

M E M O R A N D U M

To: Dr. Meria Carstarphen and AISD Board of Trustees

From: Liveable City Education Committee

Re: Comments on AISD Efficiency Study

Date: July 29, 2009

Introduction

The members of the Liveable City Education Committee have conducted a preliminary review of the AISD Efficiency Study by MGT of America, Inc., released on May 29, 2009. The purpose of this memorandum is highlight those recommendations whose merits or defects we believe are sufficiently clear to warrant prompt decisions, recognizing that in some instances contractual constraints or other factors may delay actual implementation. We are pleased to note that Superintendent Carstarphen has already begun a structural reorganization at the executive level for increased efficiency.

The Liveable City Education Committee presents these comments in a spirit of collaboration with the district, with the goal of identifying study recommendations that will provide maximum benefits to AISD students, educators and taxpayers. We greatly appreciate the continuing hard work of AISD administration, staff and board members regarding these complex issues.

Items to Be Tabled

The AISD Efficiency Study contains three particular recommendations we believe should be tabled immediately to save the district and the community needless time and distress. Each of these items is addressed in greater detail in the comments section of this document, but we call attention to them here to underscore their importance.

(1) The recommendation to reduce or eliminate art, music and PE instruction at the elementary level has already been subject to a vigorous public debate in recent years, with the community coming down solidly in favor of retaining these areas. Given the well-documented link between arts education and academic success, the fact that we are facing an epidemic of childhood obesity, and the community's very vocal support for

these programs, we believe these cuts should be removed from consideration immediately.

(2) Similarly, the recommendation to reduce full-day pre-K to a half-day program represents a short-term saving at a long-term loss to both students and the community. The ground lost in social and academic achievement by reducing these programs now will be more difficult and costly to make up later. We believe this recommendation should be tabled promptly as well.

(3) Finally, any action on the recommendation to close and consolidate seven elementary schools and one middle school should be deferred until the district adopts a well-defined process for such decisions, as recommended by the AISD Community Committee on Neighborhoods and Schools. <http://www.austinisd.org/inside/initiatives/ccns/report.phtml>

Comments on Specific Recommendations of Efficiency Study

Note: Comments track the chapter order of the AISD Efficiency Study, which begins its recommendations in Chapter 3. For each recommendation, we have noted the relevant chapter and page number as it appears in the study. A summary of our recommendations is included as an Appendix in this memorandum.

CHAPTER 3, FINANCIAL MANAGEMENT

We generally concur with the study's recommendations regarding financial management. In particular, we urge the district to adopt the following recommendations as soon as possible:

Chapter 3, page 5. Implement recommended changes to the district's internal audit program, particularly regarding auditing of construction projects.

Chapter 3, page 9. Decrease food and refreshment spending.

Chapter 3, page 14. Allow the use of Purchase Cards to reduce paperwork expenses.

Chapter 3, page 19. Adopt meaningful performance measures for district purchases and contracts.

CHAPTER 4, FACILITIES MANAGEMENT

Chapter 4, page 2. Adopt recommendation to establish, maintain and publish industry performance standards for bond programs.

To ensure transparency, trust, and prudent use of bond dollars, we urge the district to adopt the performance measure recommendation as quickly as possible.

Additionally, we take issue with the report's general assertion that facilities management within the District is operating effectively given that the study clearly states that "AISD does not use industry performance measures for its bond program." Absent such measures, we do not see how the authors of the report could have determined the effectiveness of facilities management with any degree of accuracy. In fact, we have personally witnessed a number of incidents of ineffective operations, including lack of response to critical maintenance requests, a 2004 bond HVAC system that still does not provide adequate climate control two years after installation because the software to operate it does not function properly, roofing work performed so incompetently that it actually worsened leaks, inaccurate cost estimates for bond items resulting in work not being performed due to insufficient funds, and more.

For these reasons, we strongly urge immediate adoption of this recommendation and further encourage that the district extend performance standards to include critical maintenance requests, as well.

Chapter 4, page 3. Reject recommendation to consolidate custodial staffing during summer.

The current average salary of an AISD custodian is roughly \$24,000 a year, below the federal poverty level for a family of three and approximately \$6,000 less than the annual Family Security Index (FSI) for a family of two living in the Austin metropolitan area (the FSI measures the minimum actual income needed to maintain a bare-bones family budget as calculated by the Center for Public Policy Priorities; see http://www.cppp.org/fbe/msa_3.php). With district custodians barely making a subsistence wage as it is, we cannot support a further pay cut to these individuals who are responsible for the basic health and hygiene of our schools and who represent the district during many after-hours events on campus. We further note that many AISD custodians are also parents of children within AISD and a decrease in their parents' salaries may also decrease stability in their home life, as families may be forced to move in search of cheaper rents.

Chapter 4, page 4. Adopt recommendation to create a Facilities Master Plan.

Long overdue, a Master Facilities Plan is a prudent investment to ensure the district grows wisely and efficiently.

Chapter 4, page 5. Defer action on school consolidation recommendation until board adopts a well-defined public process for such decisions, as recommended by the Community Committee on Neighborhoods and Schools.

We are frankly disappointed by the lack of depth in MGT's recommendation on this issue. It is clearly impossible to estimate true savings without taking into account the geographical feasibility of consolidating schools, the resulting increase in transportation funding, the loss of parental involvement when students are moved to distant campuses, and myriad other factors. We strongly urge that this recommendation be tabled until the district adopts a well-defined process for such decisions, as recommended by the AISD Community Committee on Neighborhoods and Schools (CCNS). Liveable City Board members Susan Moffat and Jim Walker and Liveable City Advisory Council Member Kathie Tovo served as active members of the CCNS. See full report at <http://www.austinisd.org/inside/initiatives/ccns/report.phtml>.

CHAPTER 5, PERSONNEL MANAGEMENT

Chapter 5, page 3. Adopt recommendation to eliminate Central Office staff allowances for travel and cell phones (5-3).

We were dismayed to learn from this study that travel allowances for Central Office employees are apparently awarded as a lump sum based on pay grade, not on actual travel expenses incurred, and that some employees receiving travel allowances are also on extended medical leave. The study further notes that cell phone use by Central Office staff is "excessive," exceeding the budgeted amount by over 242% in 2007-08. Given the excessive use cited, we urge the district to eliminate Central Office staff allowances as soon as possible and to handle future travel and cell phone expenses on a reimbursement basis, for a potential savings of over \$1 million annually.

Chapter 5, page 6. Adopt recommendation to eliminate extra duty pay at Central Office departmental level.

The study finds that extra duty pay at the Central Office departmental level is "excessive," is not offered by peer districts, and does not rely on any defined procedures for determining which employees receive extra duty pay. The study further notes that current practices raise equity issues, as the extra duty pay for Central Office employees is awarded at a much higher percentage than to campus level employees. We strongly urge the district to adopt the recommendation to eliminate Central Office extra duty pay for a savings of approximately \$3 million annually.

CHAPTER 6, CLASS LOADS AND SCHEDULING ALTERNATIVES

Chapter 6, page 6. Reject recommendation to reduce Art, Music and PE instruction at elementary level.

We believe it is extremely short-sighted to reduce our investment in art and music education when the link between participation in the arts and strong academic achievement has been strongly documented in a number of studies. Students of the arts continue to outperform their non-arts peers on the SAT, according to reports by the College Entrance Examination Board, and SAT scores increase for each additional year of study in the fine arts. (<http://www.menc.org/information/advocate/sat.html>). Further, a University of California researcher, analyzing data from a 10-year study involving over 25,000 secondary students, found that students with consistent involvement in the arts performed at significantly higher levels on all academic measures than those who did not benefit from fine arts courses (www.aems-edu.org/researchBrochure.pdf). Arts education has also been shown to have a measurable impact on at-risk youth in deterring delinquent behavior and truancy problems while increasing overall academic achievement (YouthARTS Development Project, 1996, U.S. Department of Justice, National Endowment for the Arts, and Americans for the Arts).

Similarly, it seems extremely unwise to cut our investment in PE classes at a time when we are facing a national epidemic of childhood obesity. In fact, overweight and obesity rates for Texas 4th graders are nearly double the national average and obesity rates for Hispanic and African-American children in Texas are among the highest in the nation, according to the Texas Department of State Health Services and the National Association of Chronic Disease Directors (www.chronicdisease.org/files/.../SSS_TX_obesity_CATCH_WEB.pdf). Because obesity increases the risk for high blood pressure, type 2 diabetes, heart and kidney problems and certain cancers, any cuts to our elementary PE classes will certainly have serious long-term costs for students and taxpayers.

The Austin community has already had one vigorous and lengthy debate about elementary special areas within the last decade and has shown strong support for continuing this investment districtwide. We advise the district to reject this recommendation immediately to spare the community and the district unnecessary friction and distress.

CHAPTER 7, TRANSPORTATION MANAGEMENT

Chapter 7, generally. Assess equity in transportation spending.

The study finds that AISD operates an efficient and effective transportation system and we see no reason to doubt this statement. However, we strongly urge the district to review its current transportation expenses to determine whether funding is equitably applied.

AISD spends over \$1 million annually in transportation services for the district's academic magnet schools, which serve a small student population that is disproportionately wealthy compared to the district average (a 2006 National Middle School Association Assessment Report on Kealing Middle School found that only 10

percent of students in that school's magnet program were "poverty level," while the districtwide figure for low SES is over 60 percent). By contrast, AISD does not provide any transportation services for students wishing to attend other specialized academic programs within the district, such as the Lanier Health Science Institute, the McCallum Fine Arts Academy, or the Travis Institute of Hospitality and Culinary Arts.

We strongly urge the district to review the justification for providing transportation for a single program that benefits a disproportionately advantaged segment of the community if it cannot provide equitable transportation for other programs. If funding is limited, it may make more sense to provide transportation on the basis of need, rather than assign it to a single program.

Similarly, if the district chooses to reduce spending on field trips pursuant to another study recommendation in Chapter 7, we suggest that funding be assigned on the basis of need, targeting schools whose families are less financially able to provide such outings themselves.

CHAPTER 8, ENERGY MANAGEMENT

We support the ten environmental goals outlined in this section and encourage the district to expand its current commitment to attain an even higher environmental rating on future construction projects.

We also note that recycling collection is a very weak point at most campuses and encourage the district to pursue a partnership with the City of Austin to provide recycling pick-up at all AISD campuses and buildings.

CHAPTER 9, PROFESSIONAL SERVICES

Chapter 9, page 2. Ensure that potential changes in consulting contracts do not result in loss of contracts with small, local providers.

AISD is currently engaged in a number of contracts with small, local providers and we encourage the district to retain and build on these community relationships. Changes in the name of efficiency must not have the unintended consequence of losing valuable local providers, who know our community well and who pay local property taxes to support AISD.

CHAPTER 10, DISTRICT ORGANIZATION

Chapter 10, page 2. Adopt recommendation to reorganize AISD executive level.

We believe the study makes a compelling case for reorganizing AISD's executive level for cost savings and increased efficiency and are pleased to note that Superintendent Carstarphen has already begun a structural reorganization to this end.

CHAPTER 11, EDUCATIONAL SERVICE DELIVERY

Chapter 11, page 4. Support recommendation to provide greater administrative efficiency and emphasis on school-based accountability for Special Education services.

While we cannot speak to the particulars of the reorganization plan suggested by the study, we generally support any effort to refocus resources on direct services for students rather than tying up funds in inefficient administrative layers.

Chapter 11, page 11. Reject recommendation to decrease Special Education Instructional Assistants by a flat 33%.

The need for a Special Education Instructional Assistant (paraprofessional/aide) is an individualized determination based on the specific needs of each student who receives special education services. Students who are eligible for IDEA services are entitled to the services they need, regardless of cost. Therefore, AISD cannot simply reduce the number of paraprofessionals/aides serving these students.

Additionally, Special Education Instructional Assistants (paraprofessionals/aides) play a vital role in supporting students with disabilities who are being educated in regular education settings. AISD could actually increase efficiency if it moved to an inclusive model of education and reduced the number of segregated settings it is now supporting.

Chapter 11, page 15. Adopt recommendation to decentralize Special Education and deliver services at students' home campuses.

We strongly support the concept of delivering Special Education for students at their home campuses in the most inclusive setting possible, eliminating transportation expenses for a savings of over \$2 million annually. We are still reviewing the study's recommendations regarding Special Education staffing and may submit additional comments at a later date.

Chapter 11, page 22. Adopt recommendation to eliminate Executive Principal positions.

We concur with the study's finding that the Executive Principal positions are ineffective and unnecessary and are pleased to note that Dr. Carstarphen has already acted on this recommendation.

Chapter 11, page 23. Adopt recommendation to reorganize Curriculum Instruction.

We concur with the study's finding that this office is overstaffed, poorly organized and ineffective. We urge the district adopt the recommendations in this section.

Chapter 11, page 34. Reevaluate Director of Diversity position.

We concur with the study's finding that the Director of Diversity position is not currently well used. However, the district must not ignore the very real issues concerning diversity and equity in our schools. We encourage the district to review its initial goals and tasks for this office and focus on finding an appropriate, experienced candidate who can make progress toward these goals or consider how these goals may be achieved in other ways.

Chapter 11, page 37. Reevaluate school nurse contract with Seton.

Our experience with AISD school nurses both before and after the contract with Seton leads us to conclude that the current contract has produced mixed results, is likely not providing a level of service proportional to its costs, and should be reevaluated, if not discontinued outright.

On the plus side, the Seton contract has provided more bilingual nurses and a generally high quality nursing staff. However, the contract has also produced escalating costs and a lower level of coverage for students. The current contract cost of roughly \$5 million per year is nearly enough to hire a full-time RN for every campus. However, under the current contract, three elementary schools must share one RN and one school health assistant. In practice, this means that a nurse may visit a campus only once or twice a week and that, on any given day, some schools have no health service provider at all. As a result, members of the school clerical staff are often forced to perform nurse duties in the absence of trained professionals. For many AISD students, the school nurse is the only regular health provider they see, making these gaps in service especially troubling.

It is also our understanding that because Seton is governed by Ascension Health, the nation's largest Catholic nonprofit health system, school health care professionals under the Seton contract may not be at liberty to discuss family planning options with AISD students. Given the fact that Texas currently has the highest teen pregnancy rate in the nation, we believe the ability to discuss family planning should be a prime consideration in evaluating any contract for school health services.

For these reasons, we question whether Seton is providing a level of service to AISD proportional to the fee it receives. At a minimum, we encourage to district to open a dialogue with Seton about expanded services for AISD students and possibly families; in addition to greater levels of general coverage, the district might discuss

campus-based community health services, targeted programs for pregnant and/or parenting students, free health screenings, flu shots or other services, as potential ways that AISD could receive more for its money. If increased services cannot be provided, it may be best to simply end the contract as soon as practicable and adopt the study's recommendation to bring the school health program back in-house.

Chapter 11, page 38. Reject recommendation to eliminate strategic compensation pilot AISD REACH.

The study calls for the elimination of the AISD REACH program, the district's strategic compensation pilot for teachers and principals. Unfortunately, the analysis done by MGT essentially conflates the REACH program with failed merit-pay schemes of the past. This analysis mischaracterizes the AISD effort, fails to recognize the unique and innovative aspects of the program, and ignores the growing call from policymakers to focus on teacher and principal quality, support, retention, placement, and compensation.

AISD REACH provides full-time mentoring for new teachers, creates financial incentives for teachers to stay at high-needs schools, and trains teachers to design student learning objectives based on data and academic goals specific to the particular teacher, grade level and subject matter. Under this pilot, individual teachers may earn more money for helping students reach predetermined learning objectives and campuses may earn awards based on school-wide growth on state achievement tests.

We believe AISD REACH is the best model of strategic compensation currently being tried in Texas and one that is gaining attention beyond the state for its integrated use of support and pay, its effort to pilot and measure these new systems, and its collaborative approach between teachers, district management, parents and business leaders. We urge the district to retain this pilot program as a valuable new tool in attracting and retaining top quality teachers for the schools that most need them.

Chapter 11, page 40. Adopt recommendation to eliminate Office of Redesign.

We concur with the study's finding that this office is ineffective and redundant. We encourage the district to eliminate it as soon as possible.

Chapter 11, page 52. Reject recommendation to reduce full-day pre-K program.

As noted by an MGT representative in her presentation to the board, ample research exists to support the continuation of AISD's full-day pre-K program.

Full-day pre-K provides immediate and long-lasting academic and social benefits for the children it serves and long-range benefits for the community as a whole. Children who enter kindergarten with a firm foundation are much more likely to do well in school and

in life, increasing the likelihood that they will become fully functional, contributing members of society. For children entering school without the advantages enjoyed by many middle class families, full-day pre-K is a priceless investment in the future. The ground lost by reducing these programs to half-days will be more difficult and costly to make up later. For these reasons, we urge the district to remove cuts to full-day pre-K from consideration immediately.

Chapter 11, page 54. Adopt recommendation to reduce or eliminate benchmark testing.

We strongly concur with the study's finding that benchmark tests are largely ineffective and take away from valuable classroom instruction time. We urge the district to begin reducing or eliminating benchmarks beginning in the fall 2009 semester.

Conclusion

The Liveable City Education Committee will continue to review the AISD Efficiency Study and may submit additional comments at a later date. We greatly appreciate the attention of the Superintendent, district staff, and Board of Trustees to these complex issues and thank you for your consideration of our comments.

Submitted by the
Liveable City Education Committee

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About Liveable City

Liveable City is an Austin-based nonprofit organization that works to build a shared, sustainable vision for Austin's future. Dedicated to civic engagement, Liveable City examines public policy, develops best practices, and provides strategic support for community building groups. All members of Liveable City's Education Committee are actively involved in AISD as parents, former or current administrators or educators, or community volunteers. Learn more at www.liveablecity.org

APPENDIX

Summary of Liveable City Recommendations Regarding AISD Efficiency Study

Chapter 3, page 5. Implement recommended changes to the district's internal audit program, particularly regarding auditing of construction projects.

Chapter 3, page 9. Decrease food and refreshment spending.

Chapter 3, page 14. Allow the use of Purchase Cards to reduce paperwork expenses.

Chapter 3, page 19. Adopt meaningful performance measures for district purchases and contracts.

Chapter 4, page 2. Adopt recommendation to establish, maintain and publish industry performance standards for bond programs.

Chapter 4, page 3. Reject recommendation to consolidate custodial staffing during summer.

Chapter 4, page 4. Adopt recommendation to create a Facilities Master Plan.

Chapter 4, page 5. Defer action on school consolidation recommendation until board adopts a well-defined public process for such decisions, as recommended by the Community Committee on Neighborhoods and Schools.

Chapter 5, page 3. Adopt recommendation to eliminate Central Office staff allowances for travel and cell phones (5-3).

Chapter 5, page 6. Adopt recommendation to eliminate extra duty pay at Central Office departmental level.

Chapter 6, page 6. Reject recommendation to reduce Art, Music and PE instruction at elementary level.

Chapter 8, page 1. Support and expand current environmental goals. Pursue partnership with City of Austin to provide recycling pick-up at all AISD campuses and buildings.

Chapter 7, generally. Assess equity in transportation spending.

Chapter 9, page 2. Ensure that potential changes in consulting contracts do not result in loss of contracts with small, local providers.

Chapter 10, page 2. Adopt recommendation to reorganize AISD executive level.

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