




## Northwest Educational Service District 189

*Together We Can*

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TO: Orcas Island School District Board of Directors  
c/o Tony Ghazel Board President

FROM: Jerry Jenkins, NWESD Superintendent 

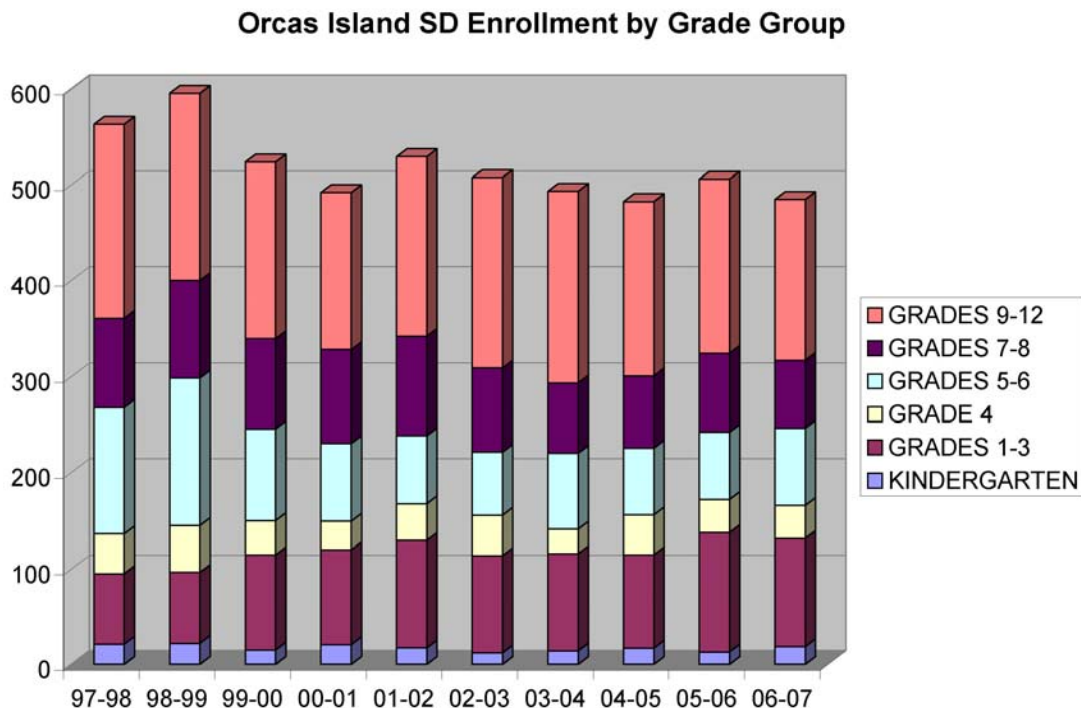
DATE: September 7, 2007

SUBJ: Summary Report—External Assessment of Orcas Island School District

This *Summary Report* presents the Northwest Educational Service District 189 (NWESD) assessment of the critical events related to the Orcas Island School District's current financial challenges. While generated at the request of the Board chair, the analysis, perspectives, and summarization included in this report were independently developed by NWESD staff. I apologize if any of the candid perspectives presented are found to be offensive to any individual or entity; that is not the NWESD's intent.

### Historical Contributing Factors:

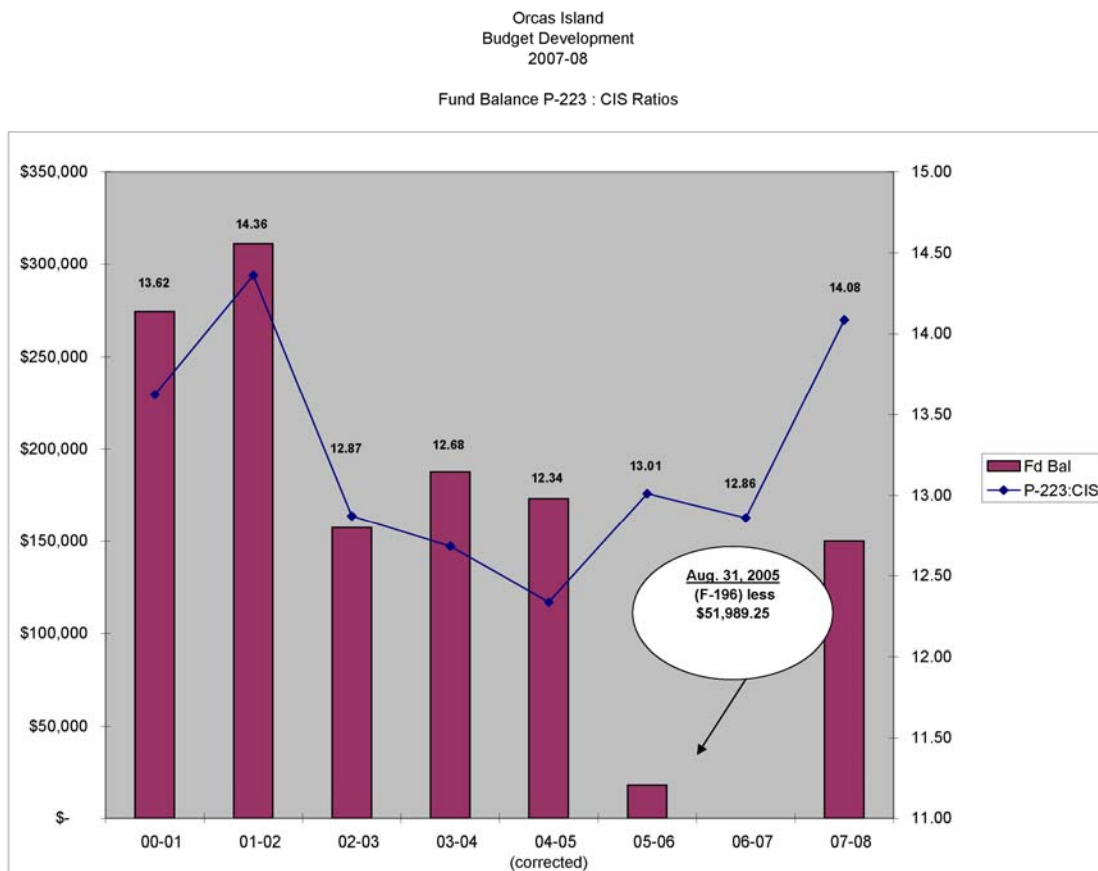
The District has absorbed a 19% reduction in student enrollment (from 595 to 484) over the past nine years. This is illustrated by the chart below, which presents ten years of annual average full time student enrollment (AAFTE) for the District.



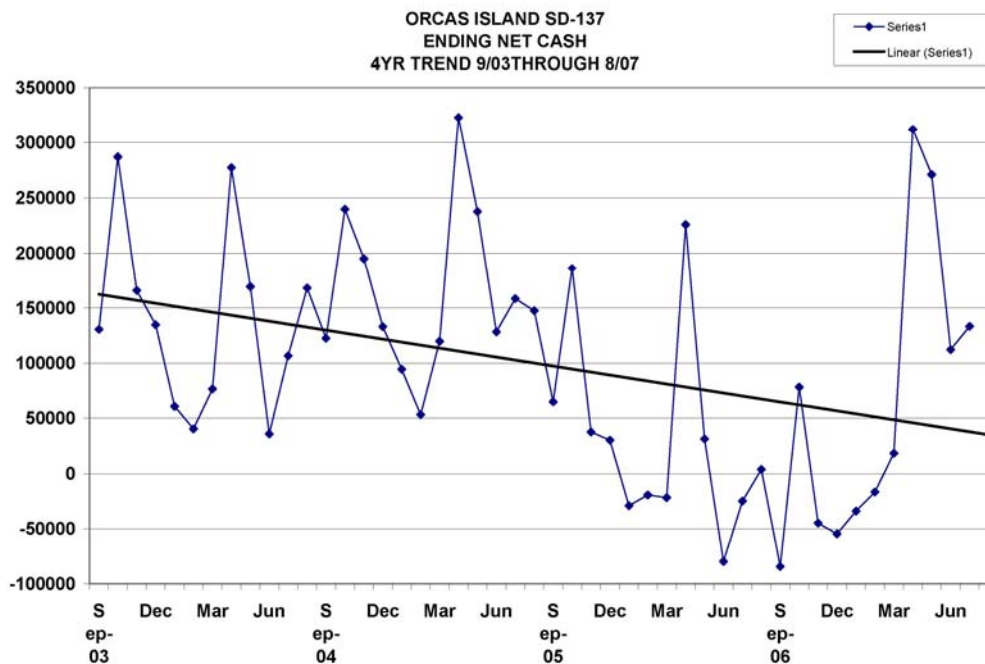
In Washington State approximately 80% of school district funding is determined by student enrollment. During this period of enrollment decline, and thereby funding decline, the District did not make the reciprocal program and staffing reductions. This point is illustrated by overlaying a

line graph of the number of students per Certificated Instructional Staff (CIS) on a bar graph depicting ending fund balances. Two points need to be considered regarding this graph:

- 1) The 2006/07 ending fund balance is not expected to be zero, this is a worst case scenario, based upon the position the District found itself in September, 2006 (see page eight for explanatory comments). A more realistic ending fund balance, excluding community fundraising of \$176,000, is between \$25-50,000.
- 2) The Board's budgeted actions for 2007/08 should be noted and commended. This will, if the reduction plan is maintained, result in a slight increase in the number of students per Certificated Instructional Staff (CIS)—to 14.08, which is still one of the lowest ratios in the State.



The result of failing to make program and staffing reductions commensurate with the student enrollment/funding decline was the steady decrease of the District's cash reserves (like money in a savings account for unexpected enrollment variations, facility requirements, unusual utility costs, etc.). The NWESD monitors cash on deposit with the San Juan County Treasurer as a barometer of school districts' financial trends. There are normal monthly fluctuations in school district revenues (funds do not arrive in equal monthly allotments) and payments (costs vary greatly from month to month); so the trend line below permits clearer analysis.



Tracking and sharing these data usually permits interaction with school district(s) so that minor adjustments can be made prior to the need for more dramatic adjustments or intervention. This process was not successful in the Orcas Island School District as a result of several factors. In an attempt to present these factors in a clearer and more concise manner a chronology method of presentation is used. Observations and inferences related to those events of significance are inserted following the item in *italics* and those deemed most critical are presented in **red bold italics**.

July, 2002 to

November, 2004

**Superintendent Barry Acker recognizes declining enrollment and program reduction ramifications.**

*Monitoring of Island County cash deposits and student enrollment warrants NWESD contact with business manger and superintendent. Discussions result in appreciation of need for program reductions to balance revenue reductions. Mr. Acker indicated he was working to develop Board and staff appreciation of need for reductions: resistance to program adjustments was recognized as normal. Mr. Acker indicated this would take a time, but the reserve was large enough to permit appreciation/acceptance of need.*

**December, 2004— Superintendent Barry Acker decides to leave the District after 13 years as superintendent/special programs director.**

*Based upon several personal conversations with Mr. Acker, I am confident he understood the need for program/staffing reductions including the possibility of administrative reductions. Mr. Acker indicated he had been working to develop an understanding and readiness to accept the program reductions with staff and community. **This was a critical factor in the District's current financial challenges—the loss of an experienced superintendent with appreciation/understanding of the long-term program and budget implications required by declining student enrollment.** When Mr. Acker departed mid-year this appreciation for the seriousness of the fiscal challenges seemed to have been lost within the District.*

**January, 2005— Business Manager Betty Kaiser provides notice of June retirement.**

*Faced with the pending challenges of replacing both a superintendent and a business manager, the Board delayed acting on the business manager replacement identification until the superintendent replacement process was more clearly defined. The Board, wishing to save funds, elected not to secure an interim superintendent and to largely fill those services itself. It did contract with the NWESD for assistance with ongoing PSE collective bargaining.*

**May/June, 2005— NWESD Superintendent assists Board with PSE negotiations and communicates concerns over fiscal trend.**

*During the ongoing PSE negotiations process, data was shared with individual District board members relative to the seriousness of the challenges (including an earlier version of the chart presented on page two of this report). With no superintendent present on a day-to-day basis, follow-up was impractical for the District. **This was a critical factor in the District's current financial challenges—the best intention of saving money by not employing an interim superintendent resulted in the loss of a budget cycle relative to fiscal course adjustments.** The District's reserve at that point in time permitted the continued expenditures in excess of revenues.*

**June, 2005— Business Manager Betty Kaiser retires.**

*The NWESD had advised early recruitment and selection to permit overlap and cross training by Ms. Kaiser. Again, the Board wishing to save funds wanted to keep staffing levels at a minimum and elected not to seek a replacement Business Manager until just before Ms. Kaiser retired. (The NWESD had advised additional business office staffing was necessary). By this point in time school business managers, a highly trained and specialized group, perceived the Orcas School District Board members as micro-managers. As such, the applicant pool was limited. A well-intentioned, but inexperienced and unqualified part-time Business Manager who struggled mightily with a steep learning curve was unable to perform the position's responsibilities. In addition, Ms. Kaiser, as an "old-school" fiscal manager, processed major budget parameters on-line as required, but monitored the budget via paper and pencil ledgers. This created additional challenges for the new business manager. Recognizing the challenges and need for additional support, the District contracted for limited financial support from the Olympic Educational Service District 114 (OESD) – which it reluctantly provided as a favor to NWESD. (The NWESD did not have staff employed to provide District fiscal management at that time.) The NWESD provided limited general assistance and information to the OESD contractor. In essence, the District had a cobbled fiscal management program with no one person responsible for the whole.*

**July 1, 2005— District employs part-time superintendent and assigns special education administration to a principal.**

*In an effort to reduce administrative costs, the Board elected to employ a part-time superintendent, who happened to come from out of state with little understanding of Washington law/procedures, and assigned the special programs administrative responsibilities to a principal.*

**July 28, 2005— District receives School Size, Administrative Organization, and Student Achievement Study by NWESD.**

*The Board had previously expressed a desire to research school district administrative staffing options and their effectiveness so that it could make informed decisions relative to the recruitment and selection of a superintendent to succeed the part-time Interim*

*Superintendent. This report was delivered to the District on July 28. This report noted that the District's administrative staffing significantly exceeded comparable districts and funding levels. The District was encouraged to reduce administrative FTE, with three typical administrative groupings being presented. The NWESD understanding is the Board shared this report with staff and community representatives and the feedback provided was not to reduce principal FTE (see November, 2005 item regarding ASR).*

**August, 2005— District requests transportation program review by NWESD.**

*NWESD Regional Transportation Supervisor Anna Esquibel developed a proposal and, to my knowledge, never heard back from the District.*

**August, 2005— NWESD develops and processes District budget extension.**

*Faced with the legal requirement to adopt a budget extension (revision) and a business staff that did not have the ability to do so, the District turned to the NWESD for assistance. The NWESD was able to divert some of its staffing to develop the budget extension for the District. Concern existed that the District could not rely on the NWESD for this service on a regular basis, which was communicated to the Interim Superintendent. In addition, I personally re-emphasized the ever growing need for program/staffing reductions. The Interim Superintendent, for whatever reason, chose to minimize these concerns in his communicates to the Board. **This was a critical factor in the District's current financial challenges—receiving a message that significant program reductions are necessary from an off-island and remote NWESD Superintendent, and a message of reassurance and that the District was making the needed changes from the on-island Interim Superintendent the Board dealt with on a day-to-day basis.** In my opinion, it is understandable why a Board would place greater credence on the perspective of someone it works with on a regular basis—especially when the message permitted avoidance of difficult reductions.*

**September, 2005— District contracts for comprehensive special education review by NWESD.**

*Recognizing the significant local subsidy required to fund the District's special education program, the District asked for a comprehensive program review by the NWESD. This report's cost saving recommendations were never implemented. It should be noted that given federal special education law, it would take multiple years to revise the IEPs to permit appropriate services to be provided within regular classrooms and, thereby, the reduction of one-on-one staff. **This was a critical factor in the District's current financial challenges—failing to begin the multi-year process that would permit a reduction of special education costs.** It is my opinion this lack of follow-through was the result of the part time superintendent with limited understanding of statute the assignment of special education administration to a principal with limited background in the area. An interesting aside is the District's per student special education expenditure rate currently places it in the top twenty compared to all Washington school districts.*

**October, 2005— District payroll person resigns.**

*The District's new payroll person resigned as a result of work load, discomfort with District staffing and expectations, and her unfamiliarity with the specialized world of K-12 finance in Washington. This put the District's fiscal management system back several months. Reconciliations, reports, and monitoring of various systems were put on hold.*

**October, 2005— NWRDC (a NWESD cooperative) sends in crisis response team to process S-275 and payroll.**



*Faced with a sudden inability to process payroll, the District turned to the NWESD for assistance. The NWESD was able to divert some of its Northwest Regional Data Center (NWRDC) cooperative staffing to enter S-275 (state report) and to process payroll so employees did not have a lapse in paychecks. This was a sizeable project and drew significant resources away from other districts. This situation provided an opportunity to personally re-emphasize with the Interim Superintendent the ever growing need for program/staffing reductions and business management stability. The Interim Superintendent, for whatever reason, continued to minimize these concerns in his Board communications. **Again, this was a critical factor in the District's current financial challenges—receiving a message that significant program reductions are necessary from an off-island and remote NWESD Superintendent vs. a message of reassurance and that the District was making the needed changes from the on-island Interim Superintendent the Board dealt with on a day-to-day basis.***

**November, 2005— The District asked NWESD for a proposal to administer its special education program.**

*NWESD Special Program Director Tom Marrs developed a proposal and never heard back from the District.*

**November, 2005— District committee releases its Administrative Structure Report (ASR).**

*A well intentioned committee, consisting of staff, Board representatives, and community members spent considerable time researching school district administrative structures. This Report was posted to the District web site and probably influenced subsequent Board action. Unfortunately some of the recommendations presented are, in the NWESD perspective, beyond the fiscal resources of the District. The Board should be commended for attempting to engage constituents in review of a difficult issue, but in practice what appears to have transpired was the raising of expectations beyond practicality.*

**January, 2006— NWRDC (a NWESD cooperative) sends in a crisis response team to process special education files that are past due and jeopardizing funding.**

*Faced with the potential withholding of special education funding because records had not been submitted electronically by a state timeline, the District turned to the NWESD for assistance. The NWESD was again able to divert some of its Northwest Regional Data Center (NWRDC) cooperative staffing to spend two days in the District to process the required data. They also left several procedural recommendations for District staff with the principal assigned special programs administration and never heard back from the District. At this point in time I clearly informed the Interim Superintendent that the District was relying on the NWESD to perform its critical fiscal management functions, that this took away services for the other 34 districts, and it could not continue—even if that meant a missed payroll, loss of special education funds, etc. The NWESD perception was the Interim Superintendent was not concerned with the ongoing business management deficiencies and the NWESD was “enabling” this conduct.*

**January 11, 2006— NWESD Superintendent presentation to Board advising spending/program changes needed in order to avoid crisis; recommend RIF of BEA certificated teachers/administrators.**

*As NWESD Superintendent, I asked for an opportunity to share financial concerns with the Board, which occurred at a January 11 meeting. The message was 1) reinforcement of the seriousness of the declining general fund reserve, 2) understaffing in the business office, 3) reinforcement of the recommendation to reduce certificated FTE (including administrators), 4) the need for concerted special education administration, and 5)*

*suggesting cost savings through exploration of partnerships with other San Juan County School Districts (like the fiscal management services currently being provided through the NWESD for San Juan and Orcas). I attempted to reinforce the District was not in a “crisis” but adjustments would need to be made or the District would lose latitude over its own budgeting decisions (if receivables had to be budgeted in order to create a balanced budget). The Interim Superintendent countered that things were not as dismal as I was presenting, the District was underway in its identification of reductions, and there was disagreement with the County Treasurer over how much money was really on deposit. **Again, this was a critical factor in the District’s current financial challenges—receiving a message that significant program reductions are necessary from an off-island and remote NWESD Superintendent vs. a message of reassurance and that the District was making the needed changes from the on-island Interim Superintendent the Board dealt with on a day-to-day basis.***

**March 1, 2006— OESD fiscal support reports to Board – “financial problems are real” fiscal.**

*Article in local newspaper indicates OESD financial contractor’s affirmation to Board that financial problems are real*

**March, 2006— District fails to submit enrollment reports to state; NWESD covers.**

*The District fails to submit student enrollment on-line in order to receive monthly state funding payment. The NWESD staff catches the omission and files on District’s behalf – preventing a serious default of payroll and monthly payments to suppliers.*

**March 30, 2006— Meeting with Board before negotiations to discuss budget concerns.**

*As NWESD Superintendent, I again ask for an opportunity to share financial concerns with the Board, which occurred on March 30. The message was 1) reinforcement of the seriousness of the declining general fund reserve, 2) understaffing in the business office, 3) a minimum 3.0 FTE reduction to BEA certificated staffing (including administrators), and 4) explanation of what happens when it is necessary for the District to budget receivables in order to have a balanced budget. The Interim Superintendent again countered that things were not dismal, noted that there was \$70,000 more on deposit with the County than the reports showed (an assertion which later turned out to not be correct), and identified significant support staff (custodial, office aides, maintenance, etc.) reductions and special education teacher lay-offs. I asked if the classified reductions were realistic and noted it was unlikely the student IEPs would permit the District to reduce these teachers. I also noted unrealistic paper reductions that have to be restored would not result in the needed fiscal course corrections. **Again, this was a critical factor in the District’s current financial challenges—the receiving a message that significant program reductions are necessary from an off-island and remote NWESD Superintendent vs. a message of reassurance and that the District was making the needed changes from the on-island Interim Superintendent the Board dealt with on a day-to-day basis.** It is important to note that laws governing public education in Washington State are strongly slanted toward local control. So long as the expenditures are legal, no one has the authority to intercede in school district budget decisions/practices until, and unless, the fund balance becomes negative and receivables are budgeted. This has not been the case in the Orcas Island School District to date.*

**April, 2006— Board implements Interim Superintendent’s proposed program reductions.**

*District balances 2006/07 budget on paper through 1) RIF of special education, maintenance, custodial, and support staff, and 2) generous enrollment projections.*

**May, 2006— NWESD notifies District it is leaving e-rate revenue on table – assumes responsibility for applying on behalf of the District.**

*NWESD notices District is leaving e-rate revenues unclaimed and approaches District, which contracts for NWESD e-rate application management. This is another example of a cost of not having adequate business management staffing*

**June 30, 2006— Part-time Interim Superintendent contract ends.**

**July 1, 2006— District employs full time superintendent.**

*The Board issues a 3-year contract to a newly selected continuing superintendent. This is inconsistent with the recommendations provided in previously cited “School Size, Administrative Organization, and Student Achievement Study.” It should be noted the Board did not have the legal option to lay-off a principal to permit recruitment of a combination superintendent-principal. As neither of the principals employed by the District at that time were qualified to fulfill superintendency requirements, the Board’s only option for reducing administrative FTE was a quality part-time superintendent (which recent experience would indicate may not be readily available).*

**July, 2006— District contracts with NWESD for full fiscal management services.**

*The Board and new superintendent elect to resolve business management supervision issues through a contract with NWESD (joining the San Juan School District to share costs of a highly skilled official in K-12 school accounting matters), effective September 1, 2006. This was not an easy recommendation for the Board to support, requiring considerable lobbying by the new Superintendent.*

**August 9, 2006— District requests early assistance from NWESD with 2005/06 Accounting.**

*The new superintendent requests that the NWESD Fiscal Services Manager provide pre-contract assistance assessing the financial situation on August 9<sup>th</sup>. As a result of this assistance, it is determined there is no material discrepancy between the San Juan County Treasurer and the District and informs the new Superintendent and business office team that the “\$70,000” in additional funds the Interim Superintendent had publicly indicated was on deposit with the County Treasurer did not exist; and, as a result, the budgeted fund balance of \$67,000 would be significantly less.*

**September, 2006— Several staffing reductions must be reinstated for legal and/or practical reasons further compound fiscal situation.**

*Due to federal special education law and labor contracts, several of the Interim Superintendent’s recommended “reductions” must be re-instated – putting the District’s finances on a path toward potential exhaustion of all reserve monies. This would result in the budgeting of receivables and formal state intervention into the Orcas fiscal decisions and priorities. The District immediately institutes a discretionary spending freeze and begins to prepare for program reductions.*

**September, 2006— The new Superintendent assumes responsibility for special education program administration.**

*Recognizing several issues of legal non-compliance within the District’s special education program, the Superintendent assumes responsibility for the program administration (thereby eliminating a \$10,000 principal stipend). With state assistance, the Superintendent discovered the District’s special education program corrective action plan*



*of 2005/06 had not been fully implemented. As a result, a revised corrective action plan was developed and approved by the State in December, 2006. State monitoring of special education is to begin in 2008.*

**September, 2006**

**thru October, 2006— NWESD fiscal management identifies significant shortfalls in the previously adopted 2006/07 District Budget**

*The NWESD identifies significant budgetary shortfalls in the areas of: 1) extra-curricular staffing; 2) utilities; 3) certificated salary allocation; 4) classified salary allocation; and, 5) employee benefits. The combination of these budget shortfalls, the inaccurate assumption the District had \$70,000 more than the County Treasurer reported, and the required re-instatement of the Interim Superintendent's budgeted impractical "reductions" indicated the 2006/07 budgeted \$206,182 fund balance was not attainable and that a positive fund balance as of August 31, 2007 was questionable.. **This was a critical factor in the District's current financial challenges—failing to provide adequate and qualified business management staffing/supervision by individuals knowledgeable in the very specialized Washington State K-12 business practices so that a realistic 2006/07 budget could be developed.** From the time qualified business management services began in September, 2006, the Board was informed on a timely basis of issues that were identified relative to financial operations.*

**November, 2006— NWESD fiscal management identifies \$68,000 of BEA funding not claimed in previous year, makes corrections, processes claim.**

*Fiscal management by a skilled K-12 school business official results in the identification of several faulty business practices. For example, the District's processing of staffing data for salary reimbursement and student enrollment reporting resulted in a failure to claim some \$68,000 of revenue the District was entitled to receive in the 2005/06 year. (Fortunately, the new fiscal manager was permitted to make corrections to the prior year's reports and the District received these funds.) **This was a critical factor in the District's current financial challenges—failing to provide adequate and qualified business management staffing/supervision by individuals knowledgeable in the very specialized Washington State K-12 business practices.** During the 2005/06 year the Board did not receive accurate financial reports as they did not exist.*

**November, 2006— The Superintendent and Board begins to engage constituents in a process that results in the development of a District Strategic Plan.**

*The Superintendent and Board engage the community and staff in a process that results in a Strategic Plan that includes five strategic goals: 1) Reading/Language Arts Improvement; 2) Mathematics Improvement; 3) Fiscal Accountability (including a 3-year restoration of a General Fund reserve); 4) Science Improvement; and, 5) Facility Maintenance.*

**January, 2007— Business Manager and Superintendent establish and communicate proactive budget calendar with Board and community representatives.**

*The Business Manager and Superintendent establish a budget calendar that is designed to ensure compliance with state law and administrative procedure. Modeling its proactive use, they determined in late January (well before legislative budget adoptions were available) a projected following year (2007/08) deficit of \$343,000. This was based upon conservative enrollment projections, anticipated Cost of Living Adjustments (COLA), and historical expenditure data. This projected deficit was provided, in detail, to the Board of Directors, and community members in attendance by early February, 2007.*

**January, 2007**

**thru July, 2007— Business Manager, Superintendent, and Board make fiscal situation and budget development an open and transparent process.**

*The Business Manager, Superintendent, and Board significantly enhance the levels of communication, detail, and participation in the budget development process. For example, information about the necessity for change, what the likely changes would be, how those changes would likely be implemented, and a commitment to a conservative fiscal approach were repeatedly shared and discussed. In addition, requested information was continuously provided at community forums, in response to e-mail queries, and during regular Board meetings. The Associated Student Body (ASB) also was provided with a presentation that outlines the seriousness of the financial situation and the District's efforts to correct it.*

**November, 2006**

**thru March, 2007— State Auditor Office (SAO) begins formal audit of Districts books and business procedures.**

*The State Auditor's Office (SAO) on-site audit of the District's books and business practices (for the four prior years) identified several areas of concern. For example, 1) the tracking of staff experience and educational credits (which are used to claim state funding) was found to be inaccurate – resulting in the District's obligation to pay back money to the State, 2) student enrollment records were found to be inaccurate, and 3) some student alternative learning experiences in the high school were found not to comply with requirements for funding. Re-establishing business practices with strong controls requires a cultural change that is well underway. Such efforts have required, and will continue to require, significant administrative support.*

**March, 2007— Board implements Basic Education program reduction and resultant staff lay-offs.**

*While a difficult decision, this is the first real signal the District leadership is reacting to the financial challenges it faces.*

**April 4, 2007— Orcas community budget meeting.**

*As NWESD Superintendent, I attend a community budget meeting. Questions/issues warranting my response/comment included: 1) reinforcement of the seriousness of the declining general fund reserve, 2) understaffing in the business office, 3) a minimum 3.0 FTE reduction to BEA certificated staffing, 4) allowable enrollment projections, 5) fiscal reserve targets, 6) staff compensation, and 7) community fundraising. **This was a critical factor in the District's current financial challenges—the education and engagement of the community through the meetings was very impactful. This process and the community fundraising permitted the District to lessen the reductions for the 2007/08 year.***

**Corrective Measures Taken:**

From the NWESD perspective, the District has taken several steps to correct the District's financial course. This would include:

- Securing the services of a competent Business Manager with knowledge and experience in Washington K-12 school finance, and empowering this person to establish business processes and accountability measures throughout the District.

- Beginning immediately in September, 2006, the Business Manager identified discrepancies in the District's financial status, its adopted budget, and reporting practices. These were regularly reported to the Superintendent and Board. The Board reacted openly and constructively to immediately approve corrective interventions that targeted: 1) a positive fund balance by August 31, 2007; 2) a 2007/08 budget that provides for the targeted fund balance; and, 3) implementation of accounting and reporting practices to ensure the District accounting records were materially accurate and reported on a monthly basis.
- Securing a thorough and exhaustive State Auditor Office (SAO) review of all business practices and operations. (This is more than the typical SAO "sampling" audit in which a random number of warrants and files are picked to review as "representative" of the system.)
- Establishing General Fund reserve target that is reasonable and is to be restored over three years.
- Board establishment of a District financial advisory committee to make recommendations related to budget development and maintenance.
- Implementing a Basic Education program reduction, including staff lay-offs for 2007/08.
- Securing a comprehensive third-party review of its certificated personnel files to ensure adherence to state salary compliance law
- The Board now receiving accurate monthly financial statements and learning how to interpret them.

### **Current Situation:**

During the 2006/07 year, the District found itself in a position where either: 1) significant budget reductions were necessary, or 2) it would likely need to budget receivables in order to provide a balanced budget. Through the implementation of a spending freeze, the District estimated it would end the year with a \$20,000 General Fund balance—remarkably better than the October negative \$85,000 estimate (when many of the "reductions" implemented by the Interim Superintendent proved to be unrealistic and had to be re-established). It is impossible to accurately estimate what the ending balance will be as there are many account payables (encumbrances), payroll and facility liabilities, and future bills over which the District does not have control. Indeed, the closing of all accounts for the present year is not due to state offices until October of 2007.

In addition, the District benefited from fundraising by the Orcas Island Education Foundation (OIEF) in the amount of \$176,000 to assist in minimizing next year's reductions.

### **Ongoing Needs/Potential Concerns:**

The District is returning to solid financial practices. From the NWESD perspective, it is not fully out of the woods yet. Potential landmines that must be avoided would include:

- **Assuming the generosity of the community this year will be a stable funding source.** These dollars provide a wonderful opportunity for the District to rebuild its reserve without having to reduce programs so deeply. However, if the funds are simply used to restore reductions, the District will find itself in the same position nine months from now—cutting programs deeply in order to not only operate within revenues, but to restore a reserve. The community donations would best be used to re-establish only those programs necessary for reserve restoration.
- **Failing to adjust administrative staffing levels.** I am concerned about an apparent recent movement to restore administrative FTE because it is contrary to the long-term

administrative needs in the District. There are ways to provide coverage in both buildings each day students are present without increasing administrative FTE. The NWESD continues to believe additional administrative reductions should be sought.

- **Relaxing business office staff quality or controls.** Re-establishing the business practices needed throughout the District will require changes in practice throughout all of the schools and programs. Changing practices is difficult for some to accept, especially those who have enjoyed and benefited from a system that lacked accountability. This cultural change will require support from the Board and administration to assure it is successfully implemented.
- **Active Board monitoring and engagement.** It is apparent the Board has gained an appreciation for setting priorities and living within available resources to attain them. The Board must remain diligent in its policy setting and review of monthly budget status reports.

The Board must realize it cannot please everyone and become comfortable listening, but then acting based upon what it collectively determines is best for the attainment of its priorities for students. Once a decision is made all Board members, administrators, and staff should support its successful implementation. Resources (time and fiscal) are wasted by needlessly rehashing and rehashing and rehashing.

- **Failing to ask for outside support when appropriate.** The District and its programs can become isolated on the Island. We hope the Board and community have come to realize there is strength in asking for help.