

Orcas Island School District #137

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Orcas Island School Board's Report to the Community

***Vision Statement:** Inspiring academic excellence and
cultivating caring, active citizens.*

School District Board:

Tony P. Ghazel, President

Scott Lancaster, Vice President

Bruce Orchid, Member

Lisa Bronn, Member

Glenn Harris, Superintendent

Document and related references found on the following web site: <http://www.orcasboard.org>

Table of Contents:

School District Board:	1
Acknowledgments:	2
Section 1: Introduction: Updated October 22, 2007	3
The Community Vision:.....	3
OISD Budget 101 "Lite":	4
How Did We Get Here?.....	4
What This Board is doing to Correct the Situation:	6
ESD Perspective: Corrective Measures Taken:.....	6
OISD Superintendent's Perspective: Corrective Actions Taken:	7
Conclusion	7
Section 2: Northwest ESD189 Superintendent Assessment:	8
Section 3: OISD Superintendent's Assessment:	22
Exhibit A: O I S D - 2001- 2007 Data Graph.....	25
Section 4: State Auditors Reports	25
Exhibit B: Schedule of Audit Findings and Responses	25
Exhibit C: Financial Statements Audit	25
Exhibit D: Accountability Audit.....	25
Exhibit E: Strategic Plan	26
Exhibit F: Budget committee Report April 7th, 2007	36
Exhibit G: School size, Administrative Organization, and	36
Exhibit H: Preliminary Analysis of Declining Enrollment.	36
Exhibit I: (LEAP) K-12 Data	36

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Dr. Jerry Jenkins, Superintendent NWESD 189

Glenn Harris, Superintendent, Orcas island School District

Bob Henigson, Community member and OISD supporter

Janet Brownell, President, Orcas Island Education Foundation

Betty Corbett, President, The Funhouse Board of Directors

Phil Heikkinen, Director, Orcas Island Public Library

Bob Connell, Community member and parent

Administrative Structure Review Committee Members ([Listed in their respective report](#))

Budget Committee and Budget Advisory committee Members ([Listed in their respective report](#))

Enrollment Analysis Committee Members ([Listed in their respective report](#))

Vicki Vandermay, Volunteer and parent

Ben Thomas, Business Manager, Orcas Island School District

Section 1: Introduction: Updated October 24, 2007

The Orcas Island School District has some of the top performing schools in Washington State. It is because the Orcas Island School Board is committed to continuing its support of these schools that it has prepared this self-examination of financial accountability for the last few years. It is in the hopes of not repeating past mistakes that the School Board is making public historical events that shaped "how we got here" and the steps that the board has put in place since June of 2006 to fix what is broken and move us forward with corrective measures firmly in place.

In this report the Orcas Island School Board will present to the communities of Orcas and Waldron islands its findings, explanations, and conclusions with regard to the financial struggles that the Orcas Island School District has faced and continues to face. The Board will attempt to explain how the district finds itself in this "debacle." It will also attempt to enumerate the solutions that the Board and the Superintendent have put in place to mitigate these problems. The Board assumes responsibility for the concerns that have been raised over the past nine months. It assumes the responsibility of putting in place the necessary solutions in order to make certain that this dilemma does not repeat itself.

Paramount is the Board's guarantee that our students receive the best educational opportunities afforded by federal, state and local funding, private donations, collaborative efforts with island institutions such as the Orcas Center and The Funhouse and the outstanding abilities and professionalism of our teachers and support staffs.

The Community Vision:

All indications tell us that our staff to student ratio is the lowest in the state and lower than similarly performing districts (Go to <http://leap.leg.wa.gov/leap/Analysis/wsf.pdf> for details). We are proud of our staff and how this ratio has helped propel our district to having top achieving schools in the state. It is also important information in budget formation. The state looks at these numbers when determining funding allocations. (To see more about state allocations, student-to-teacher ratios and budget formation, go to: www.k12.wa.us and click on Research/Reports and then select School Report Card) While it may not always be apparent, we have heard you: Orcas and Waldron Island communities want more for our children. We listened to you in the line at the bank, the grocery store, the hardware store, at churches, at musical events and everywhere else. Our conclusion was clear: We have a community that demands excellent schools and our students need the attention that our fine teachers and staff provide. We have heard you and we support you. We also support the incredible opportunities which enrich our students' lives outside of the school. From courses at the Funhouse, to art and music education at the Orcas Center, to musical programming supported by the Music Advocacy we support the diversity that the public school experience provides.

To maintain the level of commitment to this kind of low staff-to-student ratio, however, we must look to other funding sources outside of what we are given by the federal government, state allocations, and local levies. The Washington State constitution states: "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders..." Despite this constitutional mandate, Washington ranks as one of the lowest states in the country with regard to public school funding. Clearly, we must put pressure on the state Legislature to remedy this inequity. Until, and unless, such remedial intervention is forthcoming, we must look to the community to help to maintain low student to teacher ratio. Without community commitment to education, our public schools will see a dramatic reduction in staffing and will, most likely, suffer academically. This past year we saw how the community generously donated to the Orcas Island School District. We hope this partnership will continue for years to come.

OISD Budget 101 “Lite”:

The Orcas Island School District (OISD) creates a budget based on funds it receives from state and federal sources for its Basic Educational Allocations (BEA) and teacher/student ratios. Like many districts in the state we are under funded; in our case, by about 25% of the total amount that we need to operate as a successful school district. Breaking down the 07-08 budget of \$5.4 M, we find that about 75% comes from State and Federal revenue, 19% from local taxes (levy) and the balance of about 6% is unfunded from these normal sources. This amount translates to about \$350K. Through the means of local levies (local taxes) dictated by state law, we are allowed to ask for no more than 24% of the total budget. Because of recent tax laws we receive just around 19% of the total budget. This difference is sorely needed so a possible Levy Lid Lift ballot initiative could be looked at this coming year.

For additional program offerings and educational opportunities for our students, we go out hat in hand to the community and ask for donations. This budget cycle, OIEF board members proved how generous our community is in support of local public education by raising almost \$250,000 that helped bridge the gap between what the state, federal and levy funds allow us to do and what this community demands from its school district to educate our children.

How Did We Get Here?

The funding for any school district is reliant on enrollment projections. In other words, how much money you receive is dependent on how many students you have enrolled in your school. The formulas for enrollment projections are done in April of the previous school year for the upcoming school year which starts in September. Our historical data shows that our enrollment has declined since the 1998-1999 school year. (See Page 9, Graph - Northwest ESD 189 Superintendent's Assessment: Historical Contributing Factors). With this declining enrollment our funding dropped, yet our budgets increased and our staff/student ratios roughly stayed the same (See Exhibit A: Orcas Island School District Data 2001-2002 through 2006-2007 Graph). The District's long serving superintendent, Barry Acker was apparently aware of these declines and the need to adjust (See Page 11, December 2004 of the Northwest ESD 189 Superintendent's Assessment). However, this knowledge was not wholly parsed out to the School Board at that time, and shortly thereafter Mr. Acker resigned to pursue opportunities elsewhere. Previous Boards were under the impression that all was well; each year ended with good fund balances and the budget seemed to fall into place, never mind the sitting board members only received the budget literally days before adoption. Shortly thereafter the OISD business manager, Betty Kaiser, also decided to retire after more than 25 years of business management service in this state. The Board felt things were going well financially and the district was, for all indications, running smoothly.

In the spring of 2005, some of the Board members felt that we needed to evaluate what kind of administrative structure the district needs to adopt as a result of this aforementioned resignation/retirement. In the meantime, we decided to appoint a part-time superintendent that had fiscal acumen and building/bond experience to fulfill the requirements of the recently voter approved capital bond.

The business manager replacement turned out to be the more challenging event. For the salary we were paying Betty Kaiser and adjusting for inflation we could not possibly acquire the services of a Washington qualified business manager in time for the start of the 2005-2006 school year (See Exhibit B: Schedule of Audit Findings and Responses, Section #1: Cause of Condition). The Board chose a part-time business manager that, on paper, had the acumen and was willing to work part-time during the period that we were evaluating the administrative structure.

As the school year got underway, it quickly became evident to the Board that this combination of part-time superintendent and part-time business manger was a disaster. Previously we had felt that the district administration and business functions were in good shape only to find out then that this

was not so . These past fifteen months we were able to add up what really happened and we have listed below the key factors that got us to this point:

- The communication between Superintendent Jerry Jenkins of NWESD189 and OISD Superintendent Barry Acker was apparently not transmitted to the then sitting board by Mr. Acker (See Page 11, December 2004 of the Northwest ESD 189 Superintendent's Assessment). Despite having a part-time Superintendent, and in the face of continued anxiety over the state of the OISD budget, the current board did not hear from Dr. Jenkins directly until 2006.
- Mrs. Betty Kaiser the just retired Business Manager was apparently "old school" in her business management skills therefore she monitored the budget with pencil and paper making it that much more difficult for a new, part-time, not Washington skilled Business Manager to comprehend. (See Page 12, June 2005 of the Northwest ESD189 Superintendent Assessment)
- The highly touted fund balances turned out to be unrealistic (See Page 10, Graph - Northwest ESD189 Superintendent Assessment). 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.).
- Even though the new part-time Superintendent performed the bond and facilities duties commendably, he was hands off relative to the business functions and did not seem to ever get plugged in. He ended up spending a lot of time on the International travel incentive ALE program.
- Internal District controls over enrollment reporting have been insufficient to insure accurate enrollment reporting which resulted in the district receiving wrong apportionment funds. (See Exhibit B: Schedule of Audit Findings and Responses Section #3: Description of Condition)
- Personnel records were not kept in compliance with changing state laws, affecting the District's state revenues for several years. As a result, some personnel were paid inconsistent with state statute. (See Exhibit D: Staff Placement Audit: Description of conditions)

When the board became aware of these struggles we demanded from the then part-time Superintendent to resolve the business office problems and shortcomings. Eventually we replaced the new part-time Business Manager with the services of ESD 114's business office. This was in late 2005 and early 2006. While preparing the 2006-2007 budgets we were assured that reductions were in place to make sure that we ended the school year with a healthy fund balance of more than \$200,000 for the 2006-2007 school year. It turned out that the Reductions in Force (RIF) had to be reinstated since we were not in compliance in dealing with special education Individualized Education Program (IEP).

Superintendent Jenkins met with us a couple of times in the spring and summer of 2006 to speak to us about the enrollment trends and the previous years and ensuing financial issues. His input was overlooked because we were hearing from our local "experts" that we were in good shape especially with the planned RIF's. Furthermore the public was asked at one of the board meetings in June of 2006 to help with funding the gap between the budget needs and funding sources in addition to the savings from the proposed RIF's. This help did not materialize.

It turns out, also that the financial practices were not "all-right." We find from the state auditors that some findings in earlier audits were not addressed or corrected. (See Exhibit B: Schedule of Audit Findings and Responses, section #2: Description of Condition).

What This Board is doing to Correct the Situation:

As we mentioned earlier, about 15 months ago we realized that we needed to correct these issues and insure that these inadequate practices cannot be repeated and will not be tolerated. We obtained consensus on the Board that the OISD needed a full-time administrator, whose primary responsibility was that of Superintendent. We hired Superintendent Harris with a start date of July 1st, 2006. Secondly, the Board had consensus that a qualified Washington State trained business manager was essential to replace the services of ESD 114. With the help of Superintendent Harris we contracted with ESD189 Fiscal Services Department for business management services starting in September of 2006. Thirdly, The Orcas Island School Board also had consensus that it make tough decisions that might be unpopular to arrive at a balanced budget. The Board needed to demonstrate to the community that it is serious about solving these problems and to assure the community that there will be no question about where the "buck stops."

Below is a list of actions which will insure that the Board continues to responsibly perform its duty to the students, teachers, staff and parents of the Orcas Island School district.

1. The board demanded and is getting accurate and timely reports
2. The board is working on improving its communication to the community about the needs of the district
3. The board set the vision of the district in a living Strategic Plan and we are on the first year of this plan

ESD Perspective: Corrective Measures Taken:

From the NWESD perspective, the District has taken several steps to correct the District's financial course. (See Page 20: ESD Perspective: Corrective Measures Taken) This includes:

1. 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.
2. 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.
3. 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.)
4. Establishing General Fund reserve target that is reasonable and is to be restored over three years.
5. Board establishment of a District financial advisory committee to make recommendations related to budget development and maintenance (See Exhibit F)

6. Implementing a Basic Education program reduction, including staff lay-offs for 2007/08.
7. Securing a comprehensive third-party review of its certificated personnel files to ensure adherence to state salary compliance law
8. The Board now receiving accurate monthly financial statements and learning how to interpret them.

OISD Superintendent's Perspective: Corrective Actions Taken:

(See Page 23 of the OISD Superintendent's Assessment starting on page 22) Summarized as follows:

- a. Effective last July the School Board and Superintendent agreed to join into a business relationship with the NWESD.
- b. The Board and I have also facilitated the development of a *Strategic Plan* to be implemented in the 2007-2008 school year.
- c. The District and School Board are in discussions with the state auditors and will be making necessary policy, regulation, and procedural corrections to ensure that the District complies with all legal state and federal financial and program requirements.
- d. The District will ensure that parent participation in its schools will be through the formal establishment of School Site Councils. Site Councils will be responsible for reviewing school site annual budgets and for providing direct input into site budgets.
- e. The District will implement a School Resource Accountability System to ensure schools align all discretionary expenditures to the Districts' *Strategic Plan* utilizing parent and staff input through the above mentioned School Site Councils.
- f. The School Board and administration have taken the required steps in year one of the three year timeline to restore a strategic reserve through staffing, program, and schedule adjustments to reflect our level of state and local funding.
- g. The District has also undergone an extensive third-party audit at its request to ensure discovery and correction of all practices that have led to inappropriate program, business, or program perceptions and decisions in past years.
- h. The school board has created a District Financial Advisory Committee to focus on and offer recommendations regarding specific items identified by the school board.
- i. The District administration and Business office placed a freeze on most spending to assist in the reduction of 2006-2007 expenditures.

Conclusion

The Orcas Island School Board is committed to insuring that these measures mentioned above and others that are in place will communicate to the community that we are dedicated to the success of the district in serving our most precious customers, our students. Furthermore, knowing the needs of the students, parents and the community, the District and the Board will become more involved in championing the hope that the community will remain an integral part in helping to fund the needs of the students of the district.

Section 2: Northwest ESD189 Superintendent Assessment:



**Northwest Educational
Service District 189**

Together We Can

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Office Telephone: 360-
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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

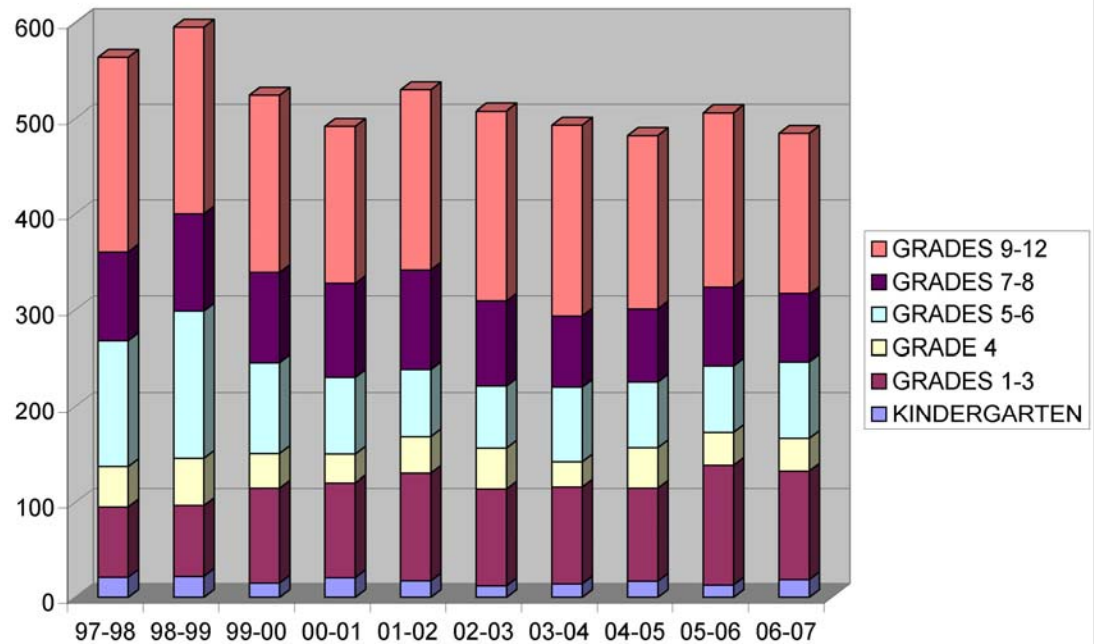
SUBJ: Summary Report—External Assessment of Orcas Island School
District

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.

Orcas Island SD Enrollment by Grade Group

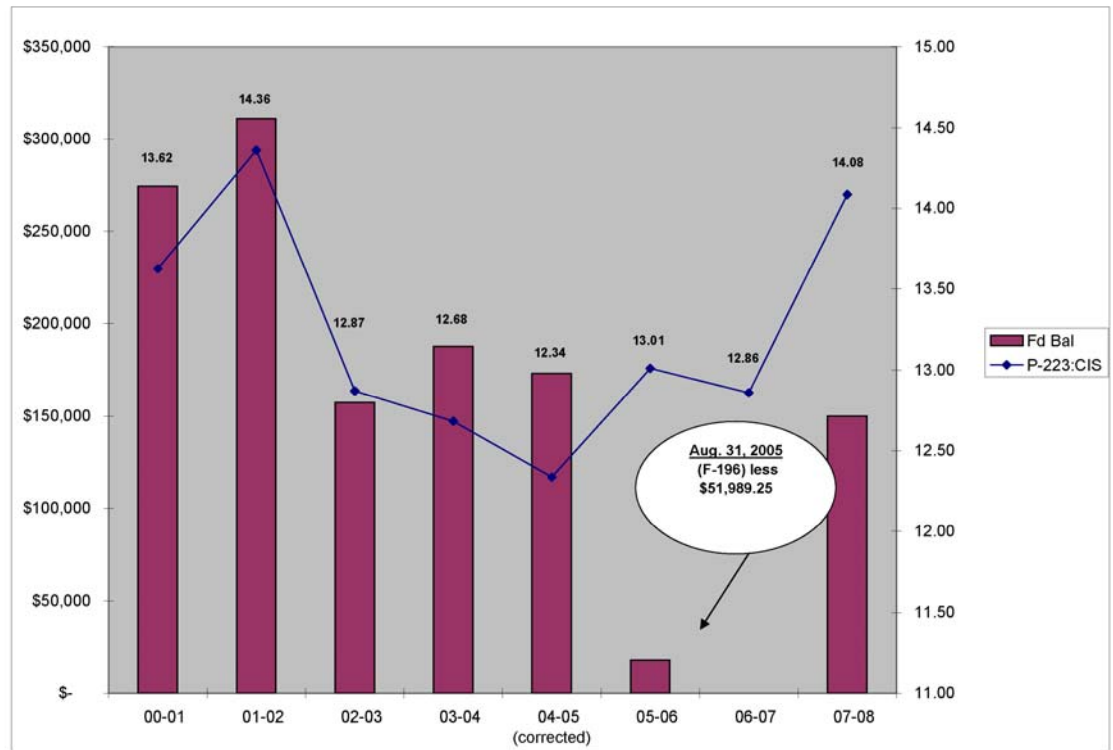


In Washington State approximately 80% of school district funding is determined by student enrollment. During this period of enrollment decline, and thereby funding decline, the District did not make the reciprocal program and staffing reductions. This point is illustrated by overlaying a line graph of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

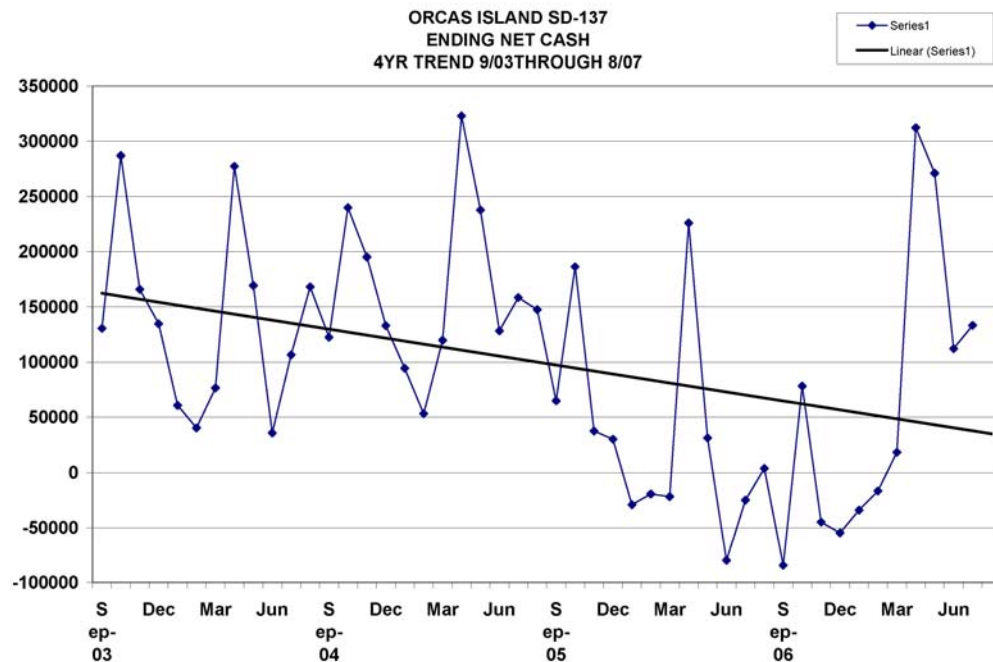
- 1) The 2006/07 ending fund balance is not expected to be zero, this is a worst case scenario, based upon the position the District found itself in September, 2006 (see page eight for explanatory comments). A more realistic ending fund balance, excluding community fundraising of \$176,000, is between \$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.

Orcas Island
Budget Development
2007-08

Fund Balance P-223 : CIS Ratios



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 the Orcas District's 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 manger, 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 manger. 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 9th. 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.

For example, 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.

Section 3: OISD Superintendent's Assessment:

Dear Community Members,

Orcas Island School District has held many meetings throughout the year regarding its financial matters. In an effort to keep the community informed we have addressed the following issues:

Present Fiscal Situation

The District expects to end the 2006-2007 fiscal year with a positive fund balance. The closing of all accounts for the 2006-2007 year is not due to state offices until October of 2007. As a result of corrections to expenditure practices; the rebuilding of the financial system; and implementation of audits our best estimate at this time is around \$60,000.00. In addition, the District has received a donation from Orcas Island Education Foundation (OIEF) in the amount of \$240,000.00 to assist in enhancing this years programs. The District still needs to make the corrections described in the following paragraphs to ensure sound financial viability.

Strategic Reserve Decline Factors

- a. The District has had declining enrollment since 1999-2000 (see attached enrollment analysis). It appears an increased interest in educational options attributed to this enrollment decline. The District's enrollment peaked at just over 600 students and ended last year at about 485 students.

The state provides a "Basic Education Allocation" (BEA) that partially funds many of the teachers. The current state allocation formulas dramatically under funds K-12 public education. As a result, school districts are forced to supplement the state's allocation with local levies and bonds. It is important to note that the levy is for maintenance and operation costs of facilities and programs.

- b. Orcas Island School District made the decision years ago not to reduce District staff and programs to match declining enrollment and state revenues. The impact of this decision led to the District's strategic reserve being consumed until the reserve was exhausted and the District found itself in a negative cash flow situation.
- c. In an attempt to protect instructional programs we identified reductions in the "classified" support and District administrative staffing. This resulted in sacrificing adequate checks and balances in the business office. This was clearly illustrated by the District's recent State Auditor's Office (SAO) findings.
- d. Decisions by previous business personnel to postpone payments to vendors until revenue was received to cover the payments provided an impression over the last several years that the District's financial picture was adequate.
- e. An accounting error in 2005-2006, led to the District accounting for \$49,000.00 twice in its bank account.
- f. Budgeting errors have occurred whereby the District under estimated the costs directly associated with employee benefits, extra curricular activities, and utilities.
- g. Personnel records were not kept in compliance with changing state laws, affecting the District's state revenues for several years. As a result, some personnel were paid inconsistent with state statute.

- h. Decisions were made to take on some maintenance responsibilities for surrounding community land, without budgeting for additional operational costs, creating a negative financial impact on the District.

These present several of the more significant factors that contributed to the current financial status of our District.

Correcting the Situation

- a. Effective last July the School Board and Superintendent agreed to join into a business relationship with the NWESD. This relationship evolved after the District was unsuccessful recruiting a business manager skilled in the complex Washington State school finance system.

We have now created a global system of checks and balances that will help to ensure the District takes the necessary actions to correct its financial problems and ensure practices and personnel are put into place to eliminate this situation from occurring again.

- b. The Board and I have also facilitated the development of a *Strategic Plan* to be implemented in the 2007-2008 school year. The *Strategic Plan* ensures that the District will operate in a distinct fashion and explicit direction to accomplish the goals of the community and school board.
- c. The District and School Board are in discussions with the state auditors and will be making necessary policy, regulation, and procedural corrections to ensure that the District complies with all legal state and federal financial and program requirements.
- d. The District will ensure that parent participation in its schools will be through the formal establishment of School Site Councils. Site Councils will be responsible for reviewing school site annual budgets and for providing direct input into site budgets.
- e. The District will implement a School Resource Accountability System to ensure schools align all discretionary expenditures to the Districts' *Strategic Plan* utilizing parent and staff input through the above mentioned School Site Councils.
- f. The School Board and administration have taken the required steps in year one of the three year timeline to restore a strategic reserve through staffing, program, and schedule adjustments to reflect our level of state and local funding.
- g. The District has also undergone an extensive third-party audit at its request to ensure discovery and correction of all practices that have led to inappropriate program, business, or program perceptions and decisions in past years.
- h. The school board has created a District Financial Advisory Committee to focus on and offer recommendations regarding specific items identified by the school board.
- i. The District administration and Business office placed a freeze on most spending to assist in the reduction of 2006-2007 expenditures.

In summary, the District is taking the actions necessary to correct the current challenges over the next three years and to ensure they do not reoccur again in the future.

Exceptional District Programs

- a. The District is continuing to expand its technology resources to ensure students and teachers at all grade levels have increased access to technology.
- b. Through a private donation, the District has improved its kindergarten program by offering full day kindergarten beginning in 2007-2008.
- c. The District is working with the Orcas Center to expand its educational opportunities for students in the visual and performing arts.
- d. The District is working with the Fun House to expand educational enrichment opportunities for our students, including online learning programs.
- e. The District is working to establish an effective relationship with Friday Harbor labs to expand opportunities in science experiences for our students.
- f. The District has formally added a girl's soccer team to High School extracurricular activities to ensure more students have access to school sports.

Sincerely

Glenn Harris, Superintendent

Exhibit A: O I S D - 2001- 2007 Data Graph

Go to:

http://www.orcasboard.org/Letter%20to%20Community/OISD%20Data%20comp_bobc.pdf

Section 4: State Auditors Reports

Exhibit B: Schedule of Audit Findings and Responses

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/Audit-Findings.pdf>

Exhibit C: Financial Statements Audit

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/Audit-Financial%20Statements.pdf>

Exhibit D: Accountability Audit

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/Audit-Accountability.pdf>

Exhibit E: Strategic Plan

Vision Statement: Inspiring academic excellence and cultivating caring, active citizens.

Mission Statement: Orcas Island School District is committed to partner with families and community to provide each student with a well rounded education in a nurturing environment. We will foster academic excellence and creative expression, while inspiring successful future endeavor and productive community involvement.

Goals:

- **Curriculum and Instruction:** Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.
- **Personnel:** Recruit, select, educate, evaluate, support and retain the highest quality staff.
- **Student Support Services:** Design, implement, evaluate, and improve programs and services to support success for all students.
- **Facilities:** Provide a safe, clean, and attractive environment that promotes student learning and fosters student, staff, and community pride.
- **Technology:** Equip, educate, and support students and staff with appropriate technology to enhance the services and programs of the District.
- **Educational Options:** Design, implement, evaluate, and improve quality educational options for students, parents and the community.
- **Parent and Community Partnerships:** Design, implement, evaluate, and improve partnerships that support high quality education for every student.
- **Finance:** Design, implement, evaluate, and improve a process to ensure the financial integrity of the District.
- **Strategic Planning:** Design, implement, evaluate, and improve the ongoing strategic planning process.

Objectives in Priority Order:

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

1. **OBJECTIVE:** Reading/Language Arts Program
Design, develop, implement, evaluate, and improve the standards-based Reading/Language Arts Program.

Evaluation Criteria for 2007/2008

Maintain the high academic relative ranking of Orcas Island Unified School District, as compared with the other districts reflected within the Washington Assessment of Student Learning Report.

Orcas Island Schools will develop specific site plans utilizing WASL data and formative district assessments to establish grade level baselines. The plans will identify program areas and strategies to make specific literacy improvements.

Each school will provide a report to the Board of baseline data, and identified target areas for improvement.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

2. OBJECTIVE: Math Program

Design, develop, implement, evaluate, and improve the standards-based Math Program.

Evaluation Criteria for 2007/2008

Maintain the high academic relative ranking of Orcas Island Unified School District, as compared with the other districts reflected within the Washington Assessment of Student Learning Report.

Each school will provide a report to the Board of the improvements made to increase performance of the students in the area of math.

Each school will provide a report to the Board of baseline data, and identified target areas for improvement.

Strategic Goal: Finance - Design, implement, evaluate, and improve a process to ensure the financial integrity of the District.

3. OBJECTIVE: Fiscal Accountability

Design, develop, implement, and evaluate the financial resource allocation system to ensure fiscal integrity and accountability.

(The Board and Administration are encouraged to recognize the importance of small class sizes.)

Evaluation Criteria for 2007/2008

Maintain a minimum 3% reserve for 2007/2008 level.

Maintain a minimum 5.5% reserve for 2008/2009 level.

Maintain a minimum 7.5% reserve for 2009/2010 level.

Prioritize Certificated Staff Positions utilizing the following definitions: Core Positions, Strategic Plan Prioritized Positions, Support Positions, as reflected within the 2007/2008 budget presentation.

Prioritize Classified Staff Positions utilizing the following definitions: Core Positions, Strategic Plan Prioritized Positions, Support Positions, as reflected within the 2007/2008 budget presentation.

Establish Certificated Staff Positions funded within State Formulas, as reflected within the 2007/2008 budget presentation.

Establish an annual budget to support the district's deferred maintenance plan.

Schools (K-6, and 7-12) will actively incorporate Site Councils into their budget development process. All site budgets proposed by principals will have SSC approval effective May, 2008.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

4. OBJECTIVE: Science Program

Design, develop, implement, evaluate, and improve the standards-based Science Program.

Evaluation Criteria for 2007/2008

Maintain the high academic relative ranking of Orcas Island School District, as compared with the other districts reflected within the Washington Assessment of Student Learning Report.

Orcas Island Schools will develop specific site plans utilizing WASL data and formative district assessments to establish grade level baselines. The plans will identify program areas and strategies to make specific Science improvements. Completed plans will be presented to the board on or before May of 2008.

Each school will provide a report to the Board, on or before April of 2008, of the improvements made to increase performance of the students in the area of science.

Strategic Goal: Facilities - Provide a safe, clean, and attractive environment that promotes student learning and fosters student, staff, and community pride.

5. OBJECTIVE: Facility Maintenance

Consistently maintain safe, clean, and attractive classrooms, facilities and grounds.

Evaluation Criteria for 2007/2008

On a Likert Scale survey, with a minimum of 60% return, rate staff pride and satisfaction with an average of 3 or higher.

Establish minimum annual preventive maintenance fund budget level of 3%.

Establish a 5 year deferred maintenance plan for the district.

The School District Facility is to receive an annual overall rating of 7 or better, on a 0-10 scale, on the Board/Superintendent Annual Site Visit Report.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

- 6. OBJECTIVE: Career and Technical Education**
Design, develop, and implement, a master plan for restructuring and improving Career and Technical Education.

Evaluation Criteria for 2007/2008

Create a Career and Technical Education Committee which represents parents, staff, and community members.

Develop a Master Career Technology Education Plan to present to the Board for approval, at the May, 2008 Board meeting.

Strategic Goal: Parent and Community Partnerships - Design, implement, evaluate, and improve partnerships that support high quality education for every student.

- 7. OBJECTIVE: Outreach and Partnerships**
Design, develop, implement, improve, and evaluate parent and community outreach partnerships that provide direct and indirect support to students, staff, and community.

Evaluation Criteria for 2007/2008

Create community outreach fund raising partnerships and opportunities to support the educational programs provided to students. Submit a report to the Board of the improvements made in the fund raising program, on or before April of 2008.

Strategic Goal: Student Support Services - Design, implement, evaluate, and improve programs and services to support success for all students.

- 8. OBJECTIVE: Unique Educational Needs**
Design, develop, implement, evaluate, and improve services that recognize and respect the unique educational needs of each student.

Evaluation Criteria for 2007/2008

The Superintendent will work with staff and parents to establish evaluation criteria for this objective, to be included within the 2008/2009 Strategic Plan Evaluation Criteria.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

- 9. OBJECTIVE: Social Science Program**
Design, develop, implement, evaluate, and improve the standards-based Social Science Program.

Evaluation Criteria for 2007/2008

Each school will provide a report to the Board, on or before April of 2008, of the improvements made to increase performance of the students in the area of social science.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

- 10.OBJECTIVE: Physical Education Program.**
Design, develop, implement, evaluate, and improve the standards-based Physical Education Program.

Evaluation Criteria for 2007/2008

Maintain the performance level of Orcas students on the National Physical Fitness Assessment Program.

Strategic Goal: Technology - Equip, educate, and support students and staff with appropriate technology to enhance the services and programs of the District.

- 11.OBJECTIVE: Improve Technology**
Design, develop, implement, evaluate, and improve technology infrastructure to meet administrative and instructional requirements.

Evaluation Criteria for 2007/2008

Evaluate, revise and implement the District's Technology Plan. Present for Board approval the Revised District Technology Plan, on or before April of 2008.

On a Likert Scale survey, with a minimum of 60% return, staff will rate their satisfaction with the information technology service, with an average of 3.0 or higher.

Strategic Goal: Personnel - Recruit, select, educate, evaluate, support and retain the highest quality staff.

- 12.OBJECTIVE: Recruitment, Selection, Retention, and Evaluation**
Develop and implement unique incentives to improve the recruitment and retention of high quality staff.

Evaluation Criteria for 2007/2008

Develop and implement a staff morale assessment instrument, for approval by the Board, not later than May of 2008.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

13.OBJECTIVE: Second Language

Design, develop, implement, evaluate, improve, and expand the standards-based second language opportunities for students.

Evaluation Criteria for 2007/2008

Each school will provide a report to the Board, not later than April of 2008, of the improvements and/or expansion of the second language opportunities provided to the students in grades 7-12.

Increase the number of students taking second language courses at grades 7-12 by 5%.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

14.OBJECTIVE: Music

Design, develop, implement, evaluate, and improve the standards-based Music Program

Evaluation Criteria for 2007/2008

Create a Staff and Community Music Committee, chaired by a community member, to develop evaluation criteria designed to assess the District's music program.

Increase community based funding designed to maintain or expand the music opportunities provided to students.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

15.OBJECTIVE: Performing Arts (Theatre and Dance)

Design, develop, implement, evaluate, and improve the standards-based Performing Arts Program.

Evaluation Criteria for 2007/2008

Create a Staff and Community Performing Arts Committee, chaired by a community member, to develop evaluation criteria designed to assess the District's Performing Arts Program.

Increase community based funding designed to maintain or expand the performing arts opportunities provided to students.

Superintendent will ensure district representation on the Orcas Center Board of Trustees by May, 2008.

Strategic Goal: Curriculum and Instruction - Design, implement, evaluate, and improve instructional programs to ensure every student meets or exceeds the State standards.

17.OBJECTIVE: Visual Arts

Design, develop, implement, evaluate, and improve the standards-based Visual Arts Program.

Evaluation Criteria for 2007/2008

Create a Staff and Community Visual Arts Committee, Chaired by a community member, to develop evaluation criteria designed to assess the District's Visual Arts Program.

Increase community based funding designed to maintain or expand the Visual Arts opportunities provided to students.'

Superintendent will ensure district representation on the Orcas Center Board of Trustees by May 2008.

Strategic Goal: Student Support Services - Design, implement, evaluate, and improve programs and services to support success for all students.

18.OBJECTIVE: Smooth Transitions

Design, develop, implement, evaluate, and improve services that ensure smooth transitions within the district.

Evaluation Criteria for 2007/2008

The Superintendent will work with staff and parents to establish evaluation criteria for this objective, to be included within the 2008/2009 Strategic Plan Evaluation Criteria.

Strategic Goal: Educational Options - Design, implement, evaluate, and improve quality educational options for students, parents and the community.

19.OBJECTIVE: Optional Educational Services

Design, develop, implement, evaluate, and improve optional educational services for students and parents.

Evaluation Criteria for 2007/2008

Evaluate the present ALE opportunities and staffing; restructure the ALE program to address both District and student-parent needs.

The Superintendent will work with staff to a plan to the Board of Trustees that will ensure the ALE program is self funding.

Strategic Goal: Personnel - Recruit, select, educate, evaluate, support and retain the highest quality staff.

20.OBJECTIVE: Professional Development

Design, develop, implement, evaluate, and improve the professional development opportunities for staff.

Evaluation Criteria for 2007/2008

Create a Three Year Staff Development Plan, approved by the Board in April of 2008.

Review and revise the present staff observation and evaluation process and forms. The Superintendent will provide a report on any changes or improvements that may come out of this research, for Board approval, on or before January of 2008.

Provide an annual review of each staff member and the growth areas determined for each staff member, to the Board at its March Closed Session Board Meeting.

Strategic Goal: Educational Options - Design, implement, evaluate, and improve quality educational options for students, parents and the community.

21.OBJECTIVE: Extra and Co-Curricular Activities

Design, develop, implement, evaluate, and improve co-curricular and extra-curricular opportunities for students.

Evaluation Criteria for 2007/2008

Create a Staff and Community Extra and Co-curricular Committee, chaired by the High School Principal, to review, revise and/or restructure the present Extra and Co-curricular Program provided to students. Present to the Board, at its January, 2008 Board Meeting, a report of the changes and improvements made to the Extra and Co-curricular Programs provided to the students.

Increase by 5% the number of students participating in Extra and Co-curricular activities.

Strategic Goal: Student Support Services - Design, implement, evaluate, and improve programs and services to support success for all students.

22.OBJECTIVE: Physical and Emotional Health

Design, develop, implement, evaluate, and improve services that promote physical and emotional health.

Evaluation Criteria for 2007/2008

Create a Staff and Community Physical and Emotional Health Services Committee, Chaired by the Elementary Principal, to evaluate the present services provided to the students and to develop greater community support in providing services to the students.

Increase community based participation and/or funding designed to maintain or expand the physical and emotional health services provided to Orcas students.

Provide a report to the Board, at its March meeting, of the improvements made in the area of physical and emotional health services provided to Orcas students.

Strategic Goal: Facilities - Provide a safe, clean, and attractive environment that promotes student learning and fosters student, staff, and community pride.

23.OBJECTIVE: Facility Enhancement

Design, develop, and implement a plan to maximize state and local resources to provide new and/or improved facilities to enhance the quality and safety of school facilities.

Evaluation Criteria for 2007/2008

Develop a five year Facility Master Improvement Plan that would be annually approved by the Board at its February Board Meeting.

Develop a timeline, process, and specific criteria that would enable the passage of a local bond to support facility improvement. Present a report and recommendations to the Board, for action, on or before December of 2007.

Strategic Goal: Parent and Community Partnerships - Design, implement, evaluate, and improve partnerships that support high quality education for every student.

24.OBJECTIVE: Valued and Connected

Design, develop, implement, evaluate, and improve opportunities for students, staff, parents and the community to feel valued and connected to school.

Evaluation Criteria for 2007/2008

Provide a report to the Board, at its June, 2008 Board meeting, of the improvements made in connecting and engaging parents their child's school.

Strategic Goal: Student Support Services - Design, implement, evaluate, and improve programs and services to support success for all students.

25.OBJECTIVE: Decision-Making and Behavior

Design, develop, implement, evaluate, and improve services that promote positive student decision-making and behavior.

Evaluation Criteria for 2007/2008

Provide a report to the Board, at its June 2008 Board meeting, of the improvements made in promoting positive student decision making and behavior.

Strategic Goal: Strategic Planning - Design, implement, evaluate, and improve the ongoing strategic planning process.

26.OBJECTIVE: Strategic Plan Implementation
Ensure the execution of the strategic plan.

Evaluation Criteria for 2007/2008

The Superintendent will provide the Board the 2007/2008 Annual Strategic Plan Report, for acceptance by the Board at its February, 2009 meeting.

The Superintendent will ensure that any revision of the District's Strategic Plan will take place not later than February of each year.

Exhibit F: Budget committee Report April 7th, 2007

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/BudgetCommitteeReport4-7-07.pdf>

Exhibit G: School size, Administrative Organization, and Student Achievement Study, ESD 189 July 28, 2005

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/ESD-School%20size%20report7-28-2005.pdf>

Exhibit H: Preliminary Analysis of Declining Enrollment.

Go to:

<http://www.orcasboard.org/Letter%20to%20Community/Enrollment%20Analysis.pdf>

Exhibit I: Legislative Evaluation & Accountability Program (LEAP) K-12 Data

Go to:

<http://leap.leg.wa.gov/leap/Analysis/wsf.pdf>