



Santa Barbara SCHOOL DISTRICTS

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Date: May 6, 2009
To: Dr. J. Brian Sarvis, Superintendent
From: Eric D. Smith, Deputy Superintendent
Subject: Approval of Increase in Salary Range of Internal Auditor Position

Consent Agenda

Background:

On June 11, 2008, the board approved the Santa Barbara School District's Business Office Efficiency Study Implementation Plan. Included in the plan was the creation of an internal auditor position in order to comply with the districts' fiscal accountability status under Education Code Section 42650. Both School Services of California and Fiscal Crisis Management Team have pointed out the need for this position in the past. Moreover, our current independent auditor has commented that this position must be filled to maintain our fiscal accountability status pursuant to Education Code Section 42650.

Last June the board approved this position in the 2008-09 budget and appropriated the required funds. The Personnel Department has recruited twice for this position but has been unable to solicit qualified applicants. The proposed salary range of the position appears to be too low in relationship to the market to attract qualified candidates.

Results

The current salary range of the position is 14 on the management salary schedule which starts at \$85,387 and ends at \$98,161. We propose that the position be changed to range 18 which begins at \$95,455 and ends at \$108,288. Based on how the position was budgeted for in the 2008-09 budget, there would be an additional fiscal impact of \$10,068.

Fiscal Impact

\$10,068 from the unrestricted general fund distributed seventy percent to the secondary district and thirty percent to the elementary district.

Recommendation

That the board approve an increase in the salary range of the internal auditor position from range 14 to range 18 on the management salary schedule.

Adams Elementary School
Cesar Chavez Charter School
Cleveland Elementary School
Franklin Elementary School

Harding Elementary School
McKinley Elementary School
Monroe Elementary School
Open Alternative School

Peabody Charter School
Roosevelt Elementary School
Santa Barbara Charter School
Santa Barbara Community Academy
Washington Elementary School

Goleta Valley Junior High School
La Colina Junior High School
La Cumbre Junior High School
Santa Barbara Junior High School

Dos Pueblos High School
La Cuesta Continuation High School
San Marcos High School
Santa Barbara High School



Date: June 11, 2008
To: Dr. J. Brian Sarvis, Superintendent
From: Eric D. Smith, Deputy Superintendent
Subject: Business Office Efficiency Study Implementation Plan

Action Item (Time Required: 15 min.)

Background

In the fall of 2007, the districts contracted with School Services of California (SSC) to undertake a fiscal health and comparative analysis, and to perform an efficiency study of the districts' business services operations. In the spring of 2008, SSC presented their findings to the board. At that time, the board asked staff to develop an implementation plan that established a time frame for implementing recommendations contained in the SSC study. In their study, SSC identified the need for the districts to:

- Retain a highly qualified Chief Business Official (CBO);
- Strengthen internal control in the business office;
- Improve both people and technologically driven systems in the business and human resources offices;
- Enhance staff development among business office staff;
- Reorganize the management structure of the business office.

Issue

Using specific recommendations contained in the SSC study, as well as some additional recommendations formulated by the entire business division management staff, we have developed a plan, including timelines, for the implementation of these recommendations.

Ideally, this implementation plan will serve as the blue print for initiating systemic change within the business services division. Accordingly, the plan establishes benchmarks and time tables for the implementation of each of the plan's initiatives. Evaluating progress toward accomplishing each initiative is essential in that, *things that get measured get results.*

Our plan calls for less management than what was recommended by SSC, however, it does recommend that an additional two classified positions be added (one in business services and one in personnel) and recommends that two existing positions (one classified and one confidential) be slightly upgraded. Job descriptions for the proposed management positions are attached. Lastly, the plan recommends that the districts' make a significant one-time expenditure to lease a HP 3000 957 main frame, and provide necessary training, to improve the performance of our existing financial system.

Adams Elementary School	Harding Elementary School	Peabody Charter School	Goleta Valley Junior High School	Dos Pueblos High School
Cesar Chavez Charter School	McKinley Elementary School	Roosevelt Elementary School	La Colina Junior High School	La Cuesta Continuation High School
Cleveland Elementary School	Monroe Elementary School	Santa Barbara Charter School	La Cumbre Junior High School	San Marcos High School
Franklin Elementary School	Open Alternative School	Santa Barbara Community Academy	Santa Barbara Junior High School	Santa Barbara High School
		Washington Elementary School		

Equal opportunity employer/non-discrimination on the basis of race, color, ancestry, national origin, marital status, sex, sexual orientation, religious creed, physical handicap (including AIDS), medical condition (cancer-related), age (over 40), or political affiliation.

Increase in Salary Range of Internal Auditor Position
Memo to Board Regarding Business Office Efficiency Plan

Fiscal Impact

\$294,000 in ongoing funds and \$112,600 in one time funds offset by a corresponding cost savings of \$406,600 not factored into the board adopted Fiscal Recovery Plan as enumerated in the Business Office Efficiency Study Implementation Plan.

Recommendation

Approve the attached Business Office Efficiency Study Implementation Plan and associated costs effective with the 2008-09 fiscal year.

AUDIT FUNCTIONS

Recommendations:

1. Establish a new position to perform internal audit functions.

The districts are fiscally accountable under Education Code Section 42650 but do not pose an internal audit function. This function can be essential in ensuring an additional level of control in the district's financial processes. An internal audit function can also provide a secondary review of critical processes in order to ensure that the appropriate segregation of duties and other controls are functioning as intended and that there is a level of a "quality control" to ensure that the districts' financial results are accurate. The districts are not consistently using batch controls, hash totals, exception reports, or other methods for allowing a secondary review of its transaction processing. Both FCMAT and SSC have commented the lack of an internal auditor has eroded the districts' ability to appropriately perform the internal audit functions necessary to ensure that it is fiscally accountable.

Implementation date: July of 2008 pending board approval

Fiscal Impact: \$83,000

BUSINESS SERVICES OVERALL ORGANIZATION

Recommendations:

1. Establish a new mid-level management position responsible for purchasing functions that reports directly to the deputy superintendent.

Eighty-five percent of general fund expenditures consist of salary and benefits. The remaining fifteen percent is controlled through an effective purchasing process. An effective purchasing function not only ensures that the districts' get the most "bang for their buck" for items purchased, but it also serves as a gate valve, insuring that the purchase of goods, and supplies are procured in compliance with applicable codes and within budget. The creation of a mid-level management purchasing agent is necessary for the purchasing function of the districts to operate in a timely, cost effective and efficient manner. In order to prevent an erosion of internal controls, this position will report directly to the deputy superintendent. Since this position would retain primary responsibility for the competitive bid process, it is not appropriate for it to report to the director of facilities and operations.

Fiscal Impact: \$83,000

Implementation date: Pending board approval

2. Realign the food services function to be directly under the deputy superintendent of business services.

Industry standard is to have the director of CNS report directly to the districts' chief business official (CBO). The director of CNS and CBO have a joint responsibility to provide appealing and nutritious food while reducing, if not eliminating, encroachment of the cafeteria fund on the unrestricted general fund.

Implementation date: Pending board approval

3. Realign the district attendance technician functions, with the addition of the responsibilities for ASB, directly under the internal auditor.

Implementation date: Partially implemented

Increase in Salar Range of Internal Auditor Position
Memo to Board Regarding Business Office Efficiency Plan

**SANTA BARBARA SCHOOL DISTRICTS
MANAGEMENT SALARY SCHEDULE 2008-2009**

Effective July 1, 2008 w/3%

POSITION	DAYS	1	2	3	4	5	6	7	8
Coord/Admin Serv/Communications Coord II/Child Development Coord/Computer Technology Facilities Supervisor (Range 11)	225	77,836	79,661	81,486	83,311	85,135	86,960	88,785	90,610
Purchasing Coordinator Internal Auditor Director/Food Services Coord. I/Child Dev. (Range 14)	225	85,387	87,212	89,037	90,862	92,686	94,511	96,336	98,161
Child Dev. Admin. (Range 17)	225	92,938	94,763	96,588	98,412	100,237	102,062	103,887	105,711
Accounting Coord. (Range 18)	225	95,455	97,280	99,105	100,929	102,754	104,579	106,404	108,228
Asst. Prin/Jr. High (Range 19)	200 215	87,086 93,618	88,708 95,361	90,328 97,103	91,952 98,848	93,574 100,592	95,196 102,335	96,819 104,079	98,440 105,823
Personnel Coordinator Project Manager (Range 19)	225	97,972	99,797	101,621	103,446	105,271	107,096	108,921	110,745
Asst. Prin/Sr. High (Range 19A) Admin.Std.Safety/Welfare/Attend.	215	95,061	96,804	98,548	100,291	102,035	103,779	105,523	107,267
Coordinator/Sp. Ed. (Range 20)	225	100,489	102,314	104,138	105,963	107,788	109,613	111,438	113,262
Principal/Elem (Range 21)	215	98,428	100,172	101,915	103,659	105,403	107,146	108,889	110,633
Director/Curriculum/Cat.Programs Director/Fiscal Services Director/Facilities/Operations Director/Research/Evaluation Director/Special Ed. (Range 23)	225	108,040	109,864	111,689	113,514	115,339	117,164	118,988	120,183
Principal/Jr. High Principal/Continuation (Range 23)	225	108,040	109,864	111,689	113,514	115,339	117,164	118,988	120,183
Principal/Sr. High Director/Personnel (Range 25)	225	113,074	114,898	116,723	118,548	120,373	122,197	124,022	125,847
Director/Student Services/Compliance (Range D)	225	120,624	122,449	124,274	126,099	127,923	129,748	131,573	133,398
Assistant Superintendent (Range F)	225	128,078	129,903	131,728	133,553	135,378	137,203	139,028	140,852
Master's Degree: .0128 of Range 2, Step 1		706							
Doctor's Degree: .0256 of Range 2, Step 1		1413							
Profess. Growth: .01 of Range 1, Step 1		527							

Revised
6/26/2008