, consistent procedures.

### **RECOMMENDATION 4-4:**

**The SVSU should create policies and procedures aligned with best practices and recommendations of the Vermont School Board Association related to recruitment, selection, and hiring staff.**

## **FISCAL IMPACT**

Implementation of this recommendation can be accomplished with existing personnel staff, but will require time to prepare policies and procedures and to submit these to the Board for approval.

## **4.3 STAFFING**

The audit team evaluated the demographics of supervisory unions similar in size to SVSU to compare SVSU against similar (peer) supervisory districts or unions. Exhibit 4-2 presents a comparison of the ten supervisory districts or unions closest in enrollment size to SVSU.

**EXHIBIT 4-2**  
**SVSU, STATEWIDE, AND PEER SCHOOL SYSTEM DEMOGRAPHICS**  
**2009-10**

NAME	DIRECT INSTRUCTIONAL STAFF	DIRECT INSTRUCTIONAL AS PERCENTAGE OF TOTAL FTES	OTHER INSTRUCTIONAL STAFF (TEACHER AIDES, STUDENT SUPPORT, ETC.)	TOTAL INSTRUCTIONAL STAFF	INSTRUCTIONAL STAFF AS PERCENTAGE OF TOTAL FTES	TOTAL ADMINISTRATIVE STAFF	ADMINISTRATIVE STAFF AS PERCENTAGE OF TOTAL FTES	TOTAL FTES	ENROLLMENT	STUDENT-TO-TEACHER RATIO	NUMBER OF SCHOOLS	STUDENTS PER SCHOOL
STATEWIDE TOTAL	8,733.9	45%	6,488.2	15,222.1	79%	4,160.7	21%	19,382.8	91,239	10.45	375	243.3
Chittenden South Supervisory Union	342.3	39	322.1	664.4	76	210.1	24	874.5	4,282	12.51	6	713.7
Burlington School District	352.2	42	317.0	669.3	81	161.3	19	830.5	3,810	10.82	10	381.0
SOUTHWEST VERMONT SUPERVISORY UNION	309.1	48	234.4	543.5	84	107.0	16	650.5	3,254	10.53	9	361.6
Windham Southeast Supervisory Union	283.6	46	220.9	504.5	82	110.0	18	614.5	2,921	10.30	10	292.1
Franklin Central Supervisory Union	288.9	52	190.5	479.4	87	74.0	13	553.4	2,878	9.96	5	575.6
North County Supervisory Union	325.5	43	217.7	543.1	72	216.3	28	759.4	2,857	8.78	14	204.1
Chittenden East Supervisory Union	240.7	47	163.3	404.0	78	111.0	22	515.0	2,840	11.80	10	284.0
Chittenden Central Supervisory Union	253.2	41	168.9	422.1	69	190.2	31	612.3	2,635	10.41	7	376.4
South Burlington School District	214.0	43	122.8	336.8	68	156.0	32	492.8	2,633	12.30	6	438.8
Barre Supervisory Union	246.8	51	145.0	391.8	82	87.7	18	479.5	2,554	10.35	4	638.5
Rutland City School District	237.1	46	175.8	412.8	79%	107.3	21	520.1	2,532	10.68	6	422.0

Sources: Vermont Department of Education Web site, FY 2009-10; Enrollment and FTE Staff Counts and auditor analysis.

As shown in Exhibit 4-2, the audit team reviewed the demographics of SVSU compared to similar-sized supervisory districts or unions. The audit team noted the following:

- The SVSU had slightly more direct instruction staff as a percentage of all FTEs compared to the statewide average.
- The SVSU had a higher percentage of instructional staff (direct instruction staff plus student teachers, teacher aides, and student support staff) as a percentage of all FTEs compared to the statewide average and all but one of the peer supervisory districts or unions.
- The SVSU's student-to-teacher ratio (10.53 students per teacher) was similar to the statewide average (10.45 students per teacher). Additionally, the SVSU's student-to-teacher ratio was lower compared to its peer supervisory districts or unions (10.73 students per teacher).
- The SVSU has more students per school (361.6 students per school) than the statewide average (243.3 students per school). However, the SVSU's students—per-school ratio is lower than that of its peer supervisory districts or unions (381.4 students per school on average).

The audit team also evaluated the SVSU's highly qualified teacher (HQT) and emergency certification data for FY 2008-09, the most recent year for which data were available. As shown in Exhibit 4-3, the SVSU had fewer core academic classes taught by non-HQTs compared to the statewide average. However, one school district—Woodford—had a higher percentage than the rest of the SVSU schools and the statewide average. Additionally, the audit team found that the percentage of SVSU's teachers with emergency credentials was higher than the statewide average. However, although the percentage was nearly twice that of the state's (0.8 percent versus 0.4 percent), the audit team noted that the population and numerator are both fairly small, leading to small numbers increasing the percentages by greater amounts.

**EXHIBIT 4-3**  
**HIGHLY QUALIFIED TEACHER AND EMERGENCY CERTIFICATION DATA**  
**FOR SVSU COMPARED TO OTHER SCHOOL DISTRICTS**

LEA NAME	NUMBER OF CORE CLASSES TAUGHT BY NOT HIGHLY QUALIFIED TEACHER (HQT)	TOTAL CORE CLASSES	PERCENTAGE OF CORE ACADEMIC CLASSES NOT TAUGHT BY HQT	ELEMENTARY AND SECONDARY SCHOOL TEACHERS WITH EMERGENCY CLASSIFICATION	TOTAL TEACHERS	PERCENTAGE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOL TEACHERS WITH EMERGENCY CERTIFICATION
Bennington ID	4	74	5.4%	1	55	1.8%
Mount Anthony UHSD #14	22	457	4.8	-	124	0.0
North Bennington ID	1	15	6.7	-	14	0.0
Pownal	1	26	3.8	-	19	0.0
Shaftsbury	1	17	5.9	-	16	0.0
Woodford	2	8	25.0	1	6	16.7
<b>SVSU DISTRICTS</b>	<b>31</b>	<b>597</b>	<b>5.2%</b>	<b>2</b>	<b>234</b>	<b>0.8%</b>
<b>ALL OTHER SCHOOL DISTRICTS</b>	<b>1,161</b>	<b>19,362</b>	<b>6.0%</b>	<b>38</b>	<b>8,596</b>	<b>0.4%</b>
<b>ALL SCHOOL DISTRICTS</b>	<b>1,192</b>	<b>19,959</b>	<b>6.0%</b>	<b>40</b>	<b>8,830</b>	<b>0.4%</b>

Sources: Vermont Education Department Web site; LEA HQT and Emergency Licensure Data Report, FY 2008-09.

## **FINDING**

Although the SVSU's percentage of core classes taught by non-HQT is lower than the statewide average, it needs to ensure that it is meeting the requirements of NCLB.

Teachers providing kindergarten through grade 12 instruction in core academic areas, as defined by NCLB, must meet HQT licensure and content knowledge requirements pertaining to their assignment. The NCLB defines core academic areas as English language arts, math, science, social studies, reading, foreign languages, art, music, and the generalist endorsement areas of elementary education and early childhood education (kindergarten through grade 3 only). To be considered as an HQT for his or her assignment, an educator must carry an endorsement appropriate to the assignment and must meet the corresponding HQT content knowledge requirements for the endorsement used in the assignment. Furthermore, the instructional levels of the endorsement used must encompass the grades taught.

Teachers who do not meet HQT standards for their assignments are subject to certain consequences. First, all core content area teachers who are not HQT must have a plan in place with their local education agency to become highly qualified. Every year, each local education agency must publicly report HQT data for core content area assignments from the previous year. Federal law requires that Title I schools only hire educators for core content area positions who will be an HQT for their anticipated assignments.

## **RECOMMENDATION 4-5:**

**The SVSU should ensure compliance with federal requirements for highly qualified status of all teachers in the 2010-11 school year.**

The SVSU should take specific corrective action for the start of the 2010-11 school year regarding teachers who are teaching core classes and do not have HQT status. Teachers who are not meeting the HQT standard should be directed to complete all certification requirements identified by the state of Vermont. The Superintendent reported that although professional development to be highly qualified is the teachers' responsibility and reimbursement for coursework is available, she has terminated teachers who do not keep their licenses current and would do the same for those lacking a plan to become an HQT.

## **FISCAL IMPACT**

This recommendation would require SVSU and member school districts to invest in either professional development needed by teachers to attain HQT status, or only recruit teachers who already meet the standard.

## 5.0 FINANCIAL MANAGEMENT AND PURCHASING

This chapter presents the findings and recommendations for the Finance and Procurement functions of SVSU. The sections of the chapter include:

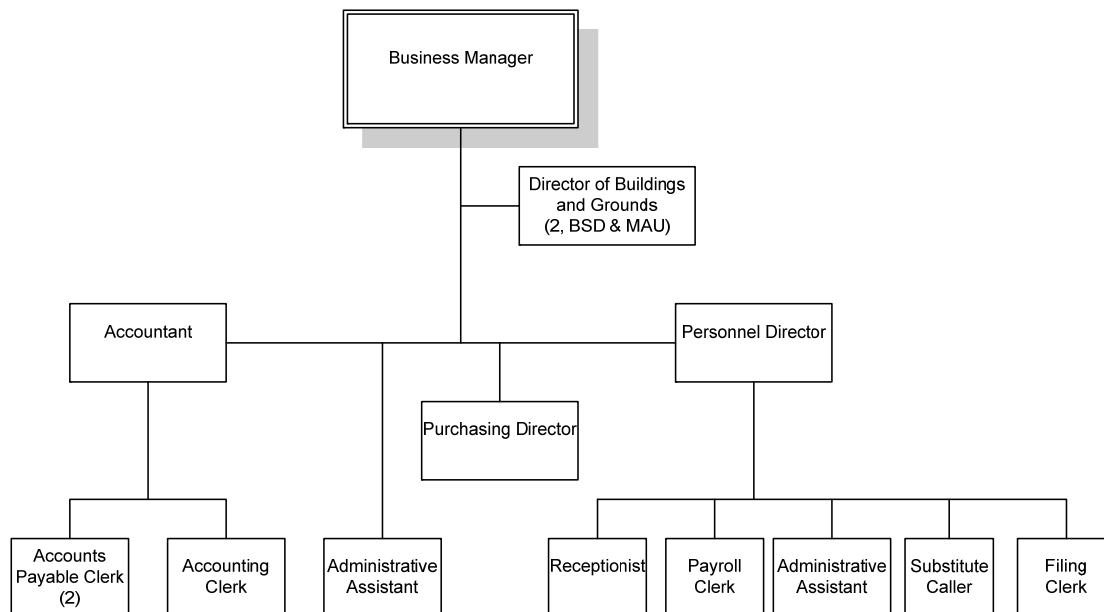
- 5.1 Business Office Background and Organization
- 5.2 Budget Development, Monitoring, and Implementation
- 5.3 Policies and Procedures
- 5.4 Accounting, Purchasing, and Payroll
- 5.5 Special Education/Medicaid Financial Management

### 5.1 BUSINESS OFFICE BACKGROUND AND ORGANIZATION

The Business Office is responsible for the fiscal affairs of the SU including the following services for all member school districts: accounting, accounts receivable, accounts payable, and payroll. In addition, the Business Office supervises purchasing, monitors budgets, and prepares financial reports. Each of the member school districts also employs an independently elected treasurer who is responsible for all banking, cash management, investing, and is the sole signor of all checks for the school district. The business manager is responsible for coordinating a program of cash management maximization with each school district treasurer.

The Business Office structure is new as of July 1, 2009, when SVSU reorganized and removed the human resources functions from the division. The previous organization chart is shown in Exhibit 5-1.

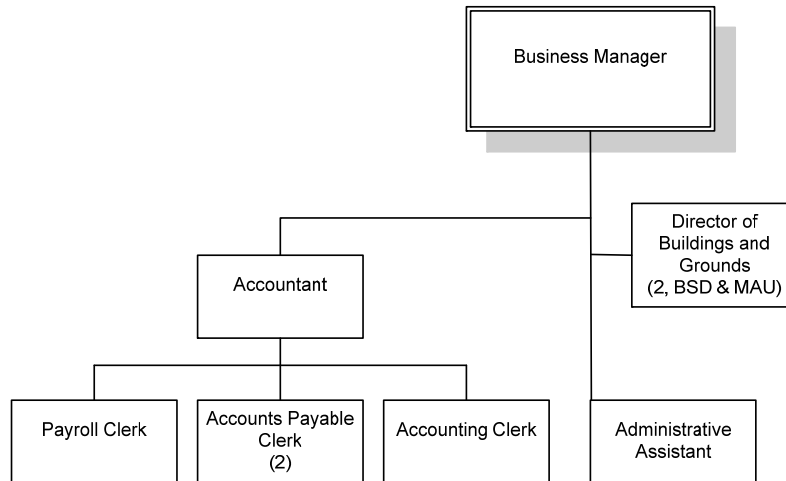
**EXHIBIT 5-1  
SVSU PREVIOUS BUSINESS OFFICE ORGANIZATION**



Source: The SVSU Business Office.

As shown in Exhibit 5-2, the current Business Office organization chart provides for six accounting, payroll, and administrative staff, of which the payroll position is vacant; and the two directors of Building and Grounds, both of whom report to the business manager.

**EXHIBIT 5-2**  
**SVSU CURRENT BUSINESS OFFICE ORGANIZATION**



Source: The SVSU Business Office, 2010.

Although not shown in the organization chart, the Business Office also contracts with a part-time purchasing consultant who works an average of eight-to-nine hours per week and reports to the business manager.

The decision to separate or combine the business, human resources, and information technology functions depends on the size, the organizational culture, and the needs of the organization. There is no standard that requires functions be combined in one division. Based on the audit team's experience, it is not uncommon to find these three functions (business, human resources, and information technology) separated into different divisions or consolidated into one division.

## FINDING

The separation of the Business Office and Human Resources in a supervisory district or union the size of SVSU creates small spans of control and increases the number of staff that report to the Superintendent. Specifically, under the new organization, the business manager has approximately 8.5 FTE staff and the personnel director currently has four staff. According to the Superintendent, the functions were separated primarily due to issues in Human Resources. However, the structure has resulted in the Superintendent having significant involvement in overseeing the work of Human Resources.

Further, because of the payroll vacancy, the new divisions have been sharing a staff person who alternately processes payroll for the business manager and works as an assistant to the Personnel director. Some staff indicated that the separation of the units has created challenges due to the different management styles and rules between the managers.

Moreover, the SVSU also employs a director of Grants Management and State Reporting. This director-level position has only one staff—the Medicaid clerk. The duties of this position, along

with the narrow span of control, do not appear to justify the need for this position to rest at the director level. In fact, many of the duties of both the director and the Medicaid clerk are data-driven and financial in nature. Specifically, the director's position requires coordination with the Business Office to translate grant budgets to local account structures and to ensure the appropriate coding of grant expenditures. In addition, the director is responsible for monitoring grants, overseeing the allocation of Medicaid funds, collecting data to monitor progress in meeting grant goals, monitoring grant expenditure reports, completing state reports, analyzing data, and maintaining various records. In many organizations, the grant management and outside reporting responsibilities rest within the business office. The Medicaid Clerk position also has significant data- and financial-related responsibilities. Specifically, the position requires the completion of monthly paperwork and billing forms, attendance collection, reviewing remittance advices, and correcting of errors and rebilling as necessary. Moreover, as discussed in **Section 5.5** below, the SVSU is missing opportunities to maximize its Medicaid funding.

An ideal span of control depends upon the nature of an organization, the skills and capabilities of its manager, the employees' skills and abilities, the nature of the job, and the degree of interaction required between superior and subordinates.

Narrow spans of management are more costly compared to wide spans of management as there are more superiors/managers and thus, the possibility of greater communication issues between the various management levels. The less geographically scattered the subordinates are, the better it is to have a wide span of management as it is feasible for managers to stay in contact with the subordinates and explain in person how to efficiently perform tasks. In narrow spans of management there are comparatively more growth opportunities for subordinates, as there are more levels of management to fill.

If managers and employees are efficient and organized in performing their tasks, the organization is better suited to a wide span of management. Organizations with less capable, motivated, and confident employees are better suited to a narrow span of management so that the managers can spend time with them and supervise them. Additionally, organizations with more standardized tasks; that is, the same task that can be performed using the same or similar inputs, are better suited to a wide span of management as more subordinates can be supervised by a single superior. There is more flexibility, quick decision-making, effective communication between top- and low-level management, and improved customer interaction in a wide span of management. Technological advancement such as mobile phones, e-mail, etc. makes it feasible for superiors to widen their span of management with more effective communication channels.

#### **RECOMMENDATION 5-1:**

**The SVSU should consider moving human resources and grants management and data and state reporting under the Business Office.**

Moving these functions will ensure consistency in management and allow the unit more flexibility in cross-training and sharing staff. Furthermore, because the Grants Management and State Reporting position shares significant amounts of data with the Business Office and has significant financial and data-driven responsibilities, moving this position into the Business Office should create more efficiency in sharing information and better allow for assistance from others during times of peak workloads. It should be noted that in Recommendation 3-9, we recommend eliminating the director of Grant Management Data and State Reporting position. Therefore, we recommend that SVSU consider revising the structure outlined in Exhibit 5-1, by



also adding the Grants Management and State Reporting duties to the Business Office. With implementation of the consolidation and other recommendations throughout this report, the Business Office and other Central Office staff should be able to absorb these duties. Alternatively, without consolidation, the Business Office should utilize a Grant Management Data and State Reporting Coordinator to perform this function. The Medicaid clerk should also move to the Business Office, but will need to have a dotted line relationship with the Special Education lead.

## **FISCAL IMPACT**

Implementing this recommendation should have no immediate measurable fiscal impact but will reduce the number of staff that report to the Superintendent by two, thus allowing for a greater focus on the SVSU's strategic direction.

## **5.2 BUDGET DEVELOPMENT, MONITORING, AND IMPLEMENTATION**

A key responsibility of state and local governments is to develop and manage programs, services, and their related resources as efficiently and effectively as possible and to communicate the results of these efforts to the stakeholders. Performance measurement, when linked to the budget and strategic planning process, can assess accomplishments on an organization-wide basis. When used in the long-term planning and goal-setting process and linked to the entity's mission, goals, and objectives, meaningful performance measurements can assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery. The Government Finance Officers Association (GFOA) recommends that program and service performance measures be developed and used as an important component of long-term strategic planning and decision-making, which should be linked to governmental budgeting.

Each of the districts are responsible for developing their own budgets and for submitting them to the voters for approval. The SVSU develops its budget, which is approved by its board. Most of the schools use a modified form of zero-based budgeting, and include consideration of student populations and programming, staffing patterns, facility needs; furniture, fixtures and equipment needs; inventory and supplies, and administrative staffing. They also consider revenue and tax rate impacts and take direction from their respective boards. The special education portions of the budgets are developed in concert with district administration and the local boards and administered by SVSU.

The SVSU's fund accounting and revenue management software, BudgetSense, is used to develop, maintain, and monitor the budgets for the seven SVSU entities. The system includes encumbrance and payable tracking to ensure budgets are not unknowingly overspent, has electronic controls limiting who can make revisions, tracks budget changes and related expenditures throughout the year, and provides good monthly reporting for the boards.

## **FINDING**

The SVSU and districts do not align their budgets to their strategic plans.

The problem is that, as discussed in **Chapter 1.0** of this report, SVSU and districts do not have current strategic plans. Strategic plans should provide an annual roadmap for annual resource allocation decisions. Without current strategic plans, the entities cannot formally align their

budgets to their goals. After an organization aligns its programs with the strategic direction, it must also synchronize the budget so that resources are appropriately allocated. This step involves assigning funds to each of the strategic programs. Dedicating resources is especially important to accomplish the related strategic goals. In the competition for organizational funds, strategic work is frequently starved in favor of routine or transactional work.

**RECOMMENDATION 5-2:**

**The SVSU and districts should align its budgets with strategic plan(s) once it updates its strategic plan(s).**

The Government Finance Officers Association (GFOA) promotes strategic planning by promulgating recommended practices on budgeting and financial management and by endorsing the work of the National Advisory Council on State and Local Budgeting (NACSLB). The GFOA also encourages strategic planning with its Distinguished Budget Presentation Awards Program, recommending that budget documents include organization-wide goals.

It is important to note; however, that implementing this recommendation will be a great challenge given the current structure of SVSU with seven separate entities and may not yield the best results for SVSU as a whole if seven separate plans are developed independently. In addition, implementing this recommendation under the current structure will also be more time consuming and costly to develop than if the districts were to consolidate into one entity. We recommend that SVSU first consider our recommendation for consolidation and then consider the best approach for implementing this recommendation.

**FISCAL IMPACT**

The SVSU should be able to implement this recommendation with existing resources. Doing so will ensure that budgets are developed in consideration of outcomes that directly relate to the attainment of the organization's strategic goals.

**FINDING**

The SVSU does not prepare a formal budget for Medicaid funds.

According to the business manager, SVSU has not formally created budgets for Medicaid funds in the past. Rather, SVSU used prior-year receipts as the current year budget and principals would simply request funds to fill needs as they arose. The budget is a dynamic document and is adjusted throughout the year as the funds are used. As a result, funds were not spent in a coordinated manner or with specific strategic goals in mind, and were often unutilized. In fact, SVSU carried a balance of Medicaid funds of more than \$881,000 as of June 2010.

In the current year, SVSU reportedly plans to implement a system to collect Medicaid data as part of a needs assessment. Principals and Central Office directors will then review the data, identify priority needs to be addressed in the coming school year, and allocate all funds to areas of need. Medicaid spending will be included in the discussion with the caveat that the money must be spent on services to prevent students from needing special education.

**RECOMMENDATION 5-3:**

**The SVSU should implement a formal budgeting process for Medicaid funds.**

The importance of budgeting in government is highlighted by the vast efforts of the GFOA to develop guidelines and best practices in budgeting. The GFOA has even published a book titled *Best Practices in Public Budgeting* to provide illustrations and examples to guide the process.

According to the Superintendent, efforts are underway to reduce the unnecessarily large Medicaid fund balance and to spend the money in a responsible way to address educational needs; but it is not possible to completely spend the funds in the year they are received.

### **FISCAL IMPACT**

Implementing this recommendation should enable SVSU and districts to optimize the use of Medicaid funds, including spending available funds in the year received and reducing unnecessarily large Medicaid fund balances. From the legislative and administrative perspective, Vermont school districts have been encouraged to participate in the Medicaid program to recover a portion of the special education costs that are already being incurred by school districts to provide special education services. School districts can utilize Medicaid funds to pay for reasonable costs of administering the Medicaid claims process, and for prevention and intervention programs in grades pre-K through 12. These programs should facilitate early identification of and interventions with children with disabilities and ensure all students achieve rigorous and challenging standards (as adopted in the Vermont framework of standards and learning opportunities or locally adopted standards). In general, school districts receive half of the Medicaid reimbursements and the state receives the other half.

### **FINDING**

The SVSU Business Office does not have formal written performance measures/metrics to help ensure good customer service and accountability. Without performance metrics, the organization cannot ensure it is providing adequate service levels to its customers and lacks a means for continuous quality/performance improvement. Performance measures should not only include systems and methodologies for measuring outputs, but should also attempt to measure outcomes.

### **RECOMMENDATION 5-4:**

**The SVSU should document and implement formal performance measures for the Business Office.**

Performance measurement is an important cornerstone of efficient and effective organizations. Performance metrics should be constructed to encourage performance improvement, effectiveness, efficiency, and appropriate levels of internal controls. They should incorporate “best practices” related to the performance being measured and cost/risk/benefit analysis, where appropriate. The SVSU should develop a focus group of internal staff and external customers to help identify metrics for measurement. Examples of such metrics include:

- Payroll accuracy.
- Elapsed time to approve and receive procured goods.
- Various cycle times for procurement bids and solicitations.
- Time to process reimbursements.
- Amount of penalties and interest paid on payables.

- Number of audit exceptions.
- Customer satisfaction survey rankings.
- Cost savings and avoidances.

### **FISCAL IMPACT**

The SVSU should be able to implement this recommendation over time with existing staff and therefore, implementation should have no overall fiscal impact.

## **5.3 POLICIES AND PROCEDURES**

Formal policies and procedures are necessary to ensure staff have a clear understanding of what should be done, how it should be done, who should do it, and when it should be done. Sound financial management policies and procedures help organizations minimize risk of violating state or local ordinances; establish controls that can deter theft and other losses; ensure continuity of operations; ensure staff are accountable; and can be used to educate or cross train staff. Common financial management policies and procedures include budgeting, purchasing, payroll, travel, accounts receivable, accounts payable, fixed assets, and ethics.

The SVSU and each entity maintain a set of *Internal Control Structure* documents. The documents contain some detailed procedures with an emphasis on the internal control practices that ensure the proper safeguarding of assets. Developed documents include cash receipts and disbursements, payroll, and accounting for federal programs.

### **FINDING**

Although the SVSU's internal control documents appear to provide good internal controls and practices, SVSU does not have formal policies or performance metrics in place for all functional areas. Specifically, the documents lack the following policies as required or recommended by VSBA: fiscal management and general financial accountability, budgeting, financial reports and statements, and risk management. In addition, the documents lack a procurement and return of goods policy and procedures for noninformation technology surplus goods. Without formal policies for all functional areas, the organization is at risk of a disruption in business in the event of key staff losses.

### **RECOMMENDATION 5-5:**

**The SVSU should document and implement formal procurement, surplus property, and accounting policies and internal controls along with detailed budget procedures.**

The SVSU should undergo a complete policy and procedure review and develop a plan and list of responsible parties for developing needed policies and procedures. Having detailed policies and procedures documented can also ensure consistency and continuity in business operations and provide an opportunity to identify areas for improvement. Sound policies and procedures are also an important part of an entity's internal control structure.

### **FISCAL IMPACT**

The SVSU should be able to implement this recommendation over time with existing staff and therefore, implementation should have no overall fiscal impact.

## 5.4 ACCOUNTING, PURCHASING, AND PAYROLL

Because each of the school districts and SVSU are separate legal entities, SVSU maintains separate budgets and accounting records. In addition, each entity has its own annual external financial audit and its own independently elected treasurer who oversees cash balances and provides cash management.

### FINDING

The SVSU could achieve significant savings through the Business Office if the seven separate schools, school districts, boards, and treasurers were consolidated into one organization. Consolidation would allow the entities to keep one set of books, to conduct and pay for only one annual audit, to process one large payroll instead of seven; to prepare for, pay, and attend meetings for only one board; and to pay and work with one treasurer. In addition, consolidation would allow for maximization of building utilization between the schools and a likely reduction in teaching and school administrative staff. The SVSU has discussed consolidation formally and informally for more than 15 years and completed a detailed study of consolidation in the fall of 2006 that outlined the general benefits of consolidation: decreased operational costs and improved tax rates. In fact, the study found that the entities could save more than \$2.7 million per year (in 2006-07 dollars) by consolidating which did not include any administrative savings that may be achieved at SVSU. However, sustaining local control of personnel, budgets, and buildings have been arguments used to maintain the status quo. As discussed in **Chapter 1.0**, the audit team believes that converting SVSU from a supervisory union to a supervisory district structure could ultimately save between \$950,000 and \$1.2 million per year on its administrative and board costs. This includes the cost savings shown below from eliminating duplicate school district administrations, audits, board costs, and financial management. These savings could be redirected educational service delivery, additional programs, or to needed infrastructure improvements, etc.

### RECOMMENDATION 5-6:

**The SVSU should consolidate all school districts and the supervisory union by converting into a single entity—a supervisory district—with one treasurer and governing board.**

This recommendation is the same as **Recommendation 1-8**; however, the finding leading to the recommendation is somewhat different. To facilitate implementation of this recommendation while maintaining local control, the entities could convene advisory boards at each of the schools with the chair of each of these boards serving on a consolidated school district board. Consideration could also be given for the size of the school and seats could be granted based upon factors such as number of staff or student enrollment. In addition to the benefits outlined above, consolidation should also allow the SVSU to pool funds and possibly obtain more favorable investment terms. However, consolidation will require voter approval.

### FISCAL IMPACT

Consolidating SVSU and member schools and school districts into one entity would have the estimated impacts shown below on business services for the entities. The reduced overall workload should allow the Business Office to consider eliminating or reallocating at least one position, likely one of the accounts payable clerk positions. This position's duties could be handled by the remaining staff. The business manager believes that implementing this

recommendation would also allow the Business Office as currently structured to reduce an additional position to part-time.

The table below also does not include any savings that would be achieved by consolidating facilities. However, as noted above, a 2006 study indicated that consolidation would save more than \$2.7 million (in 2006-07 dollars) in these areas. The calculations also do not show the estimated tax savings likely to be achieved and passed on to constituents as a result of these cost reductions; however, the calculations do include the impacts of **Recommendation 5-8** (to minimize the number of unnecessary special payroll runs). Because implementing this recommendation will require voter approval, no potential savings in year one are shown, to allow time for the vote and implementation. Although we did not include any potential increases in the costs related to a consolidation at SVSU for its treasurer, board, or audit, any increases should be more than covered by the \$2.7 million in estimated operational efficiencies at the schools highlighted by the 2006 study. Finally, the audit team notes that these savings are not redundant with the recommendations and fiscal impact of **Recommendation 3-8** discussed earlier in this report.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Eliminate Six Annual External Financial Audits	\$0	\$43,674	\$43,674	\$43,674	\$43,674
Eliminate Six Boards <sup>a</sup>	0	127,398	127,398	127,398	127,398
Eliminate Six Treasurers <sup>b</sup>	0	61,724	61,724	61,724	61,724
Business Office Staffing Reduction: Accounts Payable Clerk	0	33,000	33,000	33,000	33,000
<b>TOTALS</b>	<b>\$0</b>	<b>\$265,796</b>	<b>\$265,796</b>	<b>\$265,796</b>	<b>\$265,796</b>

Source: Budgets for FY 2011 for all six school districts and average salary for accounts payable clerk plus 20 percent for benefits.

- a Board expenses include salaries and social security payments for all members including the clerks and secretary, legal services, liability insurance, advertising, printing, supplies, dues, and fees.
- b Treasurer expenses include salaries and social security payments and supplies.

## FINDING

The SVSU has not implemented all the modules in the financial and administration computer system.

The SVSU has implemented a comprehensive Microsoft Windows-based program called BudgetSense. The system includes modules for budgeting, accounting, accounts payable and receivable, purchasing, fixed assets, human resources, and payroll. In addition to fund accounting, BudgetSense offers budgetary and encumbrance accounting. Accountability controls can be programmed for the modules and functions that each employee is authorized to use, giving them access to only the data that is pertinent to them. For example, the system integrates business rules for purchasing and accounting entry approvals. Although SVSU has made considerable progress in implementing BudgetSense, which first went online in July 1, 2009, it has not yet fully implemented the modules for accounts receivable or online benefits enrollment and is not fully utilizing any of the modules.

## RECOMMENDATION 5-7:

**The SVSU should continue its efforts to implement all BudgetSense modules.**

The SVSU should continue its efforts to fully implement and utilize all modules and features of the BudgetSense application (accounts receivable, online timecards, performance metrics, etc.). Doing so will create additional efficiencies in several departments. For example, fully utilizing the online timecard application will eliminate the need for the payroll clerk to manually input school district staff timecards during each payroll. Although five of the six schools are reportedly utilizing the online timecard function, one is not and sends all the paper timecards to SVSU each period for input. In addition, the online benefits enrollment function will allow SVSU staff to input their own benefit choices and information online, and eliminate the need for SVSU staff to input the data from paper forms. In addition to reducing the workload of Central Office staff, implementing the modules will assist SVSU in its goal to go fully paperless.

### **FISCAL IMPACT**

Implementing this recommendation will have fiscal savings in the form of reduced workloads and printing expenses; however, the actual benefit is difficult to estimate.

### **FINDING**

All seven SVSU entities staff have missed payroll deadlines, causing special payroll runs.

The SVSU payroll is processed every other week for about 850 employees. In order to process the payroll in a timely manner, all timesheets or leave statements are required to be delivered to the Business Office every other Thursday at 10:00 a.m. A timely Thursday receipt ensures that the entire payroll can be processed by Tuesday at 4:00 p.m. However, staff frequently miss the Thursday deadline and then request the Business Office to run a “special payroll” to accommodate them. In fact, in fiscal year 2008-09, the Business Office ran 36 special payrolls for the seven entities, with 14 originating from SVSU. In fiscal year 2009-10, the Business Office ran 29 special payrolls, with 10 from SVSU. Running these extra payrolls is time consuming, unnecessary, and adds to the burden of the 182 regular payrolls the Business Office already performs on average per year. On average, the Business Office ran a special payroll 20 percent of the time it ran a regular payroll in 2008-09 and 16 percent in 2009-10.

Part of the problem may be related to communication. In fact, many of the staff interviewed stated that overall communication within the entire SVSU is poor. Other examples given include inconsistent communication from the districts to SVSU regarding new hires, substitutes, and position movement—resulting in payroll errors. In one case, a staff person could not resolve an issue with a substitute teacher’s pay for several weeks because staff in the Business Office did not reply to e-mails or calls. In another case, an employee whose position was eliminated in August 2009 was accidentally given a contract without a funding source, and continued to work.

The issues with communication pertain to the entire SVSU, but was placed in this section because of the examples on how the lack of communication can adversely affect Central Office operations.

### **RECOMMENDATION 5-8:**

#### **The SVSU should enforce payroll deadlines.**

To achieve efficiencies, SVSU should ensure it is communicating with staff regarding the importance of payroll deadlines; and creating an accountability structure that tracks staff who

miss the deadline and that includes making those who miss the initial Thursday payroll deadlines more than once per year wait for the next regular payroll run.

**RECOMMENDATION 5-9:**

**The SVSU should strive to improve internal communications and accountability.**

The SVSU should conduct staff focus groups to identify mechanisms and an action plan for improving communication. The plan should include detailed procedures and deadlines so that all staff have a reference for the required practices. The SVSU should create a formal and consistent process for communicating important information to staff and also consider utilizing its Intranet and BudgetSense home pages for staff communication. The SVSU should include a formal mechanism for staff to communicate with the Central Office on matters that affect employment and pay. Identifying contact persons for specific issues and establishing response timeframe goals (such as 24 hours), and monitoring the attainment of the goals are effective ways to improve customer service and communications. To ensure compliance, SVSU should counsel or discipline staff who do not adhere to the new communication plan and goals.

**FISCAL IMPACT**

Implementing these recommendations will help to ensure that payroll is completed timely and should minimize additional special payrolls. In addition, better communication should reduce some of the employment-related issues. The fiscal impact of implementing this recommendation is included in **Recommendation 5-11** (to reduce the number of payrolls and eliminate a payroll position permanently).

**FINDING**

The SVSU's system of processing bi-weekly payrolls is costly to maintain.

As discussed earlier, the Business Office processes an average of 182 payrolls per year (26 pay periods times 7 organizations). In addition to the cost of preparing checks and/or wiring the funds, the costs of processing payroll internally includes the time to maintain and update the payroll system; the costs for payroll staff to produce the payroll; and the time of nonpayroll staff to collect, approve, and input employee hours for payroll. Some of these tasks take additional time and resources the more frequently payroll is processed. Many government and private entities pay employees once per month. However, Vermont statutes require that employers pay staff weekly, but allow an employer to pay biweekly or semi-monthly upon giving written notice to employees.

**RECOMMENDATION 5-10:**

**The SVSU should consider converting to semi-monthly payroll processing instead of biweekly.**

Revising the payroll period will reduce payroll-processing expenses. Considering that SVSU currently processes an average of 182 payrolls per year, implementing this recommendation would drop the number of payrolls to 168 (an 8 percent reduction). In addition, another problem with biweekly payroll is that a regular year is one day longer than the sum of the 26 biweekly payrolls—meaning that every few years the entity must create an extra pay date to make up for this shortfall.



**RECOMMENDATION 5-11:**

**The state of Vermont Legislature should consider allowing employers to pay employees monthly.**

Implementing this recommendation would allow SVSU, as well as other employers in the state, to reduce payroll-processing costs by moving from as many as 26 payrolls per year per entity to 12 payrolls per year. Monthly payroll processing cannot only save money, but can also make budgeting and costing easier.

**FISCAL IMPACT**

Implementing these recommendations should allow the Business Office to continue to process payroll with existing staff and eliminate the need to hire a full-time payroll clerk. Because the position is currently unfilled, the savings will continue to benefit SVSU and the school districts as follows. Implementing **Recommendation 5-12** will also help to reduce the need for filling this position along with the changes suggested in **Recommendation 5-6**.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Permanently Eliminate Payroll Clerk or Like Position	\$0	\$33,000	\$33,000	\$33,000	\$33,000

Source: Based on midpoint payroll clerk salary times a benefit factor of 20 percent.

**FINDING**

As of May 2010, nearly 41 percent of SVSU staff have opted to receive a manual (paper) paycheck. For SVSU, this means printing about 350 checks 26 times per year—9,100 total. As shown in Exhibit 5-3, processing checks can cost over \$2 more per transaction than direct deposit.

**EXHIBIT 5-3****SMALL BUSINESS COST ANALYSIS: 100 EMPLOYEES PAID TWICE PER MONTH**

	PAPER CHECK	DIRECT DEPOSIT	COST SAVINGS WITH DIRECT DEPOSIT
Processing	\$0.865	\$0.513	\$0.352
Employee lost time (per payment)	2.064	0.000	2.064
<b>TOTAL COST PER PAYMENT</b>	<b>\$2.93</b>	<b>\$0.51</b>	<b>\$2.42</b>
<b>TOTAL COST PER MONTH</b>	<b>\$585.60</b>	<b>\$102.60</b>	<b>\$483.00</b>
<b>TOTAL COST PER YEAR</b>	<b>\$7,027.20</b>	<b>\$1,231.20</b>	<b>\$5,796.00</b>

Source: The National Automated Clearing House Association/Tinuucci Study, June 2003

Under Vermont law, employers cannot compel employees to accept direct deposit. Rather, the law allows for direct deposits with the consent of the employees.

**RECOMMENDATION 5-12:**

**The SVSU should continue its efforts to increase the number of staff paid through direct deposit.**

The SVSU should prepare and disseminate an all-staff memo to educate staff of the potential benefits of direct deposit such as better security, the potential for faster funds clearance, and savings for SVSU. Further, SVSU should require all staff to provide a written request and justification if they desire not be paid through direct deposit. In essence, SVSU should create a process to get written consent to pay all employees through automatic deposit and an “opt out” process for those desiring not to participate. The SVSU could also work with local banks or credit unions regarding the possibility of providing free checking account services to employees who have their paychecks deposited electronically into the account.

### **FISCAL IMPACT**

The fiscal impact of implementing this recommendation is included in **Recommendations 5-10** and **5-11** to eliminate the payroll clerk or a like position. However, according to the Tinucci study, implementing this recommendation could save the SVSU more than \$22,000 per year.

### **FINDING**

The SVSU does not use co-operative purchasing arrangements outside of SVSU.

The SVSU has made efforts in recent years—by creating a purchasing guide and setting goals—to standardize purchasing where possible, simplify the ordering process, reduce carrying costs for inventories, implement just-in-time ordering, and consolidating vendors for better service and pricing. The purchasing guide, created in 2007, details how to order from preferred vendors, the purchasing services provided by SVSU, and includes a list of preferred vendors. However, according to the SVSU purchasing consultant, SVSU has not sought or utilized outside cooperative purchasing agreements, such as at the state level or with other supervisory unions.

### **RECOMMENDATION 5-13:**

**The SVSU should consider using purchasing co-operatives outside SVSU, such as with other supervisory unions, school districts, and/or the state, to reduce prices paid for goods and services.**

Combining large purchases with other school districts or supervisory unions can allow an organization to achieve greater bulk discounts than it can obtain alone. In fact, some studies have shown cooperative purchasing can have the following benefits: significant savings on goods and services, reduced duplication of processes and negotiation and management time, and improved standardization of products and services.

### **FISCAL IMPACT**

The fiscal impact will vary. Cooperative purchasing has been shown to reduce overall costs of goods and services across the country.

### **FINDING**

Payments and reimbursements are often delayed unnecessarily.

According to the business manager, the BudgetSense system does not have the capability of providing an accounts payable aging schedule, but anecdotal evidence suggests that employee

reimbursements often take up to six weeks, and can take as long as 90 days. The delays occur, in part, because the payments need to receive board approval before checks can be released. Then the checks must be signed by the external treasurer during periodic visits to SVSU. Because the boards only meet monthly and the board agendas and packets of information need to be prepared in advance, reimbursements submitted near a board meeting date often have to wait for the following meeting to receive approval. Although regular vendor invoices are submitted to the board during the next scheduled meeting after receipt of the invoice, and then paid after approval, the process does not work as fluidly as possible. For example, credit card payments can be unnecessarily delayed beyond the due date and items due upon receipt of the invoice cannot be paid timely.

According to the business manager, the current process was designed many years ago as a result of a former administrator who embezzled money. However, SVSU has faster and more timely access to financial information now and improved internal controls such that any attempts to embezzle would be more difficult to conceal and would be detected much sooner.

#### **RECOMMENDATION 5-14:**

**The SVSU should allow boards to approve some payments on a consent agenda.**

The SVSU should be able to make vendor payments up to a threshold (such as \$5,000 maximum), and pay staff reimbursements upon approval of the line and business managers, and then have the board approve later on a consent agenda (to reduce up to 90-day lag in reimbursements and late payments). This will also allow SVSU to schedule a weekly check run to pay bills as they become due and to reimburse employees more quickly.

#### **FISCAL IMPACT**

Implementing this recommendation should have no significant fiscal impact but will result in improved customer service.

#### **FINDING**

The SVSU does not use procurement cards for small purchases. As a result, it processes numerous, costly, small checks and purchase orders.

During fiscal year 2008-09, SVSU issued 12,113 purchase orders, of which 7,227 or 60 percent were for purchases of \$500 or less. These purchases of \$500 or less totaled \$1.48 million or 10.9 percent of the total purchases of \$13.6 million. The purchase orders of \$500 or less averaged \$205 each. It is likely that many of the \$500 or less purchases were with suppliers or vendors with which the SVSU has established purchasing agreements through a competitive bidding process. A significant amount of time, resources, and paper are committed to processing these small transactions. Neither Vermont State law nor the SVSU require competitive bidding for purchases of less than \$15,000.

To assist with managing these types of supply agreements and transactions, some school districts and universities use purchasing cards (P-Cards), a form of credit card. By using P-Cards to place purchase orders, the costs associated with processing requisitions, purchase orders, check requests, invoices, and multiple layers of approvals are reduced. Technology is available that permit controls over employee expenditures, minimize risk, and reduce steps for processing a purchase requisition. In addition, current software provides flexibility on where and

how allocations are made to the general ledger. Control of P-Card purchases can be defined by a dollar amount per purchase, a monthly spending limit, the number of transactions per day or month, supplier category type restrictions, or by actual electronic approval by the department or campus head.

Research conducted by RPMG Research Corporation (RPMG) in 2005 suggested that, on average, public-sector organizations using P-Cards save about \$65 per transaction and school districts save about \$79 per transaction (see Exhibit 5-4). The estimated average savings projections are based on the time a requisition is issued to the time a check is released. Purchasing cards deliver savings of 76 percent over traditional average cost of \$89.21 per purchase order, and eliminates 6.3 days from the average 9.26 days procure-to-pay process.

**EXHIBIT 5-4  
P-CARD USAGE TRENDS**

AGENCY	AVERAGE					
	SPENT PER MONTH	MONTHLY SPENDING PER CARD	NUMBER OF CARDS	TRANSACTION SIZE	NUMBER OF TRANSACTIONS PER MONTH	SAVINGS PER TRANSACTION
State or Federal	\$1.99 million	\$1,795	1,584	\$267	8,585	\$53
City or County	221,000	981	279	224	1,075	79
Higher Education	1.01 million	1,451	641	257	4,108	60
School Districts	194,238	778	273	174	1,201	79

Source: The 2005 Purchasing Card Benchmark Survey Report (RPMG).

Research indicates that P-Cards are generally very safe and have a very low incidence of misuse. Specifically, RPMG identified that 70 percent of all misused dollars in their sample were associated with less than 4 percent of respondents and 65 percent of card misuse was identified through either internal controls or internal audit. Exhibit 5-5 provides data on the misuse of P-Cards.

**EXHIBIT 5-5  
P-CARD MISUSE DATA**

	OVERALL	CORPORATIONS	STATE AND FEDERAL GOVERNMENT	CITY AND COUNTY GOVERNMENT	UNIVERSITIES
Average Dollars per Incident	\$932	\$905	\$599	\$450	\$690
Median Dollars per Incident	500	575	400	100	325
Misused Dollars as A Percent of Annual P-Card Spending	0.027%	0.020%	0.026%	0.091%	0.032%
Annual Incidents per 1,000 Cards	4.2	3.5	2.5	14.7	5.2

Source: 2005 Purchasing Card Benchmark Survey Report (RPMG).

**RECOMMENDATION 5-15:**

**The SVSU should implement a procurement card program for the schools and Central Office executive managers.**

The P-Card purchasing tool is designed to streamline traditional processes such as those associated with maintenance, repairs, general operating expenses, and other low-dollar purchases. The SVSU should consider a threshold, such as \$500, for items to be considered low-dollar purchases and made with a P-card. The SVSU should explore options for implementing a P-Card program with controls that have been established as best practices, and are designed to support the desired purchasing environment. The SVSU external auditors could likely assist with establishing P-Card controls.

**FISCAL IMPACT**

Based on the RPMG data, if SVSU had used the P-Card on 75 percent of the 7,227 purchases of \$500 or less during fiscal year 2008-09, SVSU could have saved approximately \$428,000. Actual savings will vary based on the organization’s purchase requisition process, accounts payable process, and aggressiveness of implementation. For example, in a survey conducted by RPMG, 63 percent of respondents identified that they would need to hire additional accounts payable personnel if the purchasing card program were to be eliminated, and 37 percent said they would not have to take such action.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Implement a P-Card Purchasing Program	\$428,000	\$428,000	\$428,000	\$428,000	\$428,000

Source: Audit team calculation based on SVSU making 75 percent of its purchases on P-Card during 2008-09.

**FINDING**

The SVSU has not considered sharing staff with other supervisory unions or school districts and uses very little overtime.

As with all school district business offices, the SVSU Business Office experiences fluctuating workloads in some areas throughout the year. Examples of workload peaks include the beginning of the year budgeting process, the annual financial audit, and the biweekly payroll. Dealing with these intermittent spikes requires either having adequate staff on hand for the peak, which leaves staff underutilized during nonpeak times, or having temporary resources available to deal with the peaks.

Sharing staff from remote locations has become more common in recent years due to the proliferation of the Internet and electronic communication tools such as telephone conferencing, video or Web conferencing, and document-sharing portals. Sharing staff who perform similar functions can be effective because it reduces the need for cross training internal staff and because these staff can build expertise that can create efficiencies.

Using overtime can be another effective way of dealing with workload peaks. Although overtime pay is often seen as being very costly, if not used routinely it can be cheaper than hiring additional staff for which the organization has to pay fringe benefits in the form of pensions, health insurance, life insurance, and paid leave. These items can be a huge expense, which employers have to pay on a per-person basis in addition to basic earnings.

#### RECOMMENDATION 5-16:

**The SVSU should consider sharing staff with other supervisory union business offices to handle nonstandard peak workloads or using overtime or temporary staff as needed for peak workloads.**

Having options to deal with workload changes will become increasingly important as SVSU implements other recommendations contained in this chapter and report, especially the recommendation related to consolidating the seven entities.

#### FISCAL IMPACT

Implementing this recommendation should result in reduced overall employee expenses; however, it is difficult to estimate the impact. Implementing this recommendation will also help SVSU manage peak workloads more effectively while minimizing costs and maintaining expertise.

### 5.5 SPECIAL EDUCATION/MEDICAID FINANCIAL MANAGEMENT

The Medicaid School Based Health Services Program is used by the state to generate Medicaid reimbursement for medically related services provided in accordance with an Individualized Education Plan (IEP). Schools bill Medicaid directly for services and receive a monthly grant award from the Vermont Department of Education based on the claims submission to Medicaid. The rules for determining eligibility and authorization are detailed, but generally include the following elements:

1. Determination of eligibility through an IEP and Medicaid enrollment.
2. Parental consent for the Medicaid application (obtained by the Medicaid agency), the IEP, and a release of information form.
3. A physician authorization form.

The process for billing claims for reimbursement is also very detailed. Claims can be submitted for services such as case management; occupational and physical therapy; counseling; nursing; speech, language, and hearing services; and personal care. The claims submittal process includes the following:

1. **Annual IEP**—schools can bill for a set amount for the case management involved in developing or amending an IEP for up to two IEP claims per student in a 275-day period, but generally cannot for an initial IEP.
2. **Special Education Reevaluation**—schools can bill a set amount for the case management involved in conducting a special education reevaluation once every 910 days, but generally cannot for an initial evaluation.
3. **Level of Care (LOC)**—schools can claim for the service hours provided to an eligible student during nine annual periods ranging from one-to-two months each for specific services, which are weighted according to factors such as medical relevance. Services generally fall into one-of-four levels. The bill rates for each level vary by period, but as of August 15, 2008 ranged between:

- a. Level 1: \$173.10 to \$375.66
- b. Level 2: \$436.45 to \$947.18
- c. Level 3: \$894.33 to 1,940.83
- d. Level 4: \$1,893.64 to \$4,109.52

The amount of documentation to be completed and maintained is significant; however, supervisory unions generally receive 50 percent of the federal reimbursements earned for their claims. In calendar year 2010, SVSU billed for nearly \$1.52 million for the claims submitted. The funds can be used to pay for the services to operate the Medicaid program as well as for other prevention and intervention programs in grades pre-K through 12.

According to Vermont Statute 2959a., *Education Medicaid receipts: "It is the intent of the general assembly that the state of Vermont shall maximize its receipt of federal Medicaid dollars available for reimbursement..."*

## **FINDING**

The SVSU has not maximized its receipt of federal Medicaid dollars available for reimbursement.

Several factors account for this finding:

1. Parents do not always turn in the required consent forms. The SVSU lacks a process for tracking and following-up on these forms to determine if the parents forgot to complete the forms, lost them, or simply refuse to sign. As a result, it is nearly impossible to determine the amount of fiscal losses related to the lack of tracking and follow-up.
2. Teachers do not turn in all forms or claims. Because SVSU lacks an adequate mechanism for tracking and following-up on these forms, it is difficult to determine whether the missing forms are due to student absences, students losing eligibility, or the teacher simply not completing the forms. As a result, determining the exact amount of the fiscal losses is extremely difficult.
3. Teachers do not always submit completed IEPs in a timely manner; thus, SVSU loses the ability to bill for services. Although this is rare, we found at least two examples.
4. The SVSU has only one full-time Medicaid clerk. According to the clerk, his time is consumed with processing the paperwork he receives and he does not have much time to follow-up on missing paperwork and to develop and maintain tracking mechanisms for all the required forms and eligible students.

As a result of our queries, in April 2010, the Vermont Department of Education Medicaid Unit Specialist sent a letter to the Superintendent outlining the following SVSU Medicaid data as of March 31, 2010. Exhibit 5-6 shows these results.

**EXHIBIT 5-6  
SVSU MEDICAID DATA  
MARCH 21, 3010**

APPROXIMATE NUMBER OF MEDICAID ELIGIBLE STUDENTS	NUMBER OF ELIGIBLE STUDENTS WITH PARENTAL RELEASE	NUMBER OF OCTOBER CLAIMS PAID TO DATE	APPROXIMATE NUMBER OF ADDITIONAL ELIGIBLE STUDENTS
508	410	314	190

Source: Vermont Department of Education Medicaid Unit Specialist, 2010.

Moreover, the Vermont Department of Education Medicaid Unit specialist noted that the next largest supervisory union, which has 338 eligible students, employs two full-time clerks.

**RECOMMENDATION 5-17:**

**The SVSU should hire an additional Medicaid clerk.**

Hiring an additional Medicaid clerk should allow SVSU to better track and monitor eligible students, to process the receipt and submittal of required forms on time, and to provide back-up coverage for the program.

**RECOMMENDATION 5-18:**

**The SVSU should implement a Medicaid eligibility and claims tracking and monitoring system and enforce internal compliance with Medicaid program needs.**

Tracking Medicaid eligibility and the mailing and receipt of required forms, including parental releases and Medicaid forms and claims, should help SVSU maximize its Medicaid reimbursement. The system should provide for procedures pertaining to nonresponsive parents and teachers and for elevating issues to ensure the best possible resolution with parents, and ensure compliance of teachers. Communicating the importance of the reimbursements to parents and teachers should help with compliance.

**FISCAL IMPACT**

Using a conservative 400 students as a base, and considering that SVSU billed for about \$1.52 million last year indicates that SVSU can receive as much as \$3,775 per student, per year. Multiplying this by the estimated 190 additional eligible students indicates that SVSU may be able to obtain as much as \$717,000 per year in additional Medicaid claims if it were to improve its capacity and practices. This estimate does not include any students who are in special education, but who have not had their Medicaid eligibility determined.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Hire Medicaid Clerk (salary only)	(\$25,344)	(\$25,344)	(\$25,344)	(\$25,344)	(\$25,344)
Improve Medicaid Tracking and Reimbursements	717,000	717,000	717,000	717,000	\$717,000
<b>TOTALS</b>	\$691,656	\$691,656	\$691,656	\$691,656	\$691,656

Source: Based on mid-point Medicaid clerk salary and auditor-generated estimate of reimbursements.



## 6.0 FACILITIES USE AND MANAGEMENT

This chapter presents the findings and recommendations for the overall facilities use and management in SVSU. The sections of the chapter include:

- 6.1 Organizational Staffing and Planning
- 6.2 Grade Configurations/Use of Facilities
- 6.3 Work Orders, Planning, Preventive Maintenance

### 6.1 ORGANIZATIONAL STAFFING AND PLANNING

Comprehensive facilities management ensures that all the facilities are safe, healthy, and enhance educational activities. The organization should accomplish these goals in an efficient and cost-effective manner. Facility planners and the facility plan should be key elements in the SVSU, school district, and school strategic plans.

Well-planned schools are driven by the needs of the educational programs and accurate demographic studies. The design process should solicit input from all stakeholders, including administrators, teachers, security specialists, parents, students, and the maintenance and operations staff. The maintenance and operation of facilities must be accomplished in an efficient and effective manner in order to provide a safe and secure environment that supports the educational program and efficiently utilizes the school system’s resources.

The SVSU does not coordinate, supervise, or provide consolidated facilities-related services to the school districts, despite the close proximity of the school districts and schools.

#### FINDING

Facilities use and management, including custodial services and maintenance, are not efficient or cost-effective for SVSU.

Because each of the school districts separately employs custodial and maintenance staff, there is a lack of overall supervision, lack of efficiency in ordering and purchasing equipment and materials, and a lack of planning. The facilities organization and staffing for the school districts is summarized in Exhibit 6-1, followed by explanatory details for the school districts.

**EXHIBIT 6-1  
FACILITIES STAFFING  
2009-10**

DISTRICT	SQUARE FEET	CLASS-ROOMS	CAPACITY	FACILITIES STAFF
BENNINGTON SCHOOL DISTRICT				DIRECTOR OF BUILDINGS AND GROUNDS
Bennington Elementary	41,400	15	320	One day custodian position One maintenance position Contracted evening custodian (cost: \$51,187)
Monument Elementary	24,000	7	152	One day custodian position One maintenance position Contracted custodian (cost: \$33,207)

*Continued*

DISTRICT	SQUARE FEET	CLASS-ROOMS	CAPACITY	FACILITIES STAFF
<b>BENNINGTON SCHOOL DISTRICT</b>				
Molly Stark Elementary	52,000	20	430	One day custodian position One maintenance position Contracted custodian (cost: \$71,950)
<b>MOUNT ANTHONY UNION SCHOOL DISTRICT</b>				
				<b>DIRECTOR OF BUILDINGS AND GROUNDS</b>
Mount Anthony Union Middle School	150,000	56	900	One foreman One buildings and grounds position Two maintenance positions Six custodian positions
Mount Anthony Union High School and Career Development Center (a separate SU)	240,000	110	1,250	One foreman Three buildings and grounds positions Two maintenance positions Eleven custodian positions
<b>NORTH BENNINGTON</b>				
North Bennington Elementary	26,000	11	275	One foreman Three part-time custodian positions (equal to one full-time position)
<b>POWNAI</b>				
Pownal Elementary	37,000	22	550	One foreman One full-time and one part-time (60 percent) custodian positions
<b>SHAFTSBURY</b>				
Shaftsbury Elementary	29,422	16	400	One foreman One custodian position
<b>WOODFORD</b>				
Woodford Elementary	3,500	5	30	All custodial services are contracted out.

Source: Created by MGT, based on SVSU and school district data, 2010.

Below we discuss examples of SVSU school district facilities operations.

**Bennington School District.** Bennington School District has a full-time director of Buildings and Grounds (salary and benefits is approximately \$78,000) for its three schools.

All facility work orders from staff go to the principal for approval. Once approved, the work orders are directed to custodial or maintenance staff and are typically completed within 24 hours of receipt. Although most requests are completed in-house, plumbing, electrical, and heating specialists are brought in as needed.

Bennington Elementary School has one day custodian and one maintenance person (combined salary and benefits for the two positions is approximately \$107,000). This school also uses contracted evening cleaning services at a cost of \$51,187.

Monument Elementary School has one day custodian and one maintenance person (combined salary and benefits for the two positions is approximately \$105,000). This school also contracts for cleaning services at a cost of \$33,207.

Molly Stark Elementary has one day custodian and one maintenance person (combined salary and benefits for the two positions is approximately \$93,000). This school also contracts for cleaning service at a cost of \$71,950.

The total cost for the contracted cleaning services for the three schools is approximately \$156,344.

Based on the salary reports above, hiring additional full-time custodians to service schools in the evenings may be more cost-effective than using outside contractors.

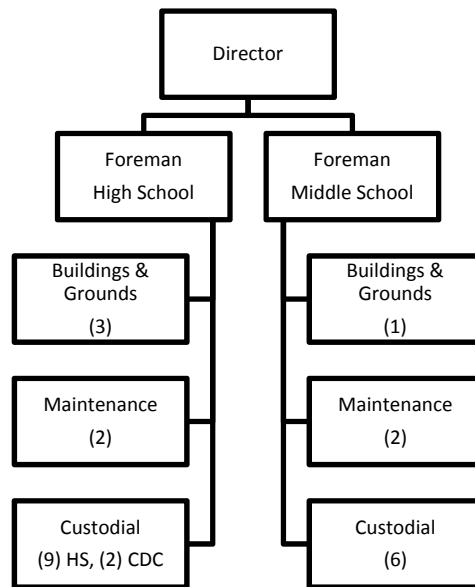
**Mount Anthony Union School District (MAUSD).** The Director of Buildings and Grounds for the MAUSD is responsible for all departmental operations and functions. Foremen are responsible for the daily operations of their respective buildings. Grounds staff undertake all outside activities and assist as needed in other areas. Custodians clean and restock the facilities, and are generally required to work a 2:30 p.m. to 11:00 p.m. shift. Maintenance staff responds to repair needs, work order requests, emergencies, and other issues as needed.

The MAUSD utilizes a work order system for requests that can be ordered in a timely manner (not for emergencies) and responded to on a daily basis. The MAUSD does not organize work order requests by shop or trade. All orders are responded to by staff as directed by the appropriate foreman. If an event requires additional support services from an outside vendor, the work order goes to the director for action. During the 2008-09 school year, approximately 600 work orders were completed. It should be noted that work orders make up less than 20 percent of the facilities department work load.

The MAUSD has six buildings totaling approximately 400,000 square feet. The high school site is approximately 33 acres, and the middle school site is approximately 110 acres, including 70 wooded acres. The total number of classrooms varies as room use is modified depending on need. There are approximately 56 classrooms at the middle school and 110 at the high school. There are no portable buildings at either campus. Both school sites are managed using a Johnson Controls METASYS, which allows complete building management through computer access and provides immediate information on all phases of heating, ventilation, and air conditioning (HVAC) issues.

All MAUSD facilities staff are required to attend Bloodborn Pathogen training within 30 days of hire. Staff are also required to attend an introductory training on asbestos and related issues. Refresher courses and equipment in-service training are offered as needed. When new equipment is put into operation, the vendor is required to perform proper operation and safety training. Staff are afforded opportunities for training when available. Grounds staff have attended field prep and care training, maintenance staff have attended HVAC METASYS and other training. The director has extensive hazardous materials training and conducts all handling and removal of these substances as required. The MAUSD custodial and maintenance department organizational structure is shown in Exhibit 6-2.

**EXHIBIT 6-2**  
**MAUSD CUSTODIAL AND MAINTENANCE DEPARTMENT ORGANIZATION**  
**2009-10**



Source: The MAUSD Custodial and Maintenance Department, 2010.

Mount Anthony Union High School/Career Development Center (MAUHS/CDC) serves students in grades 9 through 12 and encompasses 240,000 sq. ft. Miscellaneous buildings at the high school campus total approximately 20,000 square feet. The high school is a 45-year-old facility. The MAUHS/CDC is currently in the fourth year of improvements related to energy consumption, including upgrading classroom unit ventilators; re-lamping incandescent lighting with compact fluorescent lighting; addressing power factor percentage billing by changing the timing for loading electrical demand; and installing a biomass heating plant. There are nine custodians serving MAUHS/CDC. Each custodian is assigned approximately 26,600 square feet daily. All custodians work eight-hour shifts. Each school site has a day custodian from 6:00 a.m. to 2:30 p.m., followed by the evening custodial staff.

Mount Anthony Union Middle School (MAUMS) serves students in grades 6 through 8. The facility covers 150,000 square feet and has a capacity of 900 students. The MAUMS is a six-year old facility that was designed and constructed to maximize energy conservation. Excellent insulating design, the latest lighting technology, Co2 monitoring, motion sensor monitoring, and a biomass system were incorporated into the new building. Designs and specifications were reviewed by the Vermont Department of Education as well as the Efficiency Vermont Program. The building energy awareness resulted in a \$50,000 incentive rebate from the Efficiency Vermont Program. There are six custodians at the middle school, each assigned approximately 25,000 square feet daily.

MGT recommends a custodial staffing to square foot ratio of 1:20,000 for K-12 school facilities, with an additional 0.5 FTE custodial staff for elementary schools, 0.75 FTE for middle schools, and 1.0 FTE for high schools.

This standard is based on the analysis of numerous school district staffing practices and industry standards. Over the last five years, MGT has conducted more than 50 school district facilities and management reviews that included analysis of custodial performance as it relates

to staffing ratios. Staffing ratios in school districts have varied from 1:12,600 to 1:29,000 with a varying degree of school cleanliness. Several professional associations have developed best practices, including the Association of School Business Officials (ASBO), the Association of Higher Education Facility Officers (formerly the Association of Physical Plant Administrators [APPA]), the Association of Facilities Engineering, and the Council of Great City Schools. These best practice staffing ratios have varied between 1:21,600 and 1:31,000. Some best practices include differing levels of cleanliness and differentiate between the type and age of the building, making them complicated to apply throughout a school district or region.

MGT's best practice standard takes into consideration efficient staffing levels and the importance of effective supervision, training, and sufficient materials and equipment. This standard also recognizes that the best custodial operations include tasks beyond cleaning, such as equipment set-up, logistical preparations, and light maintenance. The standard has been updated twice in recent years, once recognizing greater efficiencies in work practices, and once to include additional custodial duties. In MGT's experience, staffing ratios higher than this level are usually driven by tight budgets rather than best practice. At the same time, MGT recognizes and applauds school districts that can maintain clean and safe schools, and improve the efficiency of their custodial staff.

Exhibit 6-3 shows the number of SVSU custodians; based on the MGT standards, the SVSU school and school district custodial services are both overstaffed and understaffed.

**EXHIBIT 6-3**  
**CUSTODIAL ALLOCATIONS**  
**2009-10**

DISTRICT	SQUARE FEET	CURRENT NUMBER OF CUSTODIANS <sup>a</sup>	STANDARD FTE:SQ FT	OVER (UNDER) STANDARD
Bennington Elementary	41,400	4.0	1:20,000 plus 0.5 FTE	1.43
Monument Elementary	24,000	3.0	1:20,000 plus 0.5 FTE	1.30
Molly Stark Elementary	52,000	5.0	1:20,000 plus 0.5 FTE	1.90
Mount Anthony Union Middle School	150,000	6.0	1:20,000 plus 0.75 FTE	(2.25)
Mount Anthony Union High School and Career Development Center	240,000	11.0	1:20,000 plus 1.0 FTE	(2.00)
North Bennington Elementary	26,000	1.0	1:20,000 plus 0.5 FTE	(0.80)
Pownal Elementary	37,000	1.6	1:20,000 plus 0.5 FTE	(0.75)
Shaftsbury Elementary	29,422	1.0	1:20,000 plus 0.5 FTE	(0.97)
Woodford Elementary	3,500	1.0	1:20,000	0.83

Source: Created by MGT, based on SVSU and school district data, 2010.

a Includes contracted custodial services.

As each of the school districts currently employs their own custodial and maintenance staff and principals supervise the work, there is a lack of centralized supervision, purchasing, and planning.

## **RECOMMENDATION 6-1:**

### **The SVSU should consolidate custodial and maintenance functions throughout SVSU and develop a staffing plan based on industry standards.**

Vermont statutes provide for the option of local school districts comprising a supervisory union to consider additional services (Vermont Statutes, Title 16: Education, Chapter 7: Supervisory Unions Section 261a.); this recommendation suggests such coordination for custodial and maintenance services. Consolidated facility use and management may decrease the number of building and grounds managers and maintenance personnel, increase the number of custodians, permit resource pooling, and facilitate proactive facilities management such as preventive maintenance and cooperative/bulk purchasing.

A staffing plan should include consideration for the needs of the schools and school districts, and be based on industry standards. The plan should include all associated costs for consolidation and allocation of custodial and maintenance resources, including management of those resources, and the feasibility of using contracted services.

## **FISCAL IMPACT**

This recommendation can be implemented by existing SVSU and school district staff (for planning the consolidation), with assistance from the finance/budget staff (to determine the net financial impact to SVSU and to the schools and school districts).

## **FINDING**

The SVSU is in need of a long-range comprehensive facility master plan to guide decision-making about facilities that support the educational programs.

A supervisory, union-wide facilities plan currently does not exist. As a result, some facilities are under-capacity (such as MAUMS), which increases overall cost per student, and some educational services are not provided (for example, prekindergarten). The SVSU should develop a master facilities plan that is based on solid assessment data and is comprehensive enough to gain internal and external support. The data will enable SVSU to prioritize the existing facility needs and ensure that future needs are also addressed.

A comprehensive facility plan includes the following elements:

- Complete facility and site inventory, including leased facilities.
- Long-range enrollment projections.
- Attendance area review.
- Building conditions review and needs.
- Educational suitability review and program needs.
- Capacity and utilization review based on projections.
- Broad community input and engagement.
- Recommendations that include plans for all facilities.

A facility planning process includes the following goals:

- To maintain safe, healthy buildings that enrich students' educational experience.
- To provide equity among school district facilities.
- To address any existing deficiencies in physical condition, site condition, technology readiness, and educational suitability.
- To maximize the utilization of facilities.
- To contain costs associated with building maintenance.
- To ensure that all appropriate learning spaces exist in each school.
- To engage the community in shaping the plans for SVSU.

To achieve the facility planning goals, SVSU could create an advisory committee using a broad spectrum of staff and stakeholder participation and work with a facility planning consultant who can assist in the development of a comprehensive plan. The West Contra Costa School District (California) used internal staff to develop an excellent comprehensive long-range facility plan that contains all recommended elements.

#### **RECOMMENDATION 6-2:**

**The SVSU should develop and implement a comprehensive, long-range facility master plan.**

It is important to note; however, that implementing this recommendation will be a great challenge given the current structure of SVSU with seven separate entities, and may not yield the best results for SVSU as a whole if seven separate plans are developed independently. In addition, implementing this recommendation under the current structure will also be more time consuming and costly to develop than if the districts were to consolidate into one entity. We recommend that SVSU first consider our recommendation for consolidation and then consider the best approach for implementing this recommendation.

Moreover, in addition to the enrollment projections SVSU uses, the following components could be incorporated into a comprehensive plan:

- **Inventory of Schools, Facilities, and Sites.** Existing information pertaining to school sites should be entered into a common database to validate an accurate data source for making decisions regarding facility use.
- **Review of Educational Program.** A framework for developing facility recommendations must be based on the mission, goals, and objectives of the school district. Staff should review the current and proposed educational programs and determine the implications for facilities.
- **Assessment of Educational Suitability.** An educational suitability review examines a facility based on its ability to deliver an effective educational program. This is a critical piece in developing a long-term facility plan and establishing the right priorities for making changes to a building.
- **Assessment of Building/Site Condition.** The physical condition of each school building and site should be assessed.
- **Input of Internal and External Community.** The external community should have the opportunity to provide input. The staff should be interviewed in order to provide

background on both existing and planned programs. The data gathered from the interviews and the community input sessions should be used to shape the plan during its development.

- **Analysis of Capacity and Utilization.** Verification of the capacity and utilization of all facilities included in the study must be accomplished during onsite visits. The utilization of each school should be analyzed in the context of enrollment projections and potential changes in student/teacher ratios or programs at the site.
- **Analysis of Enrollment Projections and School/Community Demographics.** Enrollment projections should be developed to determine balanced utilization and the school district population should be analyzed using a variety of enrollment projection methodologies.

## FISCAL IMPACT

This recommendation can be implemented using internal staff and time and advisory committee members and their time. The goal should be to create the facilities master plan within a defined timeframe.

## 6.2 GRADE CONFIGURATIONS/USE OF FACILITIES

The audit team analyzed the adequacy of facilities and identified potential improvements that could be made in how resources are utilized in this area.

The audit team evaluated facilities utilization and management in terms of assignable square feet per student by type of space, facility suitability, and the condition of facilities and property. The audit team evaluated facility policies, procedures, practices, and building maintenance; and assessed preventative maintenance and energy management programs. Energy and environmental management were analyzed in conjunction with the Leadership in Energy and Environmental Design (LEED) certification data.

The key goal for this task is to ensure that SVSU is planning for the facilities' needs based on student growth, programmatic needs, aging facilities, and legislative requirements. A comprehensive facilities management program should coordinate the physical resources available. The program must effectively integrate facilities planning with all other aspects of institutional planning. As such, plant operations and maintenance staff should be involved in design and construction activities. Similarly, construction management personnel should be knowledgeable about operations and maintenance activities.

In smaller school districts, the need for the coordination of facilities services is of greater importance because resources are typically scarcer than in larger school districts. The misallocation of resources is also more noticeable in smaller communities and, therefore, subjects the school districts to increased pressures.

This section reviews use of school buildings, grade configurations, capital needs and projects, maintenance and custodial services, and energy management.

## FINDING

Given the building capacity in some of the schools and the current grade configuration of others (kindergarten through 6<sup>th</sup> grade), Bennington, Shaftsbury, Woodford, North Bennington, and



Pownal cannot offer prekindergarten programs. The SVSU's director of Early Education Programs reported that at the time of our audit fieldwork, Molly Stark Elementary School housed three preschool classrooms of the SVSU Early Childhood Program, which originally were the designated early childhood special education placements for children (EEE) for SVSU. The director of Early Education Programs reported that the program began in the early 1990's and has since expanded to include at-risk and some typically developing role models as space became available. The SVSU Early Childhood Program consists of school-based classrooms and community-based placements through partnerships with private child care providers throughout the SVSU. The director reported that although many Bennington preschoolers attend the center-based classrooms at Molly Stark, other Bennington children are also served by SVSU in community placements.

The need is well-established for prekindergarten programs and the research is plentiful as to their effectiveness in preparing children for kindergarten. There are many positive reasons (and sufficient research) to offer prekindergarten programs to area children. Prekindergarten programs serve to improve children's educational and social readiness for kindergarten.

### **RECOMMENDATION 6-3:**

**The SVSU should create prekindergarten programs in the Pownal, Bennington, and Woodford schools.**

By virtue of their current grade configurations and/or size, some schools do not have capacity to offer a prekindergarten program. The schools would need to make space by changing their grade configurations from K-6 to PreK-5.

### **FISCAL IMPACT**

Unlike many state funding mechanisms, which rely on grants for prekindergarten programs, Vermont is unique in that its statutes encourage school districts to provide prekindergarten programs by offering start-up grants, as well as by providing per-pupil state aid to school districts offering early childhood education programs.

### **FINDING**

The grade level organization of SVSU and the elementary school districts do not maximize the use of the existing middle school (MAUMS).

The MAUMS is designed for and has the capacity to house all 6<sup>th</sup> grade students from the SVSU elementary schools. However, at this time, only 6<sup>th</sup> grade students from Bennington School District attend classes in this modern and spacious facility. The remaining school districts have chosen to retain their 6<sup>th</sup> grade students in the elementary schools.

The four 6<sup>th</sup> grade students in Woodford are grouped together with the 5<sup>th</sup> grade in a single classroom. In lieu of attending MAUMS, 6<sup>th</sup> grade students attend the elementary schools in self-contained classes in the North Bennington District (projected 6<sup>th</sup> grade enrollment in 2011 is 23), Shaftsbury (projected 6<sup>th</sup> grade enrollment in 2011 is 24), and Pownal School District (projected 6<sup>th</sup> grade enrollment in 2011 is 34). A total of 81 6<sup>th</sup> grade students are projected in these three school districts for 2011.

The MAUMS, as originally designed, can accommodate and provide extensive and modern facilities for sixth grade students from Bennington, Pownal, North Bennington, Woodford, and Shaftsbury. Housing all 6<sup>th</sup> grade students at MAUMS would allow the elementary schools to have sufficient capacity to offer prekindergarten programs, and would provide an opportunity for all 6<sup>th</sup> grade students to experience a true middle school program with expansive offerings in a modern facility.

**RECOMMENDATION 6-4:**

**The SVSU should rezone all 6<sup>th</sup> grade students to Mount Anthony Union Middle School.**

**FISCAL IMPACT**

Please refer to **Recommendation 6-5** for the related fiscal impact.

**FINDING**

Continued operation of the elementary school with an enrollment of less than 50 students in Woodford School District is inefficient and costly when adequate space and facilities, as well as expanded educational programs, are available nearby.

The Woodford School District operates one elementary school serving students in kindergarten through 6<sup>th</sup> grade. Total enrollment at the time of the onsite review was 35. Enrollment for the past three years was 35 students or less each year. The school is administered by a part-time principal who also serves as a science instructor at the school. The audit team visited and inspected each room in the building.

Bennington School District operates three elementary schools serving students in prekindergarten through 5<sup>th</sup> grade. Bennington Elementary School has a capacity of 320 students and 41,400 square feet; 2010 enrollment is 273 students. Monument Elementary School has a capacity of 152 students and 24,000 square feet; 2010 enrollment is 133. Therefore, both Bennington Elementary and Monument Elementary are under-capacity and have adequate space to accommodate the 26 students in kindergarten through 5<sup>th</sup> grade who currently attend Woodford Elementary. In addition, both schools are located approximately four miles from Woodford Elementary. The Woodford 6<sup>th</sup> grade students should attend MAUMS (see **Recommendation 6-3**).

The Woodford Elementary School does have historical significance, and its presence in the community is highly respected. Furthermore, the need for a prekindergarten program for Woodford children is evident. With the proposed rezone of Woodford students to near-by schools and MAUMS, further consideration should be made for the continued utilization of the Woodford facility. Given the need for increased early childhood experiences throughout the SVSU, Woodford should be considered as a potential site for a prekindergarten center.

**RECOMMENDATION 6-5:**

**The SVSU should provide a choice option for all kindergarten through 5<sup>th</sup> grade students from Woodford Elementary School, close Woodford as an operating elementary school, and explore the feasibility of converting Woodford to an alternate-use facility such as a prekindergarten center, library, or community center.**

The SVSU should rezone all kindergarten through 5<sup>th</sup> grade students at Woodford Elementary School to Bennington or Monument Elementary schools to better utilize school district facilities. Given that both Bennington and Monument are four miles from Woodford, parents should be provided a choice option to attend either school. Rezoning Woodford elementary students to other nearby schools should allow use of the Woodford facility for other instructional programs, such as early childhood education.

### FISCAL IMPACT

Under a consolidated single entity structure, implementation of this recommendation would be more straightforward. Determining the costs for each school to send the Woodford Elementary School students to Bennington School District under the current seven-entity structure is complicated.

For simplicity, we have focused on the direct savings related to closing Woodford Elementary School, an estimated annual savings of \$442,542 based on FY 2008-09 annual operating expenditures. Woodford would be eligible to continue receiving the state Small Schools Grant for three years after it consolidates with Bennington, according to Vermont Statutes Chapter 133 (e).

Conducting the feasibility study will require use of current staff resources and time, estimated at approximately one-to-two months.

Implementation of this recommendation would provide an estimated savings of more than \$440,000 annually. In addition, implementing this recommendation would likely also allow for a reduction in the number of teachers; however, we have not included this in the following table, as the reductions are difficult to quantify.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Close Woodford Elementary School	\$442,542	\$442,542	\$442,542	\$442,542	\$442,542

### 6.3 WORK ORDERS, PLANNING, PREVENTIVE MAINTENANCE

Proper maintenance and custodial services are critical to ensuring an effective instructional program. MGT research has shown that appropriate heating and cooling levels, building and room appearances, condition of rest rooms and other facilities, as well as safety concerns, all impact how students and faculty/staff are able to carry out their respective responsibilities. Ineffective or inadequate maintenance and cleaning provisions lead to increased costs of facility operations by shortening the useful life span of equipment and buildings.

The audit team noted that SVSU does not have a comprehensive equipment and materials-tracking capability or an organized preventive maintenance program.

There is no complete and centralized inventory of equipment and materials. The school districts and schools manually track equipment and materials, primarily through historical data and staff knowledge. Work orders and other documents for tracking maintenance requests and materials are completed manually in each school district.

However, the audit team did not report this as a finding because, as discussed later in **Appendix B**, the audit teams' observations found that the condition of the school buildings

appeared good, and the buildings were well-organized, well-maintained, and clean. Furthermore, the audit team's review of costs of maintenance systems found that the cost may not be worth the benefit SVSU could obtain by purchasing an electronic system.

## 7.0 FOOD SERVICES MANAGEMENT

This chapter presents the findings and recommendations for the overall food services management and delivery in SVSU. The sections in this chapter include:

- 7.1 Management and Operations
- 7.2 Food Services Participation Rates
- 7.3 Pricing of Meals

### 7.1 MANAGEMENT AND OPERATIONS

The SVSU outsources food service operations through a competitive procurement process. The current contractor is Abbey Food Service Group (Abbey Group), a Vermont company that provides contracted management services to businesses and schools.

The SVSU’s contract requires Abbey Group to serve reimbursable lunches that meet the requirements of the National School Lunch Program, the School Breakfast Program, and the Dietary Guidelines for Americans. The contract also requires Abbey Group to document its compliance with the meal pattern and other program requirements to meet specifications of the Vermont State Education Department and the United States Department of Agriculture.

Meals are prepared onsite for the schools with the exception of North Bennington (Shaftsbury prepares) and Woodford (Monument prepares).

The SVSU food services by type and location are shown in Exhibit 7-1.

**EXHIBIT 7-1  
FOOD SERVICES AT THE SVSU SITES**

FACILITY	A LA CARTE	ADULT MEALS	BREAKFAST	LUNCH	SPECIAL MILK
MAUHS	X	X	X	X	
MAUMS	X	X	X	X	
Bennington		X	X	X	
Monument		X	X	X	
North Bennington		X	X	X	
Molly Stark		X	X	X	
Catamount		X	X	X	
Woodford		X	X	X	
Shaftsbury		X	X	X	
Pownal		X	X	X	X

Source: The SVSU business manager, Abbey Group contract, 2010.

Average meal participation rates have increased for three schools—Mount Anthony Union High School, Bennington Elementary, and Monument between FY 2006-07 and FY 2008-09.

However, meal participation rates decreased for five other schools during this same time. Catamount had no participation rates for FY 2007-08 or FY 2008-09 because the school was closed. Meal participation rates are shown in Exhibit 7-2.

**EXHIBIT 7-2**  
**FOOD SERVICES PARTICIPATION RATES**  
**SVSU SCHOOLS FY 2006-07 TO FY 2008-09**

SCHOOL	AVERAGE PARTICIPATION RATES				PERCENT CHANGE FY 06-07 TO FY 08-09
	FY 06-07	FY 07-08	FY 08-09	THREE YEARS	
MAUHS	48.2%	51.6%	52.6%	50.8%	4.4%
MAUMS	70.9	67.0	68.7	68.8	-2.2
Bennington	63.2	62.2	68.1	64.5	4.9
Monument	65.1	70.7	68.4	68.1	3.4
North Bennington	57.7	57.0	54.3	56.1	-3.3
Molly Stark	79.6	76.7	74.6	77.0	-5.1
Catamount	77.6	N/A	N/A	77.6	N/A
Pownal	80.6	78.7	77.4	79.0	-3.2
Shaftsbury	71.1	57.3	63.3	63.9	-7.8

Source: The SVSU Business Office, 2010.

Note: Catamount had no participation rates for FY 2007-08 or FY 2008-09 because the school was closed.

The contract between the Abbey Group and SVSU is a fixed fee for the term of the contract. Furthermore, in the Abbey Group's proposal, it indicated that it had budgeted for \$25,000 in kitchen improvement guarantee that would be made available on a yearly basis to SVSU at the end of the year.

During interviews and site visits to the schools, one principal indicated a desire to consider providing in-house food services to staff and students. However, this practice would not be recommended by MGT due to the loss of efficiencies and effectiveness in a small school.

**RECOMMENDATION 7-1:**

**The SVSU should continue outsourcing food services.**

According to the business manager, SVSU has outsourced food service operations for many years with several contractors. The audit team's observations and discussions with students suggested that service levels were satisfactory, the cafeterias were clean, and the employees appeared to be dedicated and friendly.

**FISCAL IMPACT**

There is no fiscal impact resulting from the implementation of this recommendation, other than the continued contracting costs.

## FINDING

There is no formal method of surveying students regarding satisfaction levels of service, food quality, and choice.

The Abbey Group stated in the proposal to SVSU:

*The Abbey Group will work closely with your **food service advisory committees** to give your school the program that best fits the need of your school.*

Although meetings are held, there is no evidence of satisfaction surveys being administered. The Abbey Group president stated that schools annually generate a satisfaction survey, but neither the president nor school administration and staff could provide any documentation of surveys administered.

In general, customer satisfaction data should be used to:

- Develop targeted marketing plans to increase student participation in school breakfast and lunch programs.
- Identify needed enhancements to goods and services.
- Establish appropriate quality and process standards.
- Plan for new initiatives, services, or events.
- Justify needed changes, such as the purchase of new equipment or the renovation of facilities.

One particularly effective school food service survey was developed by the National Food Service Management Institute (NFSMI) at the University of Mississippi. In addition to providing statistically valid and reliable survey instruments, the NFSMI protocol outlines how to implement food service surveys effectively. In particular, NFSMI suggests that in order to effectively conduct a comprehensive survey, a school system should:

- Determine the intended objectives.
- Gain approval from the school community including administrators, teachers, and parents.
- Determine when the survey should be conducted to gain the most participation and responses based on experience.
- Determine how many surveys to distribute based on population size to ensure statistical validity.
- Determine how the analysis will be conducted.
- Determine how the survey will be conducted.
- Prepare customers for the survey by making them aware of time lines and expectations.
- Develop a support network for the survey process.

The NFSMI publishes the *School Foodservice Survey Guide*, which contains a detailed methodology for conducting food service surveys, as well as the actual survey instruments by

school level (elementary, middle, and high). The group also can provide national level data from which to make comparisons.

#### RECOMMENDATION 7-2:

**The SVSU should administer satisfaction surveys regularly so school food advisory councils have ongoing feedback regarding food service.**

Satisfaction and quality of service survey results can be used to best inform and guide the contractor, SVSU, and individual school councils. Best practices in food services place critical importance on continual customer feedback to ensure the ability to make appropriate programmatic changes. As food service is one of the most publicly visible functions within any school system, the need for routine monitoring of customer satisfaction is imperative. A well-designed customer satisfaction survey can provide essential information to guide decisions focused on departmental improvement. School food service programs serve many customers, including students, teachers, administrators, parents, and school staff. Each of these groups assesses food and service quality based on their unique experiences. While groups may evaluate the quality of a food service program differently, the perception of quality is typically the most important factor when participation choices are made. An ongoing cycle of customer satisfaction surveys can serve as the basis for a continuous improvement model that is grounded in customer feedback. This concept is important in any operation, but is essential in food service.

#### FISCAL IMPACT

The SVSU will incur a cost in administering the survey as well as collecting and compiling the data. However, the audit team believes this can be done with existing staff rather than contractors or additional FTEs.

## 7.2 FOOD SERVICES PARTICIPATION RATES

#### FINDING

According to the Abbey Group president, in April 2010 the SVSU student breakfast program served approximately 28 percent of the student enrollment. However, for school districts served statewide, the breakfast participation rate is 32 percent (in 2006). The level of breakfast participation in SVSU should be much higher, especially in light of the percentage of students eligible for free/reduced lunch programs (45.3 percent), as shown in Exhibit 7-3.

**EXHIBIT 7-3  
FREE/REDUCED PARTICIPATION  
PEER DISTRICTS AND STATE**

DISTRICT	FREE LUNCH	REDUCED LUNCH	ENROLLMENT	PERCENT ELIGIBLE FOR FREE/REDUCED LUNCH
SVSU	1,385	169	3,433	45.3%
Burlington	1,622	234	4,029	46.1
Rutland	1,239	223	3,256	44.9
<b>STATEWIDE TOTALS</b>	<b>26,937</b>	<b>6,739</b>	<b>94,025</b>	<b>35.8</b>

Source: Vermont Department of Education, 2010.



### **RECOMMENDATION 7-3:**

#### **The SVSU should seek to increase student breakfast participation.**

Delivering breakfast meals to students in the classroom is an effective way to ensure that these students receive the nutrition needed to support academic performance. Studies have tied eating breakfast to greater focus, improved memory, and improved behavior among students. Increasing breakfast participation would promote these benefits while generating more revenue. Multiple strategies could be utilized based on the characteristics of the individual school. This practice should be coordinated by the food service contractor with support from the Superintendent to ensure comprehensive implementation.

Marketing efforts to increase student participation can vary, and there are many best practices guides to help SVSU and its schools establish a program to increase participation. The Kansas City Healthy Kids program has developed keys to success for marketing nutrition and better choices that include the following:

- Start small—with budget restrictions, marketing efforts do not have to be large or expensive. Small efforts are better than no efforts at all.
- Track your progress.
- Get help—find out who in the community is willing to help or volunteer.
- Be creative.
- Do not reinvent the wheel—talk to other directors and managers about their marketing efforts and use the Action for Healthy Kids' What's Working Database.
- Walk the Talk—provide customers with the most nutritious choices possible and let them know this is your goal.
- Get administrators on board.
- Embrace trial and error.
- Follow through on your promises.

### **FISCAL IMPACT**

The fiscal impact of this recommendation cannot be estimated, as providing increased breakfast services must be negotiated with the contracted food service provider.

## **7.3 PRICING OF MEALS**

### **FINDING**

The SVSU student meal prices are lower in comparison to national and Vermont statewide school meal prices.

The 2008-09 national average for a student school lunch was \$1.87 for elementary schools and \$2.13 for high schools, according to the School Nutrition Association. These figures represent an increase of approximately \$0.25 (12.5 percent) per meal since 2007.

The comparative differences between the SVSU lunch prices (2009-10) and the national average lunch prices (2008-09) for elementary and secondary schools are found in Exhibit 7-4.

At the elementary school level, SVSU is charging less for school lunch than the national average from the prior fiscal year. At the high school level, SVSU is charging the same as the national average for the prior year.

**EXHIBIT 7-4  
COMPARISON OF SCHOOL LUNCH PRICES  
SVSU AND NATIONAL AVERAGE**

GRADE LEVEL	SVSU COST 2009-10	NATIONAL AVERAGE COST 2008-09	DIFFERENCE
Elementary School	\$1.75	\$2.00	(\$0.25)
High School	2.00	2.00	(0.00)

Source: Created by MGT from SVSU and School Nutrition Association, 2010.

The SVSU meal prices are also low in comparison to pricing of meals statewide, as shown in Exhibit 7-5. At both the elementary and the secondary school levels, SVSU is charging significantly less for school lunch than the state average.

**EXHIBIT 7-5  
COMPARISON OF SCHOOL LUNCH PRICES  
SVSU AND VERMONT STATE AVERAGE  
FY 2009-10**

GRADE LEVEL	SVSU COST	STATE AVERAGE COST	DIFFERENCE
Elementary School	\$1.75	\$2.10	(\$0.35)
Middle School	2.00	2.23	(0.23)
High School	2.00	2.23	(0.23)

Source: Created by MGT from SVSU and School Nutrition Association information, 2010. Based on 2008-09 national averages.

While this type of pricing strategy is often viewed as a beneficial situation for students and employees, it often places financial limitations on food service programs.

As displayed in Exhibit 7-6, when compared to two peer supervisory districts, the SVSU meal prices are comparable for elementary and high school but higher for middle school. Many school districts across the country have been forced to make the difficult decision to increase meal costs.

**EXHIBIT 7-6  
LUNCH PRICES IN COMPARISON SCHOOL SYSTEMS  
FY 2009-10**

SCHOOL DISTRICTS	ELEMENTAR Y SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL
SVSU	\$1.75	\$2.00	\$2.00
Rutland	1.50	1.90	2.10
Burlington	1.75	1.75	2.25

Source: Vermont Department of Education, Vermont Meal Prices, 2010.

**RECOMMENDATION 7-4:**

**The SVSU should increase the cost of its elementary student lunches by \$0.25 per meal and secondary lunches by \$0.20 per meal.**

Although the SVSU program is profitable with the current pricing structure, there are compelling reasons (such as increasing fuel and food costs), to increase meal prices to levels that are more appropriate. Furthermore, even with an increase in meal prices, SVSU would still be slightly below the state average for elementary, middle, and high school meals.

**FISCAL IMPACT**

This recommendation can be implemented at no additional cost. When the current contract expires and a new competitive solicitation for food services is issued in 2011, the SVSU should anticipate a higher financial return (guarantee) from bidders than the current \$25,000.

**FINDING**

The SVSU adult meal prices are lower in comparison to statewide Vermont average prices. The SVSU adult lunch price is \$0.30 less than the state average, \$0.25 less than Burlington Supervisory District, and equal to Rutland City Supervisory District.

**RECOMMENDATION 7-5:**

**The SVSU should increase the cost of its adult lunches by \$0.25 per meal.**

Increasing meal prices by \$ 0.25 per lunch for adults would still place SVSU below the state average.

**FISCAL IMPACT**

This recommendation can be implemented at no additional cost. When the current contract expires and a new competitive solicitation for food services is issued in 2011, SVSU should anticipate a higher financial return (guarantee) from bidders than the current \$25,000.

## 8.0 TECHNOLOGY MANAGEMENT

This chapter presents the findings and recommendations for the overall technology management and delivery in SVSU.

### BACKGROUND

A comprehensive technology management program should coordinate both the instructional and administrative support functions in a school system. The program must effectively integrate technology planning with all other aspects of institutional planning.

Schools use administrative and instructional technologies. Administrative technology includes the software and hardware that is used to perform the business of SVSU. This includes the student information system, financial data services, and personnel data. Instructional technology includes the integration of technology into classroom, campus, and SVSU instructional and administrative programs. Ideally, technology is one area that supports all administrative and instructional personnel in a positive manner. Organizing technology resources to effectively achieve this outcome can be challenging.

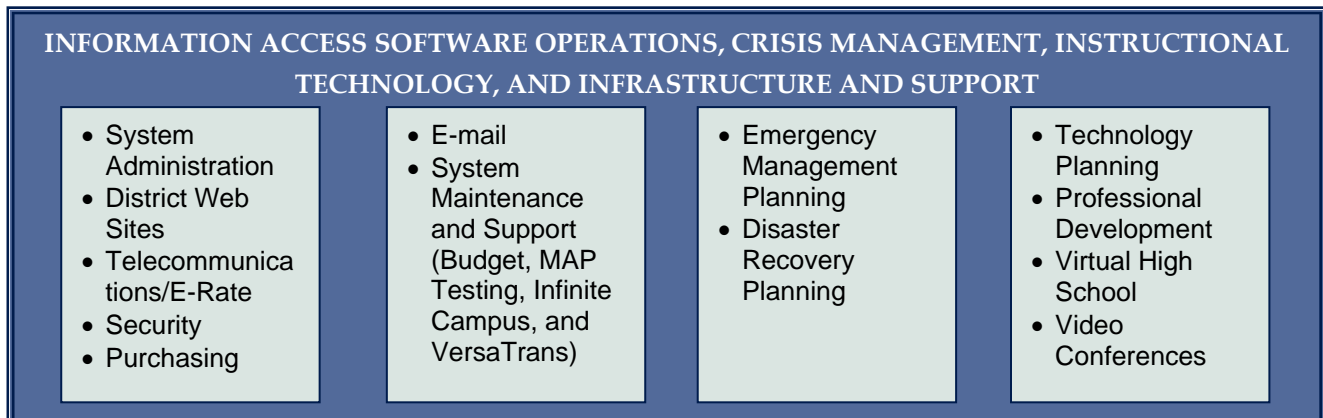
Technology is a service/function provided by SVSU to all of its composite school districts. The International Society for Technology in Education (ISTE) has developed a Technology Support Index rubric to assist school districts in determining their technology support needs. According to this rubric, the Technology Services Department staffing level at SVSU is appropriate for its size.

The Technology Support Index identifies integrated school systems as having an organizational structure where the technical support functions and instructional technology functions may report differently, but each unit is cohesively organized, and there is communication between units. Higher-functioning school districts (that is, those functioning at an exemplary level), have an organizational structure where all of the technology functions report through the same unit in the organization, providing for a logical chain of command and communication structure.

Exhibits 8-1 and 8-2 illustrate both the functional design of the SVSU Technology Services Department and the personnel associated with the major assignment areas.

### EXHIBIT 8-1

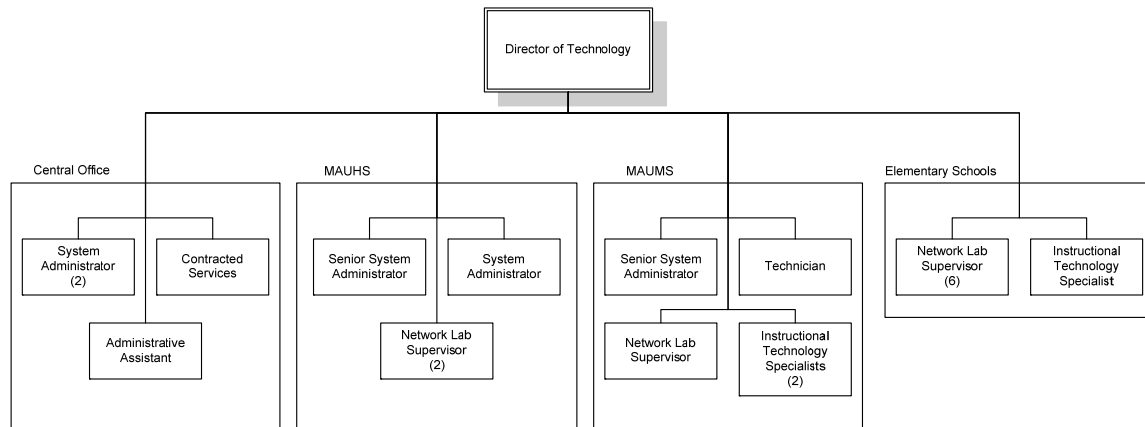
#### TECHNOLOGY SERVICES DEPARTMENT FUNCTIONS



Source: The SVSU Technology Services Department, 2010.

The SVSU Central Office staff consists of the director of Technology, one administrative assistant, one database/systems administrator, and one systems administrator. As shown in Exhibit 8-2, the majority of Technology Services Department staff are deployed in schools.

### EXHIBIT 8-2 TECHNOLOGY SERVICES DEPARTMENT PERSONNEL ORGANIZATION



Source: The SVSU Technology Services Department, 2010.

This structure allows for information technology services to be provided for the system and for each school to have on-site support staff. Staff stated that much of the SVSU network administration occurs at MAUHS because there is no space in the Central Office, and the high school is a secure location. The MAUHS has four technology staff: a senior systems administrator, systems administrator, and two network lab supervisors. The systems administrators at MAUHS are responsible for network administration, e-mail, information security, and international data (Web sites, file transfer protocol sites, and applications). The MAUMS has five technology staff: a senior systems administrator, a technician, a network lab supervisor, and two instructional technology specialists. There are six more network lab supervisors, one in each of the elementary schools, and an educational technology specialist at the Bennington School District. The network lab supervisors perform important roles and support the technological aspects of the instructional needs of the staff.

The Central Office location houses the director of Technology and two system administrators. These administrators are responsible for communications, security, software support (BudgetSense, accounting, MAP testing, Infinite Campus, VersaTrans, and Google Apps). The director of Technology oversees all of the Technology Services Department operations and directly oversees purchasing, planning, and emergency management activities.

The Technology Services Department as a whole is sufficiently staffed for the size of SVSU and the school districts, as shown in Exhibit 8-3. The department supports more than 2,400 computers with 18 support staff—a 134:1 computer-to-technician ratio. The ISTE Technology Support Index provides guidance for appropriate staffing levels based on the number of computers supported. A ratio of 250:1 computers-to-technician is considered inefficient, whereas between 150:1 and 250:1 is considered moderately efficient, 75:1 to 150:1 satisfactory, and less than 75:1 highly efficient. However, the ISTE recognizes that bringing down staffing ratios has a significant fiscal impact on schools.

**EXHIBIT 8-3**  
**COMPUTER-TO-TECHNICIAN RATIOS**

	ORGANIZATION	NUMBER OF COMPUTERS	NUMBER OF TECHNICIANS	RATIO	EFFICIENCY LEVEL
1	SVSU	156	2 <sup>a</sup>	78:1	Satisfactory
2	MT Anthony	1,161	9	129:1	Satisfactory
3	North Bennington	125	1	125:1	Satisfactory
4	Pownal	272	1	272:1	Low
5	Bennington	548	4	137:1	Satisfactory
6	Shaftsbury	152	1	152:1	Moderate
<b>TOTALS</b>		<b>2,414</b>	<b>18</b>	<b>134:1</b>	<b>SATISFACTORY</b>

Sources: The SVSU Business Office and ITSD Technology Support Index.

a These two technicians serve all buildings in the SVSU.

Technology support staffing appears to be satisfactory based on the computer-to-technician ratio for all six organizations as a whole. Although the Pownal School District's ratio is considered low efficiency by ISTE standards, the SVSU in general appears to be appropriately staffed.

### FINDING

As mentioned previously, higher-functioning school districts have an organizational structure where all of the technology functions report through the same unit in the organization, providing for a logical chain of command and communication structure. The SVSU clearly falls into this category. However, the director of Technology for SVSU retired in June 2010, and, as of May 2010, SVSU had not yet posted a position advertisement. Hiring a replacement prior to the director's departure would have enabled a transition period between directors. Allowing overlap time is especially critical when the position is one that requires specific experience and knowledge and for which there is much competition in the marketplace for a small pool of high quality candidates.

It is important to be proactive with key staff recruitment when schools are aware of impending resignations to ensure a smooth transition and continuity of services. Finding a high caliber individual with appropriate levels of experience to serve as a director of Technology is challenging. Hiring a replacement in advance to allow for some transition time before the current director retires would have been prudent.

### RECOMMENDATION 8-1:

**The SVSU should hire a new director of Technology as soon as possible.**

The director of Technology is a key factor in the success of SVSU's Technology Services Department. So that a full slate of experienced prospective employees is developed, SVSU needs to allow time to advertise the position, recruit candidates, complete the search process, and ensure adequate transition time between the personnel departing and arriving. Therefore, the director of Technology position should be filled as quickly as possible to ensure continuity of initiatives underway.

## **FISCAL IMPACT**

This recommendation will require staff and Board time to recruit, interview, and hire for the position. This process should already be budgeted as a general personnel procedure.

## **FINDING**

There are no minimum expectations for technology expertise by new teacher hires, and there are no requirements for staff development in technology. This lack of technology-related expectations could create inequities with regard to students' experiences in the classroom.

Other school districts, like the Mesa Public Schools in Arizona, have implemented practices associated with high quality professional development for instructional and technology staff, such as using clear course syllabi to outline expectations. Objectives are clearly written and aligned with Arizona's state standards to facilitate further instruction using technology. In addition, many school districts use School Technology and Readiness (STaR) charts to determine staff proficiency levels, and then utilize professional development to increase proficiency as needed.

## **RECOMMENDATION 8-2:**

**The SVSU should establish technology competency standards as part of teacher requirements, and provide technology training for teachers.**

The SVSU should establish standard or minimum levels of technology expertise within the job descriptions for teachers and that are required as part of the screening/hiring of prospective teachers.

## **FISCAL IMPACT**

This recommendation can be implemented by a committee of staff at the Central Office and schools. Staff time will be required to define the standards, edit the job descriptions, and update interviewing procedures to have candidates demonstrate proficiency. Additional staff time will be needed on an annual basis to update proficiencies if SVSU opts to use the STaR chart method of tracking staff development related to technology.

## **FINDING**

The SVSU's Web site could be improved to include links to more relevant information. A scan of Web sites of many school systems will demonstrate how the SVSU Web site pales in comparison. For example, the Winchester Public Schools in Virginia has an informative Web site that contains links for scholarship information, financial aid, district newsletters, calendars, school hours, bus routes, menus, and school supply lists.

## **RECOMMENDATION 8-3:**

**The SVSU should develop a time line and guidelines for updating the SVSU Web site.**

Establishing time lines for completing the Web site revisions and monitoring the progress of principals and department managers in meeting their assigned responsibilities will help to ensure that the project is completed timely. In doing so, SVSU should compare their own site

with that of other school districts, like the Winchester Public Schools in Virginia, to gain insight on ways to improve stakeholder communication through the use of the Web site. Further, SVSU should update its policies and procedures to reflect the new provisions and responsibilities of maintaining the Web site. Specifically, the guidelines should specify the type of information needed, who has authority to update information on the Web site, and how often updates are required.

**FISCAL IMPACT**

Implementation of this recommendation will include resources from the Technology Services Department and the school districts.



## 9.0 TRANSPORTATION

This chapter presents the findings and recommendations for the overall organization and administration of transportation services for SVSU. The sections in this chapter include:

- 9.1 Policies
- 9.2 Contracted and District Services
- 9.3 Transportation for Students with Disabilities

The SVSU business manager is responsible for managing transportation contracts and interfacing with the contractors. However, the North Bennington School District does not provide bus transportation for any of its students. In addition, Pownal School District does not use the district-contracted bus service, but instead employs drivers and owns and services buses for regular daily service and special runs (there are four routes). Routine maintenance is performed at the storage facility (barn) owned by the lead driver. The SVSU reported that there has been no turnover for bus drivers and assistants in the past three years for the Pownal School District. Finally, the Shaftsbury School District does not use the SVSU-contracted bus service, but has employed an independent contractor (Sullivan Bus Lines) since 1987 for its three buses/routes. According to the contractor, the contract expires annually, provides for portal-to-portal and field trip transportation, and the longest run is to the New York border (approximately 22 miles). The number of students for each of the three routes is 22, 28, and 65.

The SVSU manages contracted transportation services for students at MAUMS and MAUHS, the Bennington School District (BSD), and the Woodford School District (whose students ride on buses traveling to MAUMS and MAUHS), and are dropped off at Woodford Elementary School.

The MAUSD and BSD have contracted with Dufour Escorted Tours for MAUMS, MAUHS, and BSD for more than ten years. The current contract is in the first of its five-year duration and contains a fuel surcharge escalator. There are a total of 27 bus routes, and there are 17 full-size buses and 3 buses for special needs. Four buses are used for athletic runs and field trips at MAUHS, and two other buses handle MAUMS after-hour activities. The SVSU uses VersaTrans software for computerized routing of busses in an efficient and effective fashion for all the districts.

Because the school day for MAUHS begins about 30 minutes after MAUMS schedule, students in grades 6 to 12 are transported together to decrease expenditures. Ending times are also staggered. Twelve drivers work double runs (elementary and secondary). The buses are equipped with two-way radios and are without seat belts. The Dufour representative indicated that the majority of the vehicles (95 percent) are new diesel buses, with the exception of two buses that were purchased in 2004, and two purchased in 2006. The longest route is 40 minutes. Ridership is about 75 percent with the routes adjusted periodically.

### 9.1 POLICIES

The Transportation policy was last updated in September 2008 and contains several components detailing policies and procedures for the transportation of students within SVSU. The audit team's review of the policy compared to the recommended policy of VSBA found that the SVSU policy contained the elements required by VSBA.

## 9.2 CONTRACTED AND DISTRICT SERVICES

### FINDING

The SVSU does not centrally coordinate transportation services for all of its member districts. The Pownal and Shaftsbury School Districts are examples of local control superseding a supervisory union's ability to coordinate services for students. Both Pownal and Shaftsbury School Districts manage their own transportation services. The Pownal School District provides its own fleet and manages its own maintenance and drivers, while the Shaftsbury School District contracts with a transportation services provider other than SVSU's contractor. The Pownal School District provides its own fleet and manages its own procedures for employing drivers and routing, purchasing, and maintaining buses.

The Pownal transportation budgets and expenditures for FY 2007-08 through FY 2009-10 are shown in Exhibit 9-1. The total FY 2008-09 cost for bus drivers was \$63,926.

**EXHIBIT 9-1**  
**POWNAL SCHOOL DISTRICT'S**  
**TRANSPORTATION BUDGET AND EXPENDITURES**  
**FY 2007-08 THROUGH FY 2009-10**

FY 2007-08		FY 2008-09		FY 2009-10	
BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE
\$144,615	\$133,228	\$158,095	\$135,930	\$170,549	\$171,456 <sup>a</sup>

Source: Pownal School District, Expenditure Report for Board, 2010.

a Expenses through March 31, 2010.

Exhibit 9-2 shows that the Pownal budgets for salary—drivers, salary—bus aides, and Transportation Special Education (SPED) were exceeded in FY 2007-08 and FY 2008-09. At the time of our fieldwork, expenditure activity for FY 2009-10 had not yet been completed.

**EXHIBIT 9-2**  
**POWNAL SCHOOL DISTRICT'S**  
**TRANSPORTATION BUDGET-TO-EXPENDITURE COMPARISON**  
**SELECTED CATEGORIES**  
**FY 2007-08 THROUGH FY 2009-10**

BUDGET CATEGORY	FY 2007-08			FY 2008-09			FY 2009-10		
	BUDGET	YTD	% OVER <sup>a</sup>	BUDGET	YTD	% OVER <sup>a</sup>	BUDGET	YTD	% OVER <sup>a</sup>
Salary— Drivers	\$41,090	\$59,957	46%	\$42,395	\$65,470	54%	\$46,457	\$39,271	—
Salary—Bus Aides	8,000	18,251	128	20,000	20,837	4	20,000	14,343	—
Transportation SPED	1,000	2,892	189	5,000	6,799	36	5,000	3,081	—

Source: Pownal School District, Expenditure Reports for Board, FYs 2007-08, 2008-09, and 2009-10.

a Expenditures are through March 31, 2010; the percentage over was not calculated because the budgeted amount represents a full fiscal year.

Exhibit 9-3 summarizes the vehicle inventory maintained by the Pownal School District. As of October 2009, the District owned a total of six buses. Although the District has identified

scheduled replacement dates, it will take into consideration the actual condition of the buses when determining the order of replacement.

**EXHIBIT 9-3  
POWNAI SCHOOL DISTRICT'S VEHICLE  
INVENTORY AND SCHEDULE  
2009**

YEAR	MAKE	MODEL	SCHEDULED REPLACEMENT DATE
1995	International	Bus	7/1/2011
2000	International	Bus	7/1/2014
2003	International	Bus	7/1/2017
2005	International	Bus	7/1/2020
2007	Blue Bird	Bus	7/1/2023
2010	International	Bus	7/1/2026

Source: Pownal School District, October 2009 Schedule.

A Pownal District Board member and the District's lead driver and transportation coordinator spoke positively of the District's in-house transportation services, its record for safety, and its fleet maintenance. Nevertheless, Pownal School District's separate system for transportation services prevents SVSU from taking full advantage of potential cost savings through economies of scale.

In 2009, SVSU requested and received from its transportation services contractor a quote to include both the Pownal and Shaftsbury School Districts in the master contract (see **Recommendation 9-3** for the Shaftsbury School District). There are savings associated with such a consolidation.

**RECOMMENDATION 9-1:**

**The Pownal School District should utilize and seek inclusion within the master transportation services contract.**

Incorporating the Pownal School District in the contracted transportation services contract administered by SVSU will help reduce overall operating costs.

**FISCAL IMPACT**

Refer to the fiscal impact section of **Recommendation 9-4** for the estimated savings resulting from including the Pownal School District in the master transportation services contract.

**RECOMMENDATION 9-2:**

**Pownal School District should sell unused school buses once it implements recommendations to join in the SVSU's master transportation services contract.**

There would be no need for the Pownal School District to maintain its fleet or to purchase replacement buses for the older vehicles if it were included within the SVSU master

transportation contract. Selling the buses would generate a one-time revenue for the Pownal School District.

### FISCAL IMPACT

The sale of the 2010 International Bus will generate approximately \$70,000 based on a price quotation of comparable buses from a used bus reseller. The sale of the 2007 Blue Bird Bus will generate approximately \$53,000 based on a similar quotation from another reseller. As shown in Exhibit 9-4, three of the other four buses will generate various revenues based on their estimated value using a 15-year depreciation schedule. The sale of the 1995 bus may generate nominal proceeds, but is being assessed at no resale value for purposes of the fiscal impact calculation.

#### EXHIBIT 9-4 POWNAI SCHOOL DISTRICT'S ESTIMATED RESALE VALUE OF FLEET

YEAR	MAKE	MODEL	ESTIMATED RESALE VALUE
1995	International	Bus	\$0
2000	International	Bus	\$23,000
2003	International	Bus	\$37,000
2005	International	Bus	\$47,000
2007	Blue Bird	Bus	\$53,000
2010	International	Bus	\$70,000
<b>TOTAL ESTIMATED RESALE VALUE:</b>			<b>\$230,000</b>

Source: Pownal School District, October 2009 schedule.

Based on this estimate of the fleet's value, it can be estimated that a one-time savings of up to \$230,000 from the sale of six school buses can be generated for the District.

### FINDING

In another instance where local school district control has impeded the ability of the Central Office to coordinate and consolidate services, the Shaftsbury School District does not participate in the central transportation contract. Rather, Shaftsbury has used Sullivan Bus Lines, an independent contractor, for its transportation services for approximately 15 years. As shown in Exhibit 9-5, transportation costs for the Shaftsbury School District averages about \$114,000 per year with its current contractor.

#### EXHIBIT 9-5 SHAFTSBURY SCHOOL DISTRICT'S TRANSPORTATION BUDGET AND EXPENDITURES FY 2007-08 THROUGH FY 2009-10

FY 2007-08		FY 2008-09		FY 2009-10	
BUDGET	YTD EXP	BUDGET	YTD EXP	BUDGET	YTD EXP
\$112,063	\$113,032	\$112,513	\$112,631	\$118,200	\$ 79,163 <sup>a</sup>

Source: Shaftsbury School District, Expenditure Report for Board, 2010.

a Expenses through March 31, 2010.

In December 2008, SVSU sought and received bids for transportation services for FY 2009-10 through FY 2013-14 from Dufour Escorted Tours. The SVSU sought bids for several transportation options, including:

- **Option 1:** Provide transportation for Mount Anthony Union High School District #14, Bennington School District, Shaftsbury School District, and Pownal School District.
- **Option 2:** Provide transportation for Mount Anthony Union High School District #14 and Bennington School District.

The SVSU received bids for these options as shown in Exhibit 9-6.

**EXHIBIT 9-6  
TRANSPORTATION BIDS  
FY 2009-10 THROUGH FY 2011-12**

SCHOOL YEAR	OPTION 1	OPTION 2
2009-10	\$941,094	\$720,594
2010-11	1,011,510	774,640
2011-12	1,087,416	832,770
<b>THREE-YEAR TOTAL:</b>	<b>\$3,040,020</b>	<b>\$2,327,994</b>

Source: Dufour RFP response, SVSU business manager, 2010.

**RECOMMENDATION 9-3:**

**Include the Shaftsbury School District in the SVSU master transportation services contract.**

Incorporating the Shaftsbury School District in the contracted transportation services contract administered by SVSU will help reduce overall operating costs.

**FISCAL IMPACT**

After comparing the options for school year 2010-11, SVSU determined that providing transportation services to all districts (Option 1) would cost \$236,870 more than providing transportation for only MAUSD #14 and BSD (Option 2). However, incorporating the Pownal and Shaftsbury School Districts will offset the cost of Option 1. The combined transportation budget for the Pownal and Shaftsbury School Districts is \$272,000, based on the average annual budgets for Pownal (\$158,000) and Shaftsbury (\$114,000) during the past three fiscal years. Annual savings of approximately \$35,130 would be realized, resulting in a five-year savings estimate of \$175,650.

RECOMMENDATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Increase in Cost to Provide Centralized Transportation Services to All Districts	\$236,870	\$236,870	\$236,870	\$236,870	\$236,870
Transportation Cost for Pownal School District	(158,000)	(158,000)	(158,000)	(158,000)	(158,000)
Transportation Cost for Shaftsbury School District	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)
<b>TOTALS</b>	<b>(\$35,130)</b>	<b>(\$35,130)</b>	<b>(\$35,130)</b>	<b>(\$35,130)</b>	<b>(\$35,130)</b>

### 9.3 TRANSPORTATION FOR STUDENTS WITH DISABILITIES

#### **FINDING**

Staff from SVSU are providing transportation for students with disabilities using their personal vehicles.

This practice is difficult to manage and increases the potential liability for SVSU and the staff drivers. According to administrators, transportation for these students is provided by a paraprofessional coordinator and between eight-to-ten drivers who use their personal vehicles to transport 90-to-100 students. Initially established ten years ago as a convenient system for a single off-site program, the administrators agree that is difficult to manage and carries high liability and insurance risks. The administrators also believe the system has become more costly than other potential alternatives. The Central Office special education team has been collecting data on these transportation services such as daily use, student eligibility, driver, and vehicle requirements since fall 2009. The SVSU is evaluating its options and may issue a competitive request for proposals for the transportation of students with disabilities.

#### **RECOMMENDATION 9-4:**

**The SVSU should procure an outside contractor to provide transportation services for students with disabilities and/or in special situations.**

#### **FISCAL IMPACT**

The estimated cost will be dependent upon the submission of proposals with competitive bids, which were not available at the time of this audit.

# APPENDIX A: VERMONT STATUTES REGARDING SUPERVISORY UNIONS

In this Appendix, the audit team presents the full text of the Vermont Statutes governing Supervisory Unions. Specifically, this section contains the text of Vermont Statutes, Title 16 (Education), Chapter 7 (Supervisory Unions).

## **Title 16: Education**

### ***Chapter 7: SUPERVISORY UNIONS***

#### **Section 261. Organization and adjustment of supervisory unions**

(a) The state board shall review on its own initiative or when requested as per subsection (b) of this section and may regroup the supervisory unions of the state or create new supervisory unions in such manner as to afford increased efficiency or greater convenience and economy and to facilitate K-12 curriculum planning and coordination as changed conditions may seem to require.

(b) Any school district which has so voted at its annual school district meeting, if said meeting has been properly warned regarding such a vote, may apply to the state board of education for adjustment of the existing supervisory union of which it is a component district. The state board shall give timely consideration to such requests and may regroup the school districts of the area so as to ensure reasonable supervision of all public schools therein.

(c) The state board may designate any school district, including a unified union district, as a supervisory district if it will offer schools in grades K-12 and is large enough to support the planning and administrative functions of a supervisory union.

(d) Upon application by a supervisory union board, the state board may waive any requirements of chapter 5 or 7 of this title with respect to the supervisory union board structure, board composition or board meetings, or the staffing pattern of the supervisory union, if it can be demonstrated that such a waiver will result in efficient and effective operations of the supervisory union; will not result in any disproportionate representation; and is otherwise in the public interest. (Amended 1987, No. 228 (Adj. Sess.), Section 3; 1991, No. 181 (Adj. Sess.), Section 3.)

#### **Section 261a. Duties of supervisory union board**

The board of each supervisory union shall:

(1) set policy to coordinate curriculum plans among the sending and receiving schools in that supervisory union. The curriculum plans shall meet the requirements adopted by the state board under subdivision 165(a)(3)(B) of this title;

(2) take reasonable steps to assist each school in the supervisory union to follow its respective curriculum plan as adopted under the requirements of the state board pursuant to subdivision 165(a)(3)(B) of this title;

(3) if students residing in the supervisory union receive their education outside the supervisory union, periodically review the compatibility of the supervisory union's curriculum plans with those of other schools;

(4) in accordance with criteria established by the state board, establish a plan for receiving and disbursing federal and state funds distributed by the department of education, including funds awarded under P.L. 89-10, the Elementary and Secondary Education Act of 1965 as amended;

(5) provide for the establishment of a written policy on professional development of teachers employed in the supervisory union and periodically review that policy. The policy may provide financial assistance outside the negotiated agreements for teachers' professional development activities and may require the superintendent periodically to develop and offer professional development activities within the supervisory union;

(6) provide or, if agreed upon by unanimous vote at a supervisory union meeting, coordinate provision of the following educational services on behalf of member districts:

(A) special education;

(B) except as provided in Section 144b of this title, compensatory and remedial services; and

(C) other services as directed by the state board and local boards;

(7) employ a person or persons qualified to manage the supervisory union accounts;

(8) at the option of the supervisory union, provide the following services for the benefit of member districts according to joint agreements under Section 267 of this title:

(A) centralized purchasing;

(B) construction management;

(C) budgeting, accounting and other financial management;

(D) teacher negotiations;

(E) transportation; and

(F) other appropriate services;

(9) require that the superintendent as executive officer of the supervisory union board be responsible to the commissioner and state board for reporting on all financial transactions within the supervisory union. On or before August 15 of each year, the superintendent, using a format approved by the commissioner, shall forward to the commissioner a report describing the



financial operations of the supervisory union for the preceding school year. The state board may withhold any state funds from distribution to a supervisory union until such returns are made;

(10) submit to the town auditors of each member school district or to the person authorized to perform the duties of an auditor for the school district, on or before January 15 of each year, a summary report of financial operations of the supervisory union for the preceding school year, an estimate of its financial operations for the current school year, and a preliminary budget for the supervisory union for the ensuing school year. This requirement shall not apply to a supervisory district. For each school year, the report shall show the actual or estimated amount expended by the supervisory union for special education-related services, including:

(A) A breakdown of that figure showing the amount paid by each school district within the supervisory union;

(B) A summary of the services provided by the supervisory union's use of the expended funds;

(11) on or before June 30 of each year, adopt a budget for the ensuing school year; and

(12) adopt supervisory union wide truancy policies consistent with the model protocols developed by the commissioner.

(13)-(17) [Repealed.] (Added 1987, No. 228 (Adj. Sess.), Section 5; amended 1989, No. 202 (Adj. Sess.), Section 1; No. 230 (Adj. Sess.), Section 25; 1991, No. 181 (Adj. Sess.), Section 4, 5; 1995, No. 185 (Adj. Sess.), Section 83, eff. Jan. 1, 1998; 2001, No. 8, Section 3; 2003, No. 36, Section 2; 2003, No. 114 (Adj. Sess.), Section 2; 2009, No. 44, Section 2, 47, eff. May 21, 2009.)

### **Section 262. Meetings; election of officers**

(a) Within thirty days from the date a supervisory union is established by the state board, the commissioner or his or her designee shall call a meeting of the school directors of the school districts in the supervisory union. The number of directors shall be determined and directors shall be elected according to Section 266 of this title. Within 30 days thereafter, the commissioner or his or her designee shall call a meeting and the board shall elect a chairman, and other necessary officers to serve until the first regular annual election of officers.

(b) Regular annual elections of officers shall take place not later than 30 days after the latest annual school district election held by a member district in the supervisory union.

(c) The directors of the supervisory union board shall serve for a one-year term. Vacancies on the supervisory union board shall be filled by appointment by the school board of the school district, which was represented by the vacating board member. The person so selected shall serve for the duration of the term vacated.

(d) Each supervisory union board shall establish policies and procedures designed to avoid the appearance of board member conflict of interest. (Amended 1969, No. 298 (Adj. Sess.), Section 77; 1989, No. 188 (Adj. Sess.), Section 5; 1991, No. 181 (Adj. Sess.), Section 6.)

**Section 263. Quorum**

A majority of the school districts comprising a supervisory union shall be represented at a supervisory union meeting and a majority of all members of the supervisory union board shall be present in order to constitute a quorum for the transaction of business. A legal vote taken at such meeting shall be binding upon each school district in the supervisory union. (Amended 1991, No. 181 (Adj. Sess.), Section 7.)

**Section 264. Majority vote of school directors**

(a) Elections and the transaction of all other business at such supervisory union meeting shall be determined by majority vote of all school directors present.

(b) A supervisory union may establish an executive committee consisting of the chair and no fewer than two additional directors. The supervisory union shall enumerate in writing the specific powers and duties delegated to the executive committee, which shall have authority to act on behalf of the supervisory union within its delegated powers. (Amended 1983, No. 119 (Adj. Sess.), Section 1; 1991 (Adj. Sess.), Section 8.)

**Section 265. Repealed. 1983, No. 119 (Adj. Sess.), Section 2.**

**Section 266. School board having more than three members**

For the purpose of holding meetings and transacting the business of a supervisory union, the school board of any district assigned to a supervisory union, and having more than three members, shall elect from such board three members who shall represent and act for it in meetings of the supervisory union to which it is assigned. But the school board of any district which employs no teacher shall have only one vote in said supervisory union meeting.

**Section 267. Joint agreements among supervisory unions**

(a) Supervisory unions, or administrative units not within a supervisory union, in order to provide services cooperatively, may at any annual or special meeting of the supervisory unions, by a majority vote of the directors present and eligible to vote, enter into a joint agreement to provide joint programs, services, facilities, and professional and other staff that are necessary to carry out the desired programs and services.

(b) The supervisory union may provide any authorized or required services by contract with any person, partnership, corporation, school district within or outside the supervisory union, or with other supervisory unions. The supervisory union may also provide such services to any independent school in the supervisory union area on such terms as the supervisory union board deems proper. Contracts shall be approved by the board and signed by the chairman or his designee. A contract may be for a term not to exceed four years renewable for successive four year periods.

(c) The expense of carrying on these shared programs, services and facilities shall be allocated according to a plan mutually agreed upon by the participating supervisory unions and the commissioner of education, including agreement on revision and adequate auditing procedures to allocate costs.

(d) Facilities constructed to house such shared programs and services when constructed with funds from the state school building aid bond account and attached to an existing building become a part of a new construction program. The school district within which the special facilities are located shall own the facilities subject to the mutual agreement on reversion.

(e) A central treasury may be established among the participating unions. Such central treasury will receive and disburse funds of participating supervisory unions. Funds shall be disbursed only on orders signed by at least one authorized member from each of the participating supervisory unions. The participating supervisory unions may jointly own personal property under their contract. (Added 1967, No. 70; amended 1969, No. 298 (Adj. Sess.), Section 78; 1991, No. 24, Section 11.)

### **Section 301. Apportionment of expenses**

Unless otherwise agreed upon, each school district shall pay a proportionate share of the salary and expenses of the superintendent and the expenses of the supervisory union based on the number of enrolled pupils in each member school district. "Enrolled pupils" shall be defined by the commissioner by rule, including the treatment of tuition students, special education students, students enrolled in technical centers, and other particular circumstances. (Amended 1961, No. 123; 1987, No. 228 (Adj. Sess.), Section 17, eff. July 1, 1989; 1991, No. 181 (Adj. Sess.), Section 11; No. 204 (Adj. Sess.), Section 7.)

**Section 302. Repealed. 1975, No. 48, Section 14, eff. April 15, 1975.**

**Section 303. Repealed. 1991, No. 181 (Adj. Sess.), Section 12.**

**Section 304. Repealed. 1975, No. 48, Section 14, eff. April 15, 1975.**

### **Section 321. Treasury; uses**

A supervisory union shall have a treasury for the purpose of transacting the financial affairs of the supervisory union and any joint operations among or within supervisory unions authorized under Section 267 of this title. (1966, No. 59 (Sp. Sess.), Section 1(a); amended 1987, No. 228 (Adj. Sess.), Section 9.)

### **Section 322. Treasurer; salary; expenses; duties**

(a) A supervisory union board shall elect a supervisory union treasurer at least annually, fix the salary and expenses and determine the amount of a bond for him or her.

(b) Nothing shall preclude a supervisory union treasurer from also being a treasurer or deputy treasurer for any school district within the supervisory union if so voted by the electors for the school treasurer. Before beginning duty, a deputy treasurer shall give a bond with corporate surety conditioned for the faithful performance of duties in the same amount and for the benefit of the same obligee as the bond required of the school treasurer.

(c) It shall be the duty of the supervisory union treasurer to sign all checks and drafts, and invest in a prudent manner all funds in the supervisory union treasury as directed by the supervisory union board. Upon request by the supervisory union board, the supervisory union treasurer shall

prepare a balance sheet. The supervisory union treasurer shall reconcile monthly accounts with the supervisory union bookkeeper. (1966, No. 59 (Sp. Sess.), Section 1(b); amended 1967, No. 155, Section 1, eff. April 15, 1967; 1987, No. 228 (Adj. Sess.), Section 10; 2003, No. 107 (Adj. Sess.), Section 3.)

**Section 323. Audit by public accountant**

Annually, the supervisory union board shall employ a public accountant to audit the financial statement of the supervisory union. The audit shall be conducted in accordance with generally accepted government auditing standards, including the issuance of a report of internal controls over financial reporting that shall be provided to recipients of the financial statements. Any annual report of the supervisory union to member districts shall include notice that an audit has been performed. (1966, No. 59 (Sp. Sess.), Section 1(c); amended 1987, No. 15, Section 2; 2009, No. 44, Section 3, eff. May 21, 2009.)

**Section 324. Term of office; vacancy**

The term of office of a central supervisory union treasurer shall be for one year from July 1 through June 30. If the office becomes vacant, the voting members of the supervisory union shall elect a new central supervisory treasurer to take office on election for the unexpired term. (1966, No. 59 (Sp. Sess.), Section 1(d).)

**Section 325. Removal from office**

A central supervisory union treasurer may be removed from office for cause by a majority vote of the school directors present and eligible to vote at a meeting called for that purpose. (1966, No. 59 (Sp. Sess.), Section 1(e).)

## APPENDIX B: SOUTHWEST VERMONT SUPERVISORY UNION COMMENDATION REPORT

In this Appendix, the audit team presents commendations related to our review of the Southwest Vermont Supervisory Union (SVSU). The audit team cautions that some of the commendations are based solely on observations of our team members while on-site at SVSU, and do not represent audited findings or recommendations. Rather, these are generally examples of best practices that the audit team observed based on its interviews or observations.

### Chapters 1.0 to 3.0: EDUCATIONAL SERVICE DELIVERY; SPECIAL SERVICES AND PROGRAMS; AND ADMINISTRATION

**Commendation 1:** The individuals who serve as directors of the Boards of the districts within the SVSU as well as the Board of Directors of SVSU provide commitment, dedication, and many hours of public service in their roles.

**Commendation 2:** The SVSU generally fulfills its functions and responsibilities within the established statutes (Title 16, Chapter 7), for supervisory unions in Vermont and through agreement with its member districts actually provides more services than required.

**Commendation 3:** The SVSU enjoys a supportive climate, community support, and interaction.

**Commendation 4:** The assignment of administrators at Mount Anthony Union Middle School and Mount Anthony Union High School is appropriate for the enrollment and range of responsibilities.

**Commendation 5:** The SVSU is commended for its collaborative approach to early education and prekindergarten programs in the local communities and school districts.

**Commendation 6:** The SVSU administration is commended for its commitment to standards-based instruction as evidenced by the re-establishment of the curricular review cycles and curriculum committees. This not only ensures the compliance with Board policy, but also provides a framework to maintain current, up-to-date curricular pacing guides for teachers.

**Commendation 7:** The SVSU Student Assessment Plan is comprehensive and provides a schedule for local progress monitoring of academic performance of students at all grade levels.

**Commendation 8:** The SVSU is commended for introducing the Professional Learning Communities model of school improvement to participating districts.

**Commendation 9:** The academic conferences facilitated and supported by the SVSU Department of Curriculum and Instruction facilitate ongoing analysis of student performance data aimed at improving classroom instruction and overall student performance.

### Chapter 4.0 HUMAN RESOURCES

**Commendation 10:** The SVSU uses a low-cost online recruitment tool that is highly effective.

**Commendation 11:** The SVSU records of all vacancies, number of applications, and exit interviews.

## Chapter 5.0 FINANCIAL MANAGEMENT AND PROCUREMENT

**Commendation 12:** The business management division generally employs good use of technology.

**Commendation 13:** The business management division operates a mostly paperless environment.

## Chapter 6.0 FACILITIES USE AND MANAGEMENT

**Commendation 14:** Mount Anthony Union School District has reported saving \$1 million through the reduction in the use of oil since the conversion of biomass to power heating plants.

**Commendation 15:** The condition of all school buildings shows commitment of staff to keeping the facilities clean and maintained.

**Commendation 16:** Custodial and maintenance functions in Mount Anthony Union School District are well-organized and efficiently delivered.

## Chapter 7.0 FOOD SERVICES MANAGEMENT

**Commendation 17:** The quality, food choice, and service levels at two secondary school sites and two elementary school sites were at high levels.

**Commendation 18:** The management structure for SVSU instituted by the Abbey Food Service Group is comprehensive and adequate at all school sites; the manager is knowledgeable, service centered, and exhibits great pride, ownership, and quality service to SVSU.

**Commendation 19:** The cafeteria employees observed at four sites are professional, service centered, and maintain the condition of the food service areas at high standard levels.

## Chapter 8.0 TECHNOLOGY MANAGEMENT

**Commendation 20:** Technology services are organized in a highly efficient manner and staffed at appropriate levels.

**Commendation 21:** The SVSU maintains inventories of all hardware and software.

**Commendation 22:** Help desk services meet the High Efficiency standard.

## Chapter 9.0 TRANSPORTATION

**Commendation 23:** The use of VersaTrans software for computerized routing minimizes routes for Bennington School District and SVSU in an efficient and effective fashion.

**Commendation 24:** The SVSU has a cost efficient and effective transportation system with its contracted services.

## APPENDIX C: AUDIT SCOPE AND METHODOLOGY

The SVSU audit consisted of 18 tasks which were divided across three phases in alignment with the distinct processes and subject matter areas of the audit. The tasks and their components are summarized below.

### AUDIT TASKS AND PHASES

TASK		TASK SUMMARY
<b>PHASE I- PROJECT INITIATION</b>		
1	<b>Initiate Project</b>	<b>Task 1</b> included meeting with SAO and Central Office staff in person to establish project protocol, develop expectations, and refine the work plan. To gain a comprehensive understanding of the project's background, goals, and other special concerns, the audit team interviewed the SAO, staff from the Vermont Department of Education, Central Office staff, principals, board members, and teachers. As part of this task, the audit team collected and reviewed district reports, data, and other documentation relevant to the audit's scope. In addition, the audit team collected comparative information from other districts. This task culminated in the creation of the project contract and an agreed upon work plan.
2	<b>Develop Preliminary Profile of District</b>	<b>Task 2</b> included a preliminary analysis of the information and data gathered on school district management, operations, and financial operations. The audit team used this information to develop district profiles, compile preliminary benchmark data, and identify comparison districts. The audit team also reviewed state and federal laws and regulations to identify compliance requirements. This task served as a springboard for collecting other vital district data to ensure we had a solid foundation prior to reviewing each functional area.
<b>PHASE II- STAKEHOLDER INVOLVEMENT AND DIAGNOSTIC REVIEW</b>		
3	<b>Solicit Public Support</b>	<b>Task 3</b> focused on soliciting comments from external stakeholders, including local community groups and the Vermont State Department of Education. To obtain information from stakeholders on the issues and opportunities facing the school district, the audit team conducted a number of individual interviews, administered an online survey, and held a community open house. This process helped identify issues that became priorities in the review.
4	<b>Conduct Online Surveys of Central Office Administrators, School Principals, and Teachers</b>	<b>Task 4</b> focused on soliciting comments from internal stakeholders, including Central Office administrators, principals, and teachers. The audit team administered three anonymous online surveys, giving district staff an opportunity to express freely their views about the management and operations of the school district. For parents, community members, and other stakeholders who did not have the opportunity to attend the community open house, the audit team offered an online version of the forum to allow participation. To provide comparison, MGT used its copyrighted database of survey results from school districts across the nation.
5	<b>Conduct Diagnostic Review</b>	<b>Task 5</b> consisted of a project kickoff meeting and onsite diagnostic review. Given the results of prior tasks, the audit team reviewed district operations and management practices to identify areas for detailed analysis. This included identifying those exemplary areas that should be acknowledged and replicated throughout the SVSU. The diagnostic review included additional targeted interviews and an in-depth review of policies and procedures, staffing levels, organizational structures, programs, budgets, enrollments, and workloads. This task resulted in a list of targeted areas for detailed evaluation in <b>Phase III</b> .

*Continued*

TASK		TASK SUMMARY
6	<b>Conduct Benchmark Analysis with Comparison School Districts</b>	To provide the SVSU with a clear understanding of its internal operations and processes, the audit team compared district operations to other districts with similar characteristics for <b>Task 6</b> . The audit team used a consultative approach in comparative cost analysis within comparison districts and within geographically neighboring districts (as appropriate). The benchmark analysis helped identify key areas for further investigation.
7	<b>Tailor Study Guidelines to the School District</b>	<b>Task 7</b> involved utilizing the information gathered from <b>Task 1</b> to <b>Task 6</b> to tailor the project methodology and guidelines for conducting the organizational study in relation to the specific environment of the school district.
<b>PHASE III- IN-DEPTH ORGANIZATIONAL STUDY</b>		
8	<b>District Administration</b>	For <b>Task 8</b> , the audit team reviewed district leadership, organization, and management to determine whether or not senior staff members are managing district operations appropriately, and if they have adequate staffing levels and the necessary resources to carry out the Board's goal to improve instruction and service delivery. This comprehensive evaluation covered senior management practices, staffing levels, span of control, lines of authority, internal and external communication, documented policies and procedures, strategic planning, legal cost management, community issues, Central Office-based instructional staff, and clerical support levels. The methodologies used to complete this task included targeted interviews, a review of policies and procedures, school site visits, and an analysis of documents which included organizational charts, peer district data, administration staffing reports, district and school budgets, and related information.
9	<b>Human Resource Management</b>	For <b>Task 9</b> , the audit team reviewed the SVSU's hiring, training, and retention processes. To review personnel and human resources management, the audit team reviewed human resources policies, regulations, procedures, job descriptions, staffing plans, salary schedules, and statistical reports on recruitment, turnover, and attendance. To supplement its document review, the audit team conducted site visits in which key staff were interviewed, staff workloads were observed, and the personnel record-keeping system was evaluated. District activities were compared against state and federal law to determine compliance and against other school districts to identify suitable best practices.
10	<b>Financial Management/ Purchasing</b>	<b>Task 10</b> consisted of a financial management review of district accounting, purchasing processes, financial systems, banking, internal audits, payroll and benefits, warehouse, fund balance management, purchase requisitions and orders, surplus distribution, and the management of fixed assets. As part of this review, the audit team evaluated the effectiveness of district internal controls and identified opportunities to increase the efficiency and effectiveness of their financial management systems. Interviews included the Business and Finance Services Division management and the district staff that work with the division.
11	<b>Facilities Use and Management</b>	<b>Task 11</b> involved an analysis of the organization and management of district facilities, including the facilities' planning, design, construction, maintenance, custodial services, energy management, and environmental management. the audit team evaluated whether the district's facility planning met their needs based on student growth, programmatic needs, aging facilities, and legislative requirements. The primary methodologies used to review facilities' use and management and related practices included interviews, focus groups, document reviews, site visits, and inter-district comparison.

Continued



TASK		TASK SUMMARY
12	Food Services	<b>Task 12</b> focused on the district's level of food service provided to children and its compliance with federal, state, and local policies. The audit team analyzed the organization and management of the food services department, including the department's policies, procedures, and financial performance. To effectively evaluate food services, the audit team interviewed food service staff, analyzed food quality, conducted site visits, sought best practices from comparable school districts, and reviewed survey, financial, and performance data.
13	Technology Management	To evaluate the efficiency and effectiveness of administrative technology, the audit team analyzed district software, hardware, networks, infrastructure, staff training, and technical support for <b>Task 13</b> . This task assessed the district's use of automation to enhance operational, instructional, and business operations. The audit team's evaluation included interviews of key technology staff and end users, a review of operating procedures, observations of computer usage, site visits, and survey results.
14	Transportation	The key goal of <b>Task 14</b> was to assess school transportation operations to ensure the timely and safe transport of students to and from school, special events, and extracurricular activities in the most efficient and effective way. The primary methodologies used to review district transportation included interviews of key district personnel, such as administrators, office staff, and bus drivers. The audit team also reviewed documents such as position control reports, driver turnover rates, planning documents, policies, state reports, contracts with routing vendors, cost data, peer district comparison data, and related information. This task addressed the district's organization and management of the transportation department, including vehicle maintenance and acquisition, student transportation routing and scheduling, and training and safety.
15	Education	To assess education for <b>Task 15</b> , the audit team reviewed categorical programs and funding, preschool programs, gifted and talented education programs, Central Office support to schools (curriculum and instruction), and extended learning programs. MGT's methodology for conducting a thorough programmatic evaluation of these programs was based on an integrated approach which is reflected through the coordination of cost analysis tasks and activities with programmatic evaluation tasks and activities. This integrated approach yields a more comprehensive analysis of the true costs associated with education programs for students.
16	Special Education	For <b>Task 16</b> , the audit team examined the SVSU's current fiduciary responsibilities to recommend uses for their funding in providing services, assessed the efficiency of resource allocation, and analyzed financial and program data to determine the cost effectiveness of special education programs. To facilitate this, the audit team conducted site visits to observe activities, conducted interviews, and reviewed related documents and reports.
17	Fieldwork Debriefing	<b>Task 17</b> consisted of verbally informing the school superintendent of any key areas of concern from the study and the timetable for completing project deliverables, including the draft and final report.

Continued

TASK	TASK SUMMARY
<b>PHASE IV- PROJECT REPORTING</b>	
<b>18</b>  <b>Prepare Initial Draft, Final Reports, and Presentation to the Board</b>	<p>For <b>Task 18</b>, the audit team provided the SAO and the superintendent with an initial draft of the report and held an exit conference to discuss the contents. The audit team also provided a feedback response form to ensure that district staff had the tools for challenges, inquiries, and comments. The audit team considered and reviewed the feedback and, as needed, contacted appropriate staff to discuss the feedback provided. After reviewing the additional information, the audit team determined which changes to make to the draft report. This report included findings, conclusions, and recommendations to improve the efficiency of the operations of the district and highlighted best practices in use by the district. Following the initial draft report process, the audit team submitted an Exposure Draft Report to the superintendent, contract administrator, and other designated parties. The audit team provided the SVSU with the opportunity to prepare a formal written response to the report. After receiving the formal response, the audit team determined which additional changes would be incorporated into the report or used the information to prepare clarifying points. The audit team then provided the final report to the SAO.</p>

Source: Audit team work plan.

## **APPENDIX D: THE SVSU RESPONSE TO THE AUDIT REPORT**

**Southwest Vermont Supervisory Union  
246 South Stream Road  
Bennington, Vermont 05201**

(Telephone: 802-447-7501 FAX: 802-447-0475)

**October 18, 2010**

**Tyler Covey CPA CMA CFM  
MGT of America, Inc.  
2001 P Street, Suite 200  
Sacramento, CA 95811**

**Dear Mr. Covey:**

***This letter is provided to meet the October 18, 2010 11:30 A.M. deadline you established for the Southwest Vermont Supervisory Union official response to the MGT of America, Inc. Performance Audit. As you are aware, you provided a draft report for SVSU staff to review for accuracy on Thursday, October 7, 2010 at 9:25 P.M. As you are also aware as late as Saturday, October 16, 2010 SVSU staff were providing corrections and clarifications for your consideration.***

***It is our understanding that MGT will be preparing a final report which may or may not incorporate the information we have provided. Since we do not currently have the MGT final report, we are unable to offer comments that are fully responsive at this time.***

***After we receive the final report we will submit a formal response to the Performance Audit.***

***Most Respectfully,***

**Catherine M. McClure  
Superintendent of Schools  
Southwest Vermont Supervisory Union**

***cc. Dr. JoAnn Cox, MGT of America, Inc.***

***Tom Salmon, Vermont State Auditor***

## **APPENDIX E: MGT'S COMMENTS ON THE SVSU'S RESPONSE TO THE AUDIT REPORT**

The SVSU was unable to provide feedback to the audit team by the final deadline the audit team had set and in time for us to consider their feedback and to allow them additional time to review and comment on the report. The audit team gave the SVSU three separate opportunities to review and comment on the draft report between July 21 and October 18, 2010, and met in person and fielded several calls with the SVSU to go over the report. The SVSU was unable to respond timely or fully to any of the drafts—resulting in the delays in issuing this report. With each of the drafts, the audit team had encouraged the SVSU to begin preparing their formal response to the recommendations in the report, which remain largely unchanged in each of the drafts. Therefore, the SVSU had ample opportunity—nearly three months—to craft a response to the report's recommendations.