# Management Performance Review of Certain Policies, Procedures, Controls, and Financial Activity of the Jefferson County Public School District



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May 21, 2014

Diane Porter, Chair
Jefferson County Board of Education
Jefferson County Public Schools
3332 Newburg Road
Louisville, Kentucky 40218

RE:    Management Performance Review of Certain Policies, Procedures, Controls, and Financial
       Activity of the Jefferson County Public School District

Dear Chair Porter:

       We have completed our Management Performance Review of Certain Policies, Procedures,
Controls, and Financial Activity of the Jefferson County Public School District.  The enclosed report
presents 45 findings and offers over 200 recommendations to strengthen the management and oversight
of the Jefferson County Public Schools (JCPS).  Report findings and recommendations involve
benchmarking and comparative analysis of JCPS to other peer districts, as well as governance,
contracting, operations, policies, procedures, internal audit, and information technology.

       Procedures for this review included discussion and interviews with Board members, JCPS staff,
the current Superintendent, certain staff at the Kentucky Department of Education, as well as others.  In
addition, we requested and examined JCPS records and information that included, but was not limited
to, Board meeting minutes, organizational charts, certain travel and expenses reimbursements,
purchasing card statements, vendor payments, contracts, policies, procedures, data system configuration
settings, and other information.  In addition, information was gathered from the National Center for
Education Statistics, select Kentucky school districts, and certain school districts in other states.

       The period of review for documents and information included fiscal years 2011 through 2013,
unless otherwise specified.  The purpose of this review was not to provide an opinion on financial
statements or to duplicate work of routine financial statement audits.  Also, the purpose of this review
was not to focus on financial and other activities at individual schools, rather it was designed to focus on
Central Office activities.
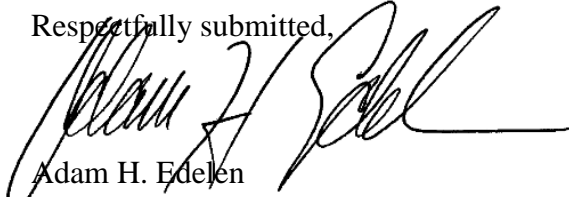
The Auditor of Public Accounts requests a report from JCPS on the implementation of recommendations within sixty (60) days of the completion of the enclosed report. If you wish to discuss this report further, please contact me or Brian Lykins, Executive Director of the Office of Technology and Special Audits.

Respectfully submitted,

Adam H. Edelen
Auditor of Public Accounts

# Management Performance Review of Certain Policies, Procedures, Controls, and Financial Activity of the Jefferson County Public School District

## Scope and Objectives for Management Performance Review

The Auditor of Public Accounts (APA) was requested by the Jefferson County School District Board of Education (Board) and its Superintendent to perform a management performance review of certain policies, procedures, internal controls, and management practices of the Jefferson County Public Schools (JCPS). In response to this request, the APA developed the following scope and objectives:

- Determine whether Board policies governing contract procurement are adequate, consistently followed, and provide for a transparent process.
- Determine whether an internal audit process exists at JCPS and whether policies governing the internal audit process are adequate, consistently followed, and provide for timely reporting.
- Determine whether information technology security controls are in place, consistently followed, and are sufficient to provide adequate security of JCPS data.
- Review Board policies and evaluate policies using APA recommendations applicable to boards of education and school districts.
- Analyze certain categories of financial activity for compliance with Board policies and for various transaction activities, as well as, determine whether transactions appear reasonable, excessive, necessary, and have a related business purpose.
- Determine how JCPS compares to other Kentucky school districts and other select state school districts or peer districts throughout the country involving use of funds for Central Office administration and classroom instruction.
- Identify potential financial or innovative practices for consideration by JCPS.

The purpose of this review was not to provide an opinion on financial statements or duplicate work of routine annual financial statement audits. The review also was not intended as a special examination related to allegations of waste, fraud, and abuse within JCPS, although significant weaknesses or risks noted during the review were examined and are included in this report. Also, the purpose of this review was not to focus on financial and other activities at individual schools; rather, it was designed to focus on activities at the Central Office. The review period for this engagement was fiscal years (FY) 2011 through 2013.

## JCPS

JCPS is the largest school district in the state of Kentucky and one of two public school systems serving Jefferson County, in addition to several parochial and other private schools. According to JCPS Data Management, Planning, and Program Evaluation, JCPS market share for FY 2013 was 82 percent. In FY 2013, JCPS was ranked the 27th largest school district in the United States with over 100,000 students, approximately 6,400 teachers, and 155 schools and education centers. JCPS maintains a school system primarily for kindergarten through high school but also provides pre-school, vocational, and adult education programs. JCPS also funds a full-day Kindergarten program.

### Academic Highlights

Within the 2012-2013 District Report Card, JCPS was classified overall as "Needs Improvement" based upon district accountability performance scores falling below the 70th percentile in the state. JCPS' overall score was 52.2, which equates to a 32 percentile ranking in Kentucky. The graduation rate for JCPS during that same period of time was 69.4 percent, which was lower than the 78.9 percent state rate.

### Financial Highlights

Per the 2012-2013 District Report Card, it was noted that JCPS spent $13,312 per student, which is $3,138 more than the State average of $10,174. The overall operating budget for FY 2013 was $1,164,000,000, the overall operating budget increased to $1,189,000,000 for the FY 2014. JCPS operational costs for the general education of all JCPS students are funded by the General Fund. Revenues to the General Fund primarily consist of property taxes, occupational taxes, State

SEEK funding, and other local funds. For FY 2013, JCPS General Fund revenues exceeded $963,000,000 while General Fund expenditures were almost $941,000,000, which means JCPS General Fund revenues exceeded expenditures by approximately $22,000,000.

## Findings and Recommendations

### Introduction to Chapter 2 Benchmarking and Comparative Analysis

Chapter 2 addresses findings resulting from observations identified from survey results. Individuals were surveyed within JCPS, as well as 12 additional Kentucky school districts to obtain information to compare policies and practices from different regions in the state. Additionally, JCPS is the largest school district in Kentucky and does not have an appropriately scaled peer group within the state for benchmarking purposes. Therefore, auditors identified five out-of-state peer districts to survey for benchmarking to compare and analyze responses from schools that have a similar composition and budget as JCPS. The methodology for identifying the in-state and out-of-state districts for survey purposes is described in Appendices 1 and 2.

**Finding 1: JCPS has not established an appropriate, consistent peer group for benchmarking purposes.**

Although JCPS has previously gathered information to provide comparisons between themselves and public school districts in other states, the district has not established a consistent group of peer districts to benchmark themselves against on a regular basis. Instead, JCPS staff members have routinely chosen a new set of peers for each assignment, basing the selection of other districts on the specific area of comparison, such as salaries, revenues, or enrollment. This method of peer selection results in an ever changing list of peer districts and does not allow JCPS to consistently benchmark itself to an established group of peers for a wide variety of academic, financial, and operational metrics. Further, this process does not provide for long-term meaningful benchmarking results.

**Recommendations:** We recommend that JCPS integrate benchmarking into their strategic planning process and that they use a static group of peers as the core to this practice. Benchmarking with the same group will provide a consistent or historical perspective providing valuable information impacting short and long term decision making. The results of peer district benchmarking should be made available to the JCPS Board, administrators, and posted on the JCPS website

for transparency and public availability. We further recommend that as multiple benchmarking results become available over time, a summary document of the various benchmark results be created to identify trends within the data collected. We recommend that JCPS continue to use the five peer districts identified in this report as the core group of peers for benchmarking purposes. Along with the core group, JCPS may choose to include a reasonable number of additional public school districts when benchmarking, as long as the number does not cause the resulting information to become meaningless or skewed. We also recommend that the rationale for any changes to the peer districts be documented.

**Finding 2: A comparison to five peer districts found JCPS ranks at or near the bottom in categories involving teacher staffing and expenditures for instruction, while ranking highest in the categories of school administrators, support staff, and instructional aides.**

Based on a comparison of the staffing and student data for JCPS and five other school districts chosen as peers, JCPS has higher staffing ratios for School Administrators, Support Staff, and Instructional Aides than for teacher staffing and has the lowest expenditures for instruction. JCPS has the second highest student-to-teacher ratio and the lowest percentage of teachers to total staff compared to the peer districts. This results in more students per teacher at JCPS than nearly all other peer districts. Alternatively, JCPS has the highest ratio of overall staff per student, particularly in the number of school administrators, and the highest percentage of instructional aides. JCPS also spends the lowest percentage of total current expenditures on instructional costs in comparison to the peer group. This appears to indicate JCPS places less emphasis and resources for teacher staffing than the five other peer districts and JCPS may employ an excessive number of administrative or non-teaching staff.

**Recommendations:** We recommend JCPS reevaluate staffing and funding priorities to better align with the educational instruction of JCPS students. We recommend an evaluation be made of staffing at the school administration level and the number of instructional aides as a potential area for restructuring or reduction, if the objective is to provide a higher percentage of teaching positions, which would reduce the student teacher ratio, while not increasing overall staff levels. We further recommend JCPS evaluate funding made available to spend for instruction with the goal of providing more resources that can be used in the

classroom or other educational purposes. Considering classroom instruction and teacher interaction is paramount in the education of students, we recommend JCPS assess staffing priorities in order to ensure students' most basic educational needs are not just met, but to also provide them with the greatest opportunity to fully succeed.

**Finding 3: In comparison to three peer districts, JCPS central department employees are paid a significantly higher average salary and have more employees earning over $100,000 annually.**

Our survey of five out-of-state peer school districts included requests for the average salary for non-school central department employees, as well as the number of employees from that group earning over $100,000 annually. Of the five peer districts surveyed, three responded with the requested information. In comparing JCPS to the three peer districts that responded, JCPS reported higher central department average salaries and a larger number of those employees earning over $100,000 annually.

**Recommendations:** We recommend JCPS develop a process to conduct a thorough salary review beginning with those positions earning over $100,000 annually. We recommend the review include a comparison of peer districts with consideration and adjustments for the cost of living or other unique factors that may impact the results of the salary review. The number of peer districts used to gather and compare salary data should not be so large that the results are diluted or skewed and result in meaningless or misleading information. We recommend that once the peer group of schools is established, as also recommended in Finding 1, this group be consistently used as a basis for monitoring the parity of salary levels over time. If a member of the peer group no longer provides for a reasonable comparison, JCPS should document the reason and include another peer district. We recommend the process to perform the salary study, the criteria used to select the peer group, the results of the study, as well as actions taken by JCPS in response to the study, be well documented and performed in a transparent manner.

**Finding 4: JCPS places more restrictions on textbooks and instructional resources than other Kentucky school districts surveyed.**

An analysis of survey responses from teachers and principals from JCPS and other selected school districts clearly indicate JCPS' students have more restricted access to textbooks and other instructional resources than students from surveyed districts. The surveys asked the question, "are instructional resources available for use only in school or are these resources also available for students to take home?" According to

JCPS teachers responding to the survey question, 53 percent stated that textbooks were only available to students for use in school, while 47 percent reported students could use textbooks at both school and home. In comparison, 40 percent of the teachers responding from other surveyed districts stated that textbooks were only available for in school use, while 60 percent reported students could use textbooks at school or home. Further, principals responding to the survey question substantiate the conclusion reached from analyzing teachers' responses that a higher percentage of JCPS' students only have textbooks available while in school.

**Recommendations:** We recommend that JCPS evaluate the availability of textbooks and other instructional resources to students for use in school and home. We recommend that a process be established to annually obtain this information at each school and that school teachers and principals coordinate the collection and reporting of this information to the JCPS's Central Office where the information will be accumulated for a report to the Superintendent and Board. We recommend this report, in addition to other relevant information, be considered during the annual budget process when determining the amount budgeted for the procurement of textbooks and other instructional resources that will benefit students both in and out of the classroom. We further recommend that the process developed by JCPS to obtain and report this information be discussed with KDE. By KDE being aware of or assisting in the development of such of a process, KDE could encourage or request all Kentucky school districts to obtain this information regarding the availability of instructional resources. If such a process is initiated and KDE received a report of the availability of textbooks and other instructional resources from all school districts, it would provide KDE the opportunity to accumulate this information into a statewide report.

**Finding 5: Over 93 percent of JCPS teachers spent personal funds to supplement resources for classroom instruction primarily due to a lack of financial resources allocated to the classroom.**

Based on a survey sent to all JCPS teachers, 93.5 percent of respondents reported expending personal resources for instructional or other resources used in their classroom. Of these teachers, a vast majority stated it was due to issues that appear to be beyond their control. While approximately 26.3 percent of teachers reported using their own resources due to personal preference or activities they initiated, an overwhelming 73.6 percent of teachers stated that they spent personal funds due to a lack of resources allocated to the classroom, needs of their students, or other issues related to JCPS administrative processes. In addition,

teachers responding that they used personal resources reported a wide range of expenses, with 87.3 percent of them reporting using hundreds or even thousands of dollars of their personal funds in the last school year. While a teacher should always have the prerogative to use their personal resources for the education or enrichment of their students, no teacher should feel the requirement to use their own resources due to a lack of funding or resources from their school district or due to inefficient or ineffective procurement practices.

**Recommendations:** We recommend JCPS conduct a review of the process for budgeting and assigning classroom stipends to teachers. While such funds appear to be controlled by the school principals, JCPS could, at a minimum, provide suggested guidelines for teacher stipends to ensure the distribution is equitable among teachers that have the greatest need and appropriate for the type of classroom and subject matter being taught. In addition to the procurement related recommendations in Finding 16, we recommend JCPS conduct a further review of the procurement process at the school level and determine how to develop an expedited process for ordering items needed by teachers not currently available through contracts. Finally, we recommend JCPS review the reimbursement process at the school level and develop a policy to ensure that teachers are able to receive reimbursement for the use of their personal funds when appropriate and necessary supplies that are not available in a reasonable period are purchased for classrooms and students.

**Finding 6: The percentage of students able to provide all required and optional classroom supply list items has decreased in the last three years.**
More than half of the JCPS classroom teachers responding to our survey indicated that the percentage of students able to provide all of the required items, or any of the optional items, on the school supply lists has decreased over the last three years. This decrease in students' abilities to provide items occurred despite the fact that approximately seventy-five percent of classroom teachers indicated that the number of such items on the supply lists have either remained the same or decreased during the same period of time. It appears that JCPS' reliance on students providing all necessary or required items on the school supply list, as well as one or more optional items, is not a viable or practical option to rely on for providing supplies for the classroom in the future.

**Recommendations:** We recommend JCPS consider the information in this finding, as well as the information in Finding 5 regarding personal funds spent by teachers for classroom resources, when evaluating the funding made available for instructional resources. Given the information presented that fewer students are

able to supply multiple items for classroom resources, we recommend that JCPS begin to determine the impact that will have in the classroom. We further recommend potential savings resulting from other findings and recommendations presented in this report be considered when budgeting for these fundamental, yet essential, resources required for the basic educational needs of the students. Finally, we recommend JCPS continue to monitor the trend of availability of these basic items in the classroom to ensure these student needs are met.

**Finding 7: Compared to peer districts, JCPS had the lowest textbook budget and did not receive textbook funding from the state.**
Compared to four peer school districts that responded questions related to textbooks, JCPS had the lowest textbook budget and it was the only district that did not receive textbooks or specific textbook funding at the state level. While JCPS does receive state funding, Kentucky discontinued a specific allotment for textbooks to public schools in FY 2010. With no additional assistance from the state, the responsibility of funding textbooks falls solely on the district. This lack of state funding appears to be a significant factor in JCPS not being able to budget at the same level as the peer districts.

**Recommendations:** We recommend that JCPS develop a process to monitor and report on the availability of district instructional resources. As recommended in Finding 4, the development of this process could be discussed with KDE. This information should be available prior to initiating the annual budget process. We recommend the funding for textbooks and other instructional resources be included as a standard benchmark to an established group of peer districts. This information should be captured routinely and tracked to determine the status of JCPS funding to the peer districts. We recommend strategic goals and policies be developed to ensure that vital instructional resources are provided throughout JCPS to promote a successful curriculum and quality student education. Further, we recommend the Kentucky legislature evaluate opportunities to restore a state allotment for instructional resources to assist Kentucky's public schools in providing these resources throughout the state.

*Introduction to Chapter 3 - Governance*
As in all school districts, the JCPS Board plays a vital role. This role is even more critical at JCPS because the Board is charged with overseeing a $1.2 billion annual budget, which is by far the largest school district budget in the Commonwealth. Additionally, the size of the student population, number of schools and

employees and complexity of its operations require a highly-functioning Board. Findings 8 and 10 depict a Board that may be too small to effectively oversee the District's finances and operations, or utilize a committee system, which is considered sound board governance practice. Finding 9 indicates that the Board has not actively examined or questioned staff to ensure an effective understanding of the budget. The recommendations herein seek to improve the effectiveness of the JCPS Board to oversee the finances of the District.

**Finding 8:  The JCPS Board may benefit from adding "at large" members to the Board due to the size and complexity of JCPS.**
In compliance with KRS 160.210, JCPS has seven Board members, which may not provide for an adequate number of members considering the size of JCPS and the complexity of its budget, operations, and programs. By statute, JCPS is the only school district in Kentucky that has seven members, with all other districts having five members. Though there is no definitive methodology to determine how many members a board should have, the majority of the national peer districts selected by auditors for the purpose of benchmarking to JCPS had a larger number of board members than JCPS. Due to the size of the organization and the importance and complexity of governing the education of over 101,000 students, JCPS may benefit from increasing the size of the Board to maximize the effectiveness of its governing responsibilities.
**Recommendations:** We recommend that JCPS take all necessary steps, including working with Kentucky's General Assembly, to increase the statutory limits for the JCPS Board by two additional members and amend KRS 160.210 accordingly. We recommend these additional members be elected as "at large" members and represent the entire JCPS district. Additional members could assist the Board by providing opportunity to have additional committees determined to be necessary to obtain more detailed information to present to the full Board. Further, members "at large" could provide a different perspective and context to the Board by representing JCPS as a whole and not a portion of the JCPS district. JCPS should also consider whether additional expertise would improve the Board, and, if so, consider whether requirements for specific experience, certification, education, etc., should be included in the statutory language related to one or both "at large" Board members.

**Finding 9:  Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively without significant reliance on JCPS staff.**
Approving the JCPS budget is one of the most important responsibilities of the Board, yet Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively. According to state law and JCPS policy, the Board is to control and manage all school funds to promote public education. Based on the lack of clear answers received from JCPS budget staff and comments from current Board members, it does not appear that the Board has achieved the level of understanding or received sufficient training needed to effectively examine and approve the budget. This level of understanding is difficult to achieve considering the size and complexity of the JCPS budget, which also has many regulatory restrictions. To complicate this issue, Board members are not required to have any financial expertise to be elected even though they are statutorily required to control and manage school funds. Therefore, this understanding must be developed with assistance from JCPS staff for the Board to gain a level of expertise to independently identify issues requiring further questions or actions.
**Recommendations:** We recommend that the JCPS Board work to better understand the budget and direct JCPS budget staff to provide budget information in a more useful manner that will assist them in achieving their goals and objectives but not focused primarily on a regulatory presentation. We also recommend that Board members be provided with a budget to actual report that can be reviewed regularly so that variances can be known and discussed. Further, we recommend that the Board periodically discuss strategic or big picture items involving certain budget, financial, and other matters to gain a better appreciation of individual Board members needs and expectations for information allowing them to better fulfill their responsibilities. The Board should then determine the most effective approach, methodology, format, etc. for receiving necessary and beneficial information. Finally, we recommend that the Board consider annual training workshops to specifically focus on understanding and analyzing budgets. These workshops may be presented by the district's finance staff, external auditor, or others with appropriate skill set and specific knowledge of school district budgets to make this training effective.

**Finding 10: The Board lacks a committee structure to provide a detailed level of oversight of financial and audit matters.**

Areas that are important to proper Board oversight, such as JCPS' budget and audit functions, have no associated Board committee. This lack of Board structure requires either all Board members to have a detailed working knowledge of all these areas or that the areas will not be sufficiently addressed. Given competing agenda items and limited expertise of Board members in financial and audit areas, it does not appear these areas receive the necessary focus and attention.

**Recommendations:** We recommend JCPS establish a committee structure that includes, at a minimum, a budget and audit committee, in addition to the existing policy committee. The expansion of the Board for "at large" members, as recommended in Finding 8, will make the committee structure even more effective by adding additional perspectives and backgrounds. However, even under its current Board structure, committees should assist the Board in strengthening its oversight of these important areas.

*Introduction to Chapter 4 –Contracting*

Chapter 4 relates to the review of JCPS contracts. Contracts were reviewed to determine that the proper procurement process was used, contracts were properly approved and monitored, and expenditures were paid in accordance with contract terms. Overall, findings identify a lack of monitoring and oversight of JCPS contracts at a central level. In some instances, signed written contracts were not maintained. Auditors also identified contracts that are allowed to renew an unlimited number of times without reporting to the Board. Instances also were noted of payments made for invoices and construction change orders that did not comply with contract terms or lacked required supporting documentation. Improvements to the contract and procurement processes are needed to increase transparency and ensure taxpayers that JCPS is a good steward of the public funds.

**Finding 11: JCPS does not maintain a central database of all JCPS contracts.**

During the review period, auditors found JCPS issued well over 1,700 contracts with private vendors. However, this calculation does not include individual professional service contracts valued under $5,000 or capital construction contracts issued through the JCPS Department of Facility Planning. According to the Director of Accounting Services, a system does not currently exist at JCPS to allow for the district to readily report such information. Given JCPS' nearly $1.2 billion operating budget and the millions of dollars expended with contractors, it is imperative for JCPS to

have a system in place to readily have the information available for management planning and decision making.

**Recommendations:** We recommend JCPS implement a document number series for various types of contracts to assist in readily identifying and tracking all JCPS contracts. We also recommend JCPS implement a means to maintain a record of all JCPS contracts. We further recommend contract information be available including the name of the department that initiated and is responsible for the oversight of the contract, date of the contract, contract procurement method, period of the contract, contract amount, if applicable, and whether the contract is new, extended, or a renewal. To provide greater public transparency, we recommend JCPS place all contracts, contract payments, and other relevant data on the JCPS website.

**Finding 12: JCPS has not maintained contracts for banking services used to deposit and secure hundreds of millions of dollars in JCPS funds.**

Since 2005, JCPS has not consistently maintained a formal written contract for banking services, including its general banking services and its individual school activity funds. As of the close of business April 14, 2014, the accounts held at JCPS' primary banking institution totaled over $280,000,000. These accounts included monies related to the general fund, nutrition services, and other Central Office accounts as part of the general banking services. Although JCPS does not pay a utilization fee to its banking institutions, banking service contracts are important for various reasons. Banking service contracts ensure that deposits are fully collateralized, any fees associated with non-routine transactions are disclosed, and establishes the bank's responsibility for correcting errors and account breaches. In addition, written and signed contracts provide taxpayers with a necessary level of transparency.

**Recommendations:** We recommend JCPS ensure that a formal written contract for all banking services is signed by both parties and maintained by JCPS at all times in an effort to clearly define the terms of the contact and ensure the continuity of services, as well as transparency and accountability.

**Finding 13: JCPS has active contracts that can be renewed or continued annually without report or presentation to the Board.**

JCPS has active contracts that may be renewed or continued by management with no limitation to the number of times a single contract can be extended. Further, JCPS personnel may renew or continue these contracts without notifying the Board before or subsequent to the action taken. While JCPS

procurement regulations do allow for the Board to approve multiyear contracts for supplies and services, the regulations and policies do not appear to require the Board to be notified when these contracts are continued or renewed. Also, there is no language contained within the regulation or policy to limit the number of times a single contract can be renewed or continued before Board approval is required. JCPS procurement regulations only require services to undergo the procurement process again when a price modification exceeding 10 percent of the total contract price is proposed. While this regulation may limit significant increases in contract amounts without Board approval, it provides no assurance to JCPS that it is receiving the lowest contract cost.

**Recommendations:** We recommend the Board establish through its policies a limit on the number of contract renewals allowed and the length of time a contract may be extended. We also recommend JCPS staff provide an annual report to the Board of all contract renewals and extensions. This report to the Board should specify the date of the original award, the fees associated with the award, and the number of renewals previously granted to the vendor. Further, we recommend the Board reach a determination regarding the threshold for contract review. Finally, for multiyear contracts we recommend JCPS consider issuing RFPs for its various goods and services on a more periodic basis. Priority should be placed on contracts established and in place at JCPS for several years, such as for banking services, employee assistance program services, and Board attorney services.

**Finding 14: Payments totaling $41,364 to three JCPS contractors for professional services had either insufficient documentation or were not in compliance with contracts.**
Professional service contract payments totaling $29,604 were either unsupported or based on questionable documentation, and payments of $11,760 were out of compliance with the professional service contract requirements. A sample of 29 professional service contracts was selected and the associated payments issued between FY 2011 and FY 2013 were reviewed. This review identified reimbursements made to two contractors without receipts to support the original expense, a payment made to a contractor based on an altered invoice, and payments made to two contractors for services performed before the related contracts were approved by the Board. The effectiveness of the JCPS contract monitoring process is questioned given that payments were made without required supporting documentation and were not in compliance with contract terms.

**Recommendations:** We recommend JCPS ensure all contract reimbursements are adequately supported by sufficient documentation prior to payment. Supporting documentation should include original detailed receipts and should include a clear purpose for the expense and the individuals associated with the expense. Contractors who receive reimbursement for actual expenses should be required to submit original receipts to JCPS to support their expenses and JCPS staff should ensure that the originals are submitted to and retained by Accounts Payable to support the payment made to the vendor. We also recommend JCPS inform staff that altering original vendor invoices is never acceptable no matter the circumstances. We further recommend JCPS deny payment of any vendor invoices that appear to be altered until an original is provided. In addition, we recommend JCPS review vendor invoices to ensure the invoices are in compliance with all contract requirements. Any discrepancies identified between the vendor invoice and the contract should be documented and discussed with the vendor to resolve the matter. We finally recommend JCPS examine its current contract monitoring process to ensure the enforcement of the current contract terms without approving a new contract that overlaps the previous contract period. Any necessary contract renewals or contract extensions are considered and approved by the Board before the vendor is allowed to continue work for JCPS.

**Finding 15: Poor documentation and lax oversight led to $5,561 in overpayments for capital construction change orders.**
While testing a sample of capital construction projects, auditors identified two overpayments made to contractors for architectural services totaling $5,561. Both overpayments were associated with project change orders and appear to have resulted from poor documentation and lax oversight. While only two overpayments were identified, auditors had difficulty finding or understanding reviewer notes in the capital construction files. Amounts listed on invoices, change orders, and contracts were often times crossed out with no clear indication as to why the amounts were changed. While auditors were able to gather additional information upon request from the Fiscal Manager, the documentation contained within the files should be sufficient to document final calculations and determinations.

**Recommendations:** We recommend JCPS review the process it followed when approving the duplicate payments to the vendor to determine where the process should be strengthened to prevent future duplicate payments from occurring. We recommend this process include, at a minimum, a review by staff of the original change orders, contracts, or other supporting

documentation relevant to the payment before approving the vendor payment to ensure the amounts charged agree to the amount owed to the vendor. The payments related to specific change orders should be reviewed and monitored to ensure that duplicate payments are not made. We also recommend JCPS staff ensure changes to original documentation, such as vendor invoices, contracts, and change orders be adequately supported to explain the purpose of the changes made. Any notes should be clearly documented so that a reviewer is able to clearly understand the changes and the purpose of the changes prior to any associated payments. Further, we recommend notes made by a reviewer should be done in a manner that ensures the permanence of the note, instead of using a post-it note that can easily be discarded or misplaced. Finally, we recommend JCPS request reimbursement from these vendors for the duplicate payments identified during this review.

## *Introduction to Chapter 5 - Operations, Policies, and Procedures*

Findings 16 through 24 address important aspects of the JCPS organization and operations. These findings address various issues related to policies, processes, human resources, as well as other financial activities and operational efficiencies. Recommendations are presented for Board and administration consideration to resolve or improve issues identified in these findings. Chapter 5 contains one of the most significant findings in the report that JCPS used a costly, outdated, and unnecessary centralized warehouse system. Eliminating this could be as much as $3 million or more a year. This chapter also depicts a lack of clear, up-to-date, centralized policies and procedures. Further, it demonstrates an inconsistent policy related to administrative versus faculty leave time. Clear and consistent policies reduce the risk of fraud, abuse, and misappropriation.

**Finding 16: JCPS uses a costly, outdated, and unnecessary centralized warehouse system.**
A network of six JCPS central warehouses that store, process, and deliver a large number of the supplies used by JCPS' schools and administrative departments is based on an outdated model that is not necessary or cost effective due to the just-in-time delivery capabilities of outside vendors. The JCPS Supply Services Department (Supply Services) orders JCPS' most commonly used supplies from contracted vendors, stores them in the warehouses, and then delivers them once ordered by individual schools or departments. This type of internal warehousing system develops a costly middle man infrastructure between the vendors

selling a product and the end users, as it requires funding to operate the warehouse and delivery infrastructure. These overhead expenses can exceed the costs of doing business with vendors who already maintain large supply chain networks and will deliver items directly to the end users, as needed.

**Recommendations:** We recommend JCPS consider eliminating the central warehouse and delivery system currently in place and transition to a just-in-time delivery system. As part of this consideration, JCPS should review the items being stocked in the central warehouse to determine if there are certain products that should still be purchased in bulk and stored due to greater savings. All overhead costs for storage and delivery should be considered and included within the price of any items that continue to be warehoused. We recommend JCPS seek out bids for a variety of just-in-time delivery contracts with vendors for office/instructional supplies, custodial supplies, facility maintenance supplies, and vehicle supplies. Once contracts are in place, JCPS should continue to use supplies still stocked in the warehouses until depleted, as well as, determine if any items should be declared as surplus and sold. We recommend that JCPS allow schools and central departments to control their supply needs through just-in-time delivery contracts with vendors, with the intention being that items are ordered as needed to avoid overstocking items. We recommend that once central warehousing has been reduced or eliminated, empty or unused space should be repurposed by JCPS, leased to outside parties, or otherwise used for the benefit of JCPS.

**Finding 17: Central Office monitoring of the use of textbook funding is limited and textbook needs are not included in the overall improvement plans at the school or district level.**
JCPS General Funds are allocated each year to individual schools for textbook funding. However, the schools are not required to use the funds strictly for textbook purchases and the funds can be carried over to next year's budget. JCPS is not consistently monitoring the use of these funds to ensure they are being spent in the most effective and efficient manner and in a way that is consistent with achieving the academic goals set both at the school and district levels. Making sure JCPS students have access to quality instructional resources is an important element of educational equity, as well as making sure they can compete with students elsewhere in the United States and abroad.
**Recommendations:** We recommend JCPS establish a process to monitor the use of funding allocated to schools for the purpose of purchasing textbooks and other instructional materials. Although the funds can be used for other purposes, JCPS should have a clear

understanding of how those funds are intended to be spent and the schools should be monitored to ensure compliance with the established spending plan. This will allow JCPS to determine the actual amount of funding used by schools to purchase textbooks and the amount used for other purposes. If revisions are made to the initial plans, schools should notify Central Office of the revisions and these revisions should be approved by Central Office before spending can proceed. We also recommend JCPS incorporate textbook and other instructional material costs within each school's CSIP as a means to monitor spending and to measure the efficient and effective use of these funds. By including these costs within the plan, each school will be required to link textbook spending to a specific goal to be achieved. This will assist JCPS in linking textbook spending more directly to measurable goals and targeting budget funds to each school.

**Finding 18: JCPS lacks a comprehensive and centralized manual of procedures to ensure that they are current and consistent with Board approved policies.**
JCPS has not developed a comprehensive manual or other centralized repository for written procedures that document staff requirements to comply with approved Board policies. This has resulted in operating procedures being adopted and maintained in a segmented manner by each of the JCPS departments. The written procedures provided by JCPS were rarely referenced to a specific Board policy. Further, while JCPS staff performed work routinely, as a matter of practice, these work activities were not documented in writing. Without a documented manual that is periodically reviewed, any written or unwritten procedures could be outdated or inaccurate. This has resulted in a matrix of procedures that lack cohesive oversight to determine compliance with Board policies and avoid potential conflicts, overlaps, or procedural gaps in process.
**Recommendations:** We recommend JCPS undergo a full collection and review of all written procedures, processes, and guidelines used by JCPS staff to ensure they are current, meet the requirements of State law, Board policies, and accounting principles. We recommend that JCPS determine whether there are unwritten practices employed by JCPS that are not currently written. These should be reviewed and a determination should be made whether these practices should be included as a written policy, procedure, or guideline. We recommend JCPS fully consolidate all written procedures necessary for staff to carry out job duties into a single manual. All procedures should be numbered and reference back to the State law, Board policy, or other authority that empowers them. The

manual should be made easily available online to both staff and the public. We recommend JCPS create a procedures committee consisting of JCPS staff so that they may meet to discuss any needed additions or updates to the procedures manual. We recommend this committee consist of management from a variety of departments to ensure the knowledge of needed procedural changes is effectively communicated and distributed among a broad cross section of JCPS. It should also include a representative of the JCPS General Counsel's office to provide legal review and assistance.

**Finding 19: JCPS' current purchasing cards were plagued by administrative issues and complete supporting documentation for card transactions could not be located without extensive review.**
During the review period, the JCPS Central Office regularly used three purchasing cards associated with a single corporate purchasing card account. While JCPS received over $30,000 in incentive payments from using these cards to pay for expenditures, the account was plagued with numerous issues, both internally and externally, which caused the JCPS financial staff to decide to discontinue the purchasing card program in May 2014 and process future travel expenditures with a new bank credit card. Despite being unable to provide complete supporting documentation for these transactions, JCPS financial staff has not expressed that a change is needed to address the documentation issue caused by this process. JCPS should take steps to appropriately track these expenditures in MUNIS or provide additional documentation that would facilitate locating complete documentation that supports these transactions. Unless JCPS takes one of these actions, it will continue to be overly burdensome to review supporting documentation for such transactions.
**Recommendations:** We recommend that JCPS financial executives formally investigate other alternatives to the purchasing card currently used to allow for a more transparent, direct, and effective payment process. Once an alternative has been selected, JCPS should take steps to terminate the current purchasing card agreement and resolve any payment issues that may still exist. We recommend that JCPS more closely monitor purchasing or credit card activity and work quickly and diligently with the purchasing or credit card company to reconcile discrepancies. We also recommend that JCPS take steps to address the documentation tracking procedures that occur when accounting for these transactions using the name of the actual vendor and not the purchasing card. JCPS staff should explore whether MUNIS can address this need or whether additional information

should be maintained to track the transactions to the required supporting documentation. Accurate and transparent vendor information is essential to an organization, but steps should be taken by JCPS to ensure that supporting documentation for purchasing cards payments can be located in a timely manner.

**Finding 20: Travel reimbursement guidelines are vague and lead to inconsistencies.**
Unlike other public school districts in Kentucky, the Board and JCPS have neglected to adopt policies or related procedures for employee reimbursements for travel expenses. Instead, JCPS has chosen to rely upon a vague set of travel guidelines and various forms, which allow supervisors the ability to determine, on an individual basis, whether or not the expenditures listed on the reimbursement request form were made prudently or were made to accommodate personal comfort, convenience, and taste. While sampling nearly 300 reimbursements to non-school staff at JCPS, reimbursements approved for valet parking, car rentals with low mileage, parking fees for days when the employee had extended the trip for personal reasons, early bird check-ins on flights, as well as other similar issues were observed.
**Recommendations:** We recommend that the Board and JCPS officials work collaboratively to both adopt an expense reimbursement policy for employees within their Board-approved policy manual and to develop administrative procedures to further explain the policy. The Board-approved policy and/or the administrative procedures should explain which expenses are reimbursable and which are not, what defines acceptable documentation, how per diem and mileage rates are calculated, and how an employee can be reimbursed. The policy should acknowledge, by reference, any administrative procedures developed by JCPS, as well as the *Travel Reimbursement Guidelines* and/or other forms created to further assist with the expense reimbursement process and to provide specific examples as to what expenses are and are not allowable.

**Finding 21: JCPS has not developed written procedures documenting the assignment process and allowable usage of JCPS owned vehicles taken home by staff.**
JCPS has not developed written procedures to outline the process used to determine when it is appropriate to assign staff a JCPS owned vehicle that can be taken home and used for commuting to work. Also, no written guidelines were developed that are part of a policy or procedure manual that outline how the take-home vehicles may be used by staff once assigned. The lack of specific documented guidelines for assigning

vehicles may lead to uncertainty in determining which staff receive take-home vehicles and the appropriate use of those vehicles. Considering JCPS spent $170,795 on fuel costs alone for 67 take-home vehicles in FY 2013, the criteria for take-home vehicle assignments should be documented to ensure the expense is necessary.
**Recommendations:** We recommend JCPS develop written procedures related to the assignment and usage of JCPS owned vehicles, including those assigned as take-home vehicles and those kept on JCPS property at night. Specific criteria for staff qualifications used to assign a take-home vehicle and whether that vehicle is allowed to be used for commuting purposes should be documented. We recommend JCPS evaluate all current take-home vehicle assignments to determine whether these assignments are necessary and needed by the assigned staff during the entire year or whether vehicles only need to be taken home seasonally or when staff are on-call. We recommend that JCPS place decals on all vehicles identifying them as property of JCPS to help act as a control for vehicle usage through public scrutiny.

**Finding 22: The JCPS procedures for its cell phones are outdated and do not establish criteria for assigning phones.**
JCPS technology procedures providing guidelines for its cell phones were created in July 2000 and do not appear to have been updated since that time. These outdated procedures reference cell phone plans that are no longer used by JCPS and a cell phone vendor that no longer exists. In addition, the procedures require an application process for employees to be assigned a JCPS cell phone, but provide no criteria for determining the conditions that must be met to receive a phone.
**Recommendations:** We recommend JCPS update the Cellular Telephone Guidelines section of the Digital Technology procedures to ensure they represent current cellular technology and service plans. We also recommend JCPS update these policies to include documented criteria to be used in determining which staff members qualify to be assigned a JCPS cell phone and additional information as to who must review and provide final approval. After establishing criteria for assigning a cell phone, we recommend that JCPS evaluate the current assignment of phones to determine whether the number of cell phones can be reduced.

**Finding 23: JCPS does not have a consistent policy for all salaried staff regarding the use of accrued leave time for partial days and may result in a larger than necessary liability for unused leave payouts.**
JCPS salaried administrators at the central department level, whose positions are categorized as exempt from

the overtime rules of the federal Fair Labor Standards Act (FLSA), are not required to use their accrued leave time as long as they work a portion of the work day. In comparison, 58 percent of JCPS teachers reported that the leave policy applied to them requires that they use a full day of leave if they only work a partial day, even though teachers are also considered exempt from FLSA overtime requirements. This indicates there is an inconsistency in the leave practices for JCPS salaried-exempt employees. In addition, because the central department employees are not required to use leave for the actual amount of time they are absent, this can lead to larger leave totals and a larger than necessary liability for JCPS.

**Recommendations:** We recommend JCPS develop a leave policy or procedure that requires all employees to report the actual amount of leave time used regardless of exemption status. Actual amounts of leave used can be tracked through the use of timesheets that would reflect actual hours worked by all staff, including salaried-exempt workers. We recommend JCPS establish smaller increments in which Central Office administrators may use leave. At a maximum, this should be set at a half day or four hours, based on a 40 hour work week, but hourly or quarter hour leave should also be considered an increment as well.

**Finding 24: Due to a reorganization in August 2013, the Director of Pupil Personnel no longer supervises the attendance clerks that collect and analyze school attendance data for all JCPS schools.**
In August 2013, the current Director of Pupil Personnel (DPP) was reorganized into a division within the Office of Chief Academic Officer and was no longer located in the office that collects and analyzes school attendance data. The Attendance Supervisor, who was previously supervised by the DPP, continues to maintain the same roles and responsibilities for the collection and reporting of the schools' attendance data, but this position now reports to the Director of Planning and Program Evaluation within the Office of Data Management, Planning, and Program Evaluation Services. While not prohibited, the August 2013 JCPS reorganization could result in decreased communication that could diminish the effectiveness of the DPP. With over 100,000 students and state funding based on enrollment, attendance is a significant area in which the organization and available resources should be maximized.
**Recommendations:** We recommend that JCPS take steps to determine that the August 2013 reorganization, resulting in placing the DPP into the Office of Chief Academic Officer, was necessary. Further, we recommend consideration be given to the effectiveness of the DPP without having immediate knowledge of

attendance issues or that a trained DPP is not preferred to oversee the Attendance Supervisor or work directly with the attendance data collection and analysis. If the reorganization continues, documented procedures must be developed to ensure that the DPP and Attendance Supervisor consistently work closely and communicate effectively. These procedures are needed to ensure the DPP receives the necessary information to address nonattendance and monitor the schools with attendance issues. While these reports are not required to be submitted by the DPP, we recommend the DPP review the Growth Factor reports and the Superintendent Annual Attendance report in order to assure that JCPS has an accurate system of attendance accounting for all children enrolled.

*Introduction to Chapter 6 - Internal Audit*
In entities the size and scope of JCPS, monitoring and internal audit functions provide critical information to help management ensure policies and procedures are working as efficiently and effectively as intended. Internal audit can act as a fraud deterrent, and provide independent feedback to boards when structured appropriately. Findings 25 and 26 in this section address weaknesses noted with the Internal Audit's organizational structure and audit plan. Also, Finding 27 addresses the reporting and monitoring of hotline complaints, which is also a critical monitoring function.

**Finding 25: Internal Audit reports to the Superintendent rather than the Board and no policies were adopted to govern the internal audit activity at JCPS.**
Internal Audit reports to the Superintendent and not to the Board or an audit committee of the JCPS Board. For organizational independence, the Institute of Internal Auditors requires that the chief audit executive report to a level within the organization that allows the internal audit activity to perform responsibilities independently. Reporting solely to the Superintendent does not fulfill this independence requirement, nor does it provide the Board with an important tool to independently evaluate areas of interest or concern. The primary conflict being that the Director of Internal Audit was dependent upon the Superintendent for continued employment and any salary increases, which would call into question whether the audit work, the audit topics examined, and the resulting reports could be fully independent and free from bias. To protect this needed function for JCPS, the Board should implement reorganization procedures to establish the independence of Internal Audit.
**Recommendations:** We recommend that the Board implement a reorganization that will result in Internal Audit reporting functionally to the Board or a

designated Board committee. We also recommend that the Board or designated Board committee perform the annual evaluation of the Director of Internal Audit. For daily administration purposes, we recommend the Director of Internal Audit report to a senior management official in a manner that will not compromise the independence of the internal audit function. As part of this reorganization, the Board or a Board committee should approve an annual audit plan developed by Internal Audit using the Board's input and guidelines. Based on the annual audit plan, we recommend that the Board or designated Board committee determine the office's budget. The audit plan should include flexibility to allow for the time and resources to investigate issues that arise during the school year from allegations or concerns involving fraud, waste, or abuse. When these types of allegations do arise, the Board should also determine whether Internal Audit has sufficient staffing skills to address the potential activities. We further recommend the Board or a Board committee conduct quarterly meetings to provide summaries of the audits and reviews conducted to ensure there is direct communication with the Director of Internal Audit. The goal of this reorganization should be to ensure that the work of Internal Audit can be performed with full independence and that the Board, as the JCPS governing body, is involved in the approval of Internal Audit's reviews, activities, and findings. In addition to the annual audit plan, we recommend the development and adoption of a Board policy that provides guidance in the areas of the planning, implementation, and reporting requirements so there are specific procedures that must be followed. Report distribution should require that reports are sent to the appropriate management personnel and that the Board will receive a summary report as a tool to monitor activity and any needed implementation of processes or controls.

**Finding 26: Internal Audit has not prepared an audit plan or implemented a risk-based audit approach.**
Internal Audit resources are used to perform basically the same routine engagements each year without developing an audit plan and without performing a risk assessment of JCPS. Without this assessment and audit plan, Internal Audit cannot ensure resources are maximized and focused on high risk areas of activity. Internal Audit continues to annually perform two audits of every school's activity fund, attendance audits at all schools, and certain financial audit procedures relied upon by the external CPA firm conducting the JCPS financial statement audit. While some additional time remains available to conduct audits or reviews that are not routine, this approach is not an effective method to

allocate audit resources. A specific method, including a risk assessment, could be initiated to strategically approach what audits should be performed. Further, Internal Audit does not present an audit plan to the Board or designated Board committee for discussion and approval.

**Recommendations:** We recommend the Board ensure that the policies related to Internal Audit require the performance of a risk assessment that is used to develop the annual audit plan. The risk assessment should address all areas of JCPS and be used to determine which areas should be considered for audit. After carefully considering audit requirements and the risks associated with various activities, an audit plan should be submitted to the Board or a designated Board committee for discussion and approval. The audit plan should also determine the activities that will be performed in coordination with the external auditor. While it is understood that the KDE regulation may limit Internal Audit's ability to reduce the school activity fund audits, we recommend consideration be given as to whether the risk associated with these funds is sufficient to require two audits annually of each activity fund or audit only the high risk activity funds more than once per year. We further recommend that the performance of pupil attendance audits be studied to determine whether a more efficient approach could be followed for these audits, such as using staff from the attendance data departments to validate pupil attendance processes, leveraging the use of attendance audits performed by KDE, or other approaches that may be identified.

**Finding 27: Policies were not developed to investigate, monitor, or report hotline complaints and the oversight responsibility for this process was not assigned.**
JCPS used an outside vendor to receive and record possible fraud, abuse, or other concerns, but it did not develop or document policies or procedures to ensure a thorough investigation and proper monitoring of the complaint process. All complaints are reported to a committee of five staff members; however, none were assigned the responsibility to oversee this process. In addition, the link to this hotline is difficult to locate because it is not on the primary JCPS website page, but on a secondary JCPS Financial Services webpage.

**Recommendations:** We recommend policies be developed and approved by the Board related to the hotline to ensure a consistent process is established that will improve and document the procedures to assign, investigate, monitor, resolve, and report various concerns and complaints, including those involving potential fraud and abuse. Further, we recommend the Director of Internal Audit be assigned the responsibility

of managing this hotline with complete access to all complaints and that these responsibilities be established within the policies and procedures approved by the Board. We recommend the following responsibilities be assigned to the Director of Internal Audit:

- determine who to discuss the issue with to gather additional information or input;
- determine how to appropriately proceed in handling the issue;
- determine the assignment of who will investigate the issue;
- determine whether the issue was appropriately investigated in a timely manner;
- determine the method of reporting the issue such as a report, letter, memo, etc.; and
- determine whether the summary report is complete, with no unexplained omitted information.

We also recommend that JCPS ensure that the summary report contains the information needed by those reviewing the data to provide full disclosure. If this report is generated by a committee member that has been mentioned in a complaint, that complaint will not be included in the summary report. This summary report should be periodically provided to the Board or a designated Board committee to ensure their awareness of any significant information provided within these complaints and the subsequent investigation. We further recommend JCPS update its website to make the hotline more accessible for employees and the public by making the hotline available from the homepage of the JCPS website. Finally, we recommend that JCPS require written procedures for all complaint systems used by its departments to document the expected investigation, monitoring, and reporting activities. JCPS should also re-evaluate whether these additional systems be discontinued providing a single point of contact for complainants and to maximize the use of the vendor operated hotline.

## *Introduction to Chapter 7 – Information Technology*

Chapter 7 describes serious Information Technology weaknesses. Findings 28 through 45 address significant issues impacting the organization, management, policies, and procedures surrounding the technology at JCPS. Certain findings involve system security vulnerabilities and describe a situation where students and employees may be potentially exposed to the inadvertent loss or intentional theft of private, confidential data. Cyber security has been identified by the Auditor as a significant public protection concern of the 21st century. Further, recommendations presented address best practices related to the secure, efficient, and effective use of technology by JCPS. Technology is a valuable, essential resource that not only affects business processes, but every aspect of the organization. To achieve the most from technology, an organizational structure must promote a clear vision from top management of the goals and tasks to be performed in support of a district's overall mission. Because of evolving technology and necessary decentralized use of technology resources within the individual schools, it is imperative that JCPS plan strategically to optimize its current resources as well as those procured in the future.

**Finding 28: JCPS did not implement an effective organizational structure related to technology.**
The JCPS Management Information Services (MIS) and Digital Technology Services (DTS) departments are organized and function independent of each other, which could adversely affect the overall mission of JCPS as it relates to technology. Although a review of the MIS and DTS organizational structures and responsibilities found that these departments have primarily unique and separate responsibilities, it was found that these departments are not organizationally established to:

- Ensure the departments develop a strategic plan to efficiently address initiatives and objectives, as well as identify potential technology resource needs.
- Ensure the promotion of effective and efficient design and operation of all major technology systems and processes.
- Ensure the work of these departments is effectively coordinated to make the best use of available staff and other resources.

**Recommendations:** We recommend that JCPS implement the proposed organizational structure presented to the JCPS Superintendent in December 2011 within the study titled 'Organizational Structure and Central Office Staffing, Functions, and Operations for the Jefferson County Public Schools.' Specifically, we recommend consolidating the IT areas related to telecommunications, advanced systems, systems development, customer support, and technical support within a single MIS department under the Chief Operations Officer. This structure would allow direct oversight of the administration of IT resources and ensure the work performed by all IT areas is planned, coordinated, and adheres to the mission of JCPS. In addition, we recommend JCPS review the job functions of the current MIS and DTS department staff and determine the most effective positioning of staff within the new organization to best utilize their strengths and

abilities. For each functional area, a manager or supervisor should be established to coordinate work in that functional area and act as the liaison between the staff and the director. Also, we recommend JCPS review the job function and work performed by the individual currently in the manager's position having no assigned staff and determine the appropriate position that aligns with the job duties performed by this person and initiate the appropriate action. Finally, we recommend JCPS review and update the IT contact information on the JCPS website. A process should be implemented to ensure changes to this contact information are updated in a timely manner.

**Finding 29: KDE and its contractor did not properly secure servers housing JCPS student information.**
During the vulnerability assessment review performed of machines housed at JCPS, we identified 17 of 39 servers, or 43.6 percent, housing student data that allowed access through the default administrator credentials. In addition, two of the 39 machines, or 5.1 percent, were identified as network switches installed related to the Kentucky Student Information System (KSIS). Based on a review of the contract established between the Kentucky Department of Education (KDE) and the KSIS vendor, it was determined the vendor is specifically responsible for providing application, server hardware, and server operating system (OS) level support to KDE and all Kentucky school districts. Though the servers physically reside onsite and contain JCPS' student personal, demographic, and academic data, JCPS was not given the authority or opportunity to be involved in the monitoring process to ensure the vendor managing their servers housing student data is compliant with established metrics and terms of the contract.
**Recommendations:** We recommend JCPS work with KDE to implement a process to identify and track incidents or issues with the application and servers associated with student information to ensure the vendor adequately identifies and resolves these in a timely manner. We further recommend JCPS work with KDE to become involved in the monitoring of contract terms and metrics established by KDE and the vendor. JCPS should also be aware of all services running on their critical servers housing student information and ensure the vendor has properly configured these machines to limit vulnerabilities that could be exploited. In addition, we recommend JCPS regularly receive a report detailing the procedures performed by KDE to monitor the vendor's compliance with contract terms, as well as the results of this monitoring process.

**Finding 30: JCPS did not adequately protect sensitive and confidential data.**
Our review revealed weaknesses in the JCPS technology internal controls involving the security of confidential and sensitive data. Auditors found that data, including personally identifiable information (PII), was not adequately protected from potential internal or external threats that could result in intentional or unintentional access or misuse of information. Further, JCPS did not have a process in place to address this weakness.
**Recommendations:** We recommend JCPS management ensure confidential and sensitive data is sufficiently protected and ensure the security of data remains a top priority. We recommend IT executive management, along with other JCPS executives, work together to develop a plan to identify the necessary steps to ensure sufficient resources are dedicated to address this weakness and to properly secure confidential and sensitive data in a timely manner.

**Finding 31: The JCPS Central Office lacked oversight over the development of Safety and Emergency Procedure Manuals at the schools.**
JCPS Central Office did not exercise sufficient oversight of the development, maintenance, and updates of Safety and Emergency Procedure Manuals (SEPM) for each school, special school site, and administrative building. As a result, procedures established in case of an emergency situation may be outdated or may not exist. Specifically, schools are required to submit their plans to local emergency responders, but the Central Office did not ensure this has occurred. Further, although SharePoint sites were established for the schools, special schools, and administrative buildings to upload their plans by October 1 of each school year, at the time of the review, there were 25 of these facilities that had not uploaded their updated plans for school year 2013-2014.
**Recommendations:** We recommend JCPS, at Central Office, ensure all schools, special schools, and administrative buildings have developed SEPMs and uploaded them to the SharePoint site by the required date. Additionally, they should ensure all plans have been provided to local emergency responders, such as police departments, fire departments, and emergency management services, as required. JCPS should require the SEPMs to be updated regularly and maintain copies of the current plans. If facilities do not comply with these requirements, JCPS should follow-up and provide the necessary guidance and assistance to ensure compliance.

**Finding 32: JCPS procedures for sanitizing and disposing of IT equipment were not documented, and Central Office did not track and monitor the sanitization and disposal of all IT equipment.**

Our review revealed the process for sanitization and disposal of IT equipment was not fully documented or consistently applied at Central Office. Further, Central Office did not exercise oversight regarding this process at JCPS schools. If IT equipment is not properly sanitized or disposed of, JCPS runs the risk that sensitive or confidential information housed on this equipment may be unintentionally exposed to the public.

**Recommendations:** We recommend JCPS streamline the process for sanitizing and disposing of IT equipment in Central Office and the JCPS schools. All IT equipment, whether at the schools or in Central Office, should be held to the same policy standards. This process should be documented in a single policy and should be distributed to all appropriate JCPS personnel who are responsible for this function. In addition, we recommend all IT equipment at the JCPS schools be sanitized prior to being sent for auction or distributed to School-to-Career or low-income students. A report should be developed to communicate sanitizations and disposals by the schools to Central Office for review. Any items that are removed from the JCPS fixed asset listing should be included in the report and should be accounted for. We further recommend a process be established at JCPS Surplus Properties Department to ensure technology items to be auctioned have had their hard drives removed, destroyed, or sanitized prior to auctioning the items. This should include laptops, servers, desktops, and other IT equipment with hard drives sent by the schools or Central Office. Finally, we recommend, once the consolidated sanitization and disposal policy is developed and approved by management, it should be implemented and consistently followed. All IT equipment should be destroyed or sanitized prior to disposal, and documentation of these actions and the disposal should be developed and retained. This documentation should specify the method of sanitization, which could include being sanitized by a third party or the hard drive being drilled through, and the date of sanitization. The documentation should also specify the method of disposal and whether it is to be auctioned through Surplus Properties, donated to a School-to-Career or low-income student, or transferred to another department. Standardized forms should consistently be used to track this process. The fixed asset listing within MUNIS should be updated to show the sanitization and disposal methods and dates.

**Finding 33: JCPS did not properly secure network data and resources.**

JCPS did not properly secure network data and resources. According to MIS staff, in order to grant Active Directory (AD) and application-level access, a request must be submitted and tracked via the Helpdesk Expert Automation Tool (HEAT) system. However, Payroll personnel confirmed that they do not submit requests for new access or changes to a current employee's access via this system. Therefore, there is not a central repository of documentation authorizing and supporting AD and application-level user access. Further, there were issues noted related to JCPS staff being granted Local Administrator rights on their workstations and JCPS not renaming default administrator accounts on applications and network administrator accounts on the Local Area Network (LAN).

**Recommendations:** We recommend JCPS develop a formal process to request, grant, and change AD and application-level access. Managers and Supervisors should be required by policy to submit documentation to support the request or change of access to the network. This should be tracked centrally as opposed to differing departments to ensure standardized procedures are followed. We also recommend JCPS implement a standardized periodic review process to ensure terminated employees continue to have their AD access disabled in a timely manner. Personnel Actions should be on file to support any AD terminations processed within the system. In addition, we recommend JCPS review network access and ensure only technical and support staff be granted local administrator access to prevent the accidental or intentional introduction of viruses or the loss of programs or data. Further, we recommend JCPS rename all default administrator accounts on applications and all network administrator accounts on the LAN and adhere to a password policy to ensure the passwords assigned to these accounts are strong and changed frequently to prevent unauthorized use.

**Finding 34: JCPS did not document and consistently apply procedures governing access to the Time & Attendance application.**

JCPS had certain informal security access procedures for the Time and Attendance (TA) application; however, no formal, written policy for granting or changing a user's access to this application existed. Further, the informal process used to initiate or change a user's access was not consistently applied to all TA application users.

**Recommendations:** We recommend JCPS develop a formal written policy detailing the process for all employees, including Central Office staff, to request

new access, change access, or remove access to the TA application. All staff requiring access to the application should complete a security form that details the level of access required and should be approved by a supervisor or manager. Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the established policy. The policy should be reviewed and updated on a regular basis. Documentation of a user's security access request should be maintained for audit purposes. We further recommend JCPS disable the TransportationUser security role since it is not needed or used.

**Finding 35: JCPS had no formal documented security policy and did not consistently follow informal procedures to grant access to MUNIS.**
While JCPS developed certain informal procedures to access MUNIS, no formal documented access policy existed. Furthermore, the informal procedures were not consistently followed. Testing revealed that access rights to MUNIS granted to Central Office staff did not consistently have sufficient supporting documentation. Also, it was found that a number of accounts with access to the MIS or one of the JCPS Server Administrators groups within MUNIS were unnecessary and did not require the granted access.
**Recommendations:** We recommend JCPS develop formal written procedures detailing the process for how all employees, including Central Office staff, initiate a request for access to the MUNIS application and production server. All staff requiring access to the application and production server should complete a security form that details the level of access required, which should be approved by a supervisor or manager. These forms should be maintained by the MUNIS administrator in a format that can be readily accessed for internal or audit purposes. Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the process in place. These procedures should be reviewed and updated on a regular basis. We also recommend that JCPS develop a matrix of access roles to be granted to specific Central Office positions and for the general roles stated on the access request form for other staff. If additional roles are identified as being needed beyond those documented within the matrix, these variations should be formally documented on the request with an explanation of necessity. We further recommend JCPS perform a detailed review of the user and group accounts with more than inquiry access to the MUNIS application and production server and ensure these accounts are determined to be necessary for business. If accounts are not required, they should be disabled immediately.

**Finding 36: JCPS increased the risk of unauthorized system access by not properly configuring all agency machines.**
Our FY 2013 security vulnerability assessment on machines owned by JCPS revealed 33 of the 45 scanned machines, or 73.3 percent, could potentially be mis-configured. This testing was performed from within the JCPS network. The reported weaknesses should only be available from within the network. System mis-configurations that allow unnecessary services can negate other security configurations established on the machine, increase potential security vulnerabilities, and provide enticements for intruders to enter the system.
**Recommendations:** We recommend JCPS ensure that all new infrastructure devices are consistently configured based on internally developed and KDE directed base-line configurations. Any variations from the base-line configurations should be documented or logged showing the reason or justification for and management's authorization of the variation. Broadcasting of the services and associated versions running on infrastructure devices should be restricted unless it cannot be configured otherwise. Further, we recommend JCPS perform periodic reviews of all infrastructure devices to determine whether configuration changes have occurred. Any changes should be noted and validated. Finally, we recommend JCPS take the necessary actions to ensure the services and open ports on the machines identified within this finding have a specific business purpose. If the service is necessary, it should be reviewed to ensure it is properly authorized, licensed, and configured as well as adequately secured. Any unnecessary services should be disabled or the associated ports should be closed.

**Finding 37: JCPS did not ensure all software is updated to reduce vulnerability.**
Our FY 2013 security vulnerability assessment on machines owned by JCPS revealed 14 out of 45 scanned machines, or 31.1 percent, provided system information related to the product name and the version number of services running on the machine. In addition, the software was found to be outdated for these machines. Discussions with JCPS staff indicated that there were procedures in place to review and update software versions as needed. However, these procedures did not appear to have been consistently applied.
**Recommendations:** We recommend JCPS ensure procedures are consistently followed in order to update software timely to reduce the risk of known vulnerabilities. If software or hardware is outdated but must be retained due to other system requirements, a

process should be established to document these instances, the reasoning behind this determination, and management's approval.

## Finding 38: JCPS did not ensure all agency machines are properly configured to reduce the risk of enticing an unauthorized person.

Our FY 2013 security vulnerability assessment of machines owned by JCPS revealed 23 out of 45 scanned machines, or 51.1 percent, displayed material on their websites enticing to an unauthorized person. These websites displayed a webpage that stated they were under construction, a blank webpage, a webpage with non-printable characters, displayed a default webpage, or displayed a message that would be considered enticing to an unauthorized person.

**Recommendations:** We recommend the web service be reviewed to determine its necessity. If not required for business purposes, the web service port should be closed. If required, the web page should instead be configured to display the homepage for the primary application or service that this web service provides or secured appropriately to prevent connection to a default or blank page.

## Finding 39: JCPS implemented a weak, inadequate password policy for AD, MUNIS, and the TA and failed to ensure staff compliance.

JCPS implemented weak, inadequate password policies and did not audit the strength of network passwords on a regular basis. MIS staff confirmed that the password policy for AD, as well as MUNIS and TA applications is a seven-character minimum length, with no complexity, no expiration period, no password history maintained, and no threshold of unsuccessful login attempts that will lockout the user's account. Furthermore, JCPS stated no process is in place to regularly test or monitor passwords to ensure users are in compliance with the established password policy.

**Recommendations:** We recommend JCPS work with KDE to develop and formalize a password policy that includes requirements for a minimum length of at least eight characters; complexity that includes a number, capital letters, special characters, or ALT characters; expiration period of not more than 90 days; history of at least six previous passwords that cannot be reused; and the lockout of a user's account after no more than three unsuccessful attempts. This policy should be applied to AD as well as all other applications used by JCPS. We also recommend JCPS implement a standardized process to ensure regular password audits are performed. The identification of weak passwords should be shared with the user who is requested to create a new and stronger password. Results of these

password reviews should be maintained for audit purposes.

## Finding 40: JCPS did not train employees on IT security.

JCPS had not developed or implemented a security program or policy that identified management and user responsibilities concerning network security. According to MIS staff, the Computer Education Support (CES) Department has Internet Safety and Digital Citizenship resources, which are available online. These resources did not address IT security responsibilities at the Central Office or school district level. If employees are not aware of their responsibilities or the processes surrounding network security, it is likely that network controls could be circumvented or made ineffective.

**Recommendations:** We recommend JCPS develop and formalize a security program that explains all employees' responsibilities related to network security. Consideration of IT controls, at a minimum, should include acceptable use of network resources, physical and logical access security controls, program change controls, and business recovery. We also recommend JCPS require all Central Office staff, teachers, and administrators to have security awareness training on an annual basis. JCPS should monitor this training to ensure all users are compliant and made aware of their role in securing JCPS student and network information.

## Finding 41: JCPS IT policies and procedures were outdated.

Review of the available IT policies and procedures revealed these documents were significantly outdated and, in most cases, no longer relevant. Most policies had not been updated since 2006, with the most recently updated policy being revised in 2009. The fact that these policies are no longer accurate or relevant was confirmed with JCPS IT management. Without current written policies and procedures, users or management may not understand their responsibilities, actions they can and cannot take, or changes in administrative or business processes.

**Recommendations:** We recommend that all JCPS IT policies and procedures be thoroughly reviewed and updated to reflect current processes and procedures. These should be detailed, complete, and approved by management. These documents should be kept current and communicated to staff to ensure all key staff is aware of their responsibilities. Staff should also be trained to ensure they comply with established policies. The updated policies and procedures should replace the outdated ones currently on the JCPS website. We recommend IT management formally assign staff the responsibility to establish a schedule to ensure policies

are consistently reviewed in a routine and timely manner. We further recommend that a documented process be developed for recommendations of new or updated policies to be reviewed, finalized, and implemented within a determined period.

**Finding 42: JCPS did not properly segregate data processing from security administration over the TA and MUNIS applications.**

As of July 1, 2011, the JCPS Payroll Department began administering the access permissions for the HR/Payroll modules within MUNIS and TA applications. In addition, the Payroll Department was responsible for processing payroll-related transactions within these systems. To be effectively segregated, the Payroll Department should not have the ability to establish, modify, or delete the security permissions for both the HR/Payroll and TA applications.

**Recommendations:** We recommend JCPS review the current job duties of the individual(s) performing the security administrator and data processing functions within MUNIS and TA applications, and determine how these job functions can be redistributed among staff to ensure a proper segregation of duties. Alternatively, we recommend the security administration duties over MUNIS and TA applications be moved to the central technology group.

**Finding 43: JCPS did not have a complete written Disaster Recovery Plan or Business Continuity Plan, and Backups are not stored off-site.**

During the Entrance Conference on November 5, 2013, JCPS executive staff stated that JCPS did not have a formal Disaster Recovery Plan (DRP) or Business Continuity Plan (BCP) to ensure data can be recovered and the business can still function if a disaster occurs; however, a draft DRP/BCP has been created. Review of the draft DRP/BCP revealed that it lacked key process items. Without a written, distributed, and practiced DRP/BCP, an incident could potentially cause a significant disruption in services and down time to be much longer than expected.

**Recommendations:** We recommend JCPS continue work to develop and finalize a DRP/BCP for all of JCPS and make this project high priority for relevant IT staff. A DRP/BCP should include the following:

- identify key emergency personnel involved in the DRP/BCP and contact numbers or other information for these personnel;
- identification of critical systems and data;
- designation of recovery time for each critical system (24 hours, 3 days, 1 week, etc.);

- identification of off-site facilities to be used in emergencies, including off-site personnel and contact numbers;
- listing of vendor contacts with whom agreements have been made for obtaining emergency equipment and software replacement;
- procedures to be followed for recovery of critical systems and data;
- alternate business procedures to be followed in case of extended disruption of IT systems and/or the inability to use normal facilities; and
- references to outside DRP or BCP plans, such as the one with the MUNIS vendor.

Backup procedures should include the following:

- procedures to create backup copies and the frequency of backups;
- number of backup versions to be maintained;
- on-site and off-site storage locations and contact personnel and numbers;
- schedule of moving backups off-site;
- retention periods for critical data; and
- key personnel responsible for backup procedures.

We also recommend the DRP/BCP and backup procedures be distributed to key personnel responsible for this process, and those personnel be trained in their specific responsibilities. These plans and procedures should be updated regularly as staff, systems, and data change, and key personnel should be notified of applicable changes. Further, we recommend DRP and backup procedures be tested regularly to ensure data can be recovered and systems resume functionality in the established timeframe. Documentation of the results of these tests should be retained and available for management review.

**Finding 44: JCPS did not document written change management procedures explaining how to retrieve, test, and implement updates and upgrades to MUNIS.**

While JCPS has informal procedures in place to retrieve, test, and implement updates and upgrades made to MUNIS, no formal documentation detailing how these procedures are performed existed. Without specific and detailed program change control procedures, management increases the risk of developing and implementing ineffective or inaccurate systems and the risk of unauthorized changes being placed into the production environment that have an adverse affect on system processing results.

**Recommendations:** We recommend JCPS develop written procedures detailing the process by which updates and upgrades to MUNIS are obtained, tested, and implemented in production. Included within these procedures, users should specifically be required to review the upgrade documentation for security permission changes and ensure proper testing is performed to identify any permission modifications necessary to adhere to JCPS business processes. These procedures should explain the process for submitting a HEAT ticket if additional issues are experienced after testing has been completed. These procedures should be reviewed and updated on a regular basis. This documentation should be maintained for internal management and audit purposes.

**Finding 45: JCPS did not maintain a current version of the Request For Purchase Order Maintenance Change Notice/Vendor Change form online.**

JCPS did not maintain a current version of the Request For Purchase Order Maintenance Change Notice/Vendor Change form on their website. The original form found on the JCPS website did not require a signature by a supervisor or manager to authorize a requested change. Therefore, staff could submit a Purchase Order (PO) change without providing documentation of prior review or approval of the change by management.

**Recommendations:** We recommend the updated Request For Purchase Order Maintenance Change Notice/Vendor Change form, which provides for an authorizing signature, be placed on the JCPS website. Also, affected staff should be made aware of the change to the form to ensure they obtain Cost Center Director approval prior to submitting a PO change. Further, staff entering changes into MUNIS from these forms should ensure the Cost Center Director approval is documented on the form prior to processing.

# Chapter 1
# Introduction and Background

**Scope and Objectives for Management Performance Review**

The Auditor of Public Accounts (APA) was requested by the Jefferson County School District Board of Education (Board) and its Superintendent to perform a management performance review of certain policies, procedures, internal controls, and management practices of the Jefferson County Public Schools (JCPS). In response to this request, the APA developed the following scope and objectives:

- Determine whether Board policies governing contract procurement are adequate, consistently followed, and provide for a transparent process.
- Determine whether an internal audit process exists at JCPS and whether policies governing the internal audit process are adequate, consistently followed, and provide for timely reporting.
- Determine whether information technology security controls are in place, consistently followed, and are sufficient to provide adequate security of JCPS data.
- Review Board policies and evaluate policies using APA recommendations applicable to boards of education and school districts.
- Analyze certain categories of financial activity for compliance with Board policies and for various transaction activities, as well as, determine whether transactions appear reasonable, excessive, necessary, and have a related business purpose.
- Determine how JCPS compares to other Kentucky school districts and other select out-of-state school districts or peer districts throughout the country involving use of funds for Central Office administration and classroom instruction.
- Identify potential financial or innovative practices for consideration by JCPS.

The purpose of this review was not to provide an opinion on financial statements or duplicate work of routine annual financial statement audits. The review also was not intended as a special examination related to allegations of waste, fraud, and abuse within JCPS, although significant weaknesses or risks noted during the review were examined and are included in this report. Also, the purpose of this review was not to focus on financial and other activities at individual schools; rather, it was designed to focus on activities at the Central Office. The review period for this engagement was fiscal years (FY) 2011 through 2013.

To conduct the review, we requested and examined certain JCPS records for the review period, including, but not limited to, Board meeting minutes, organizational charts, selected Central Office staff's travel and expense reimbursements, purchasing card statements, various vendor payments, contracts, policies, system user lists and settings, system configuration settings, system disaster recovery plans, and other information. Our review included discussions and interviews with numerous Board members, JCPS staff, and the current Superintendent. Auditors also held discussions with certain staff at the Kentucky Department of Education (KDE) to assist with clarification of various subjects and information.

In addition to information obtained directly from JCPS and its employees, we also used surveys for both benchmarking purposes and to gather additional information to compare JCPS to other selected Kentucky school districts, as well as a select group of out-of-state peer districts that are similar to JCPS in size, budget, and other criteria. Further information regarding the selection of Kentucky school districts and out-of-state peer districts can be found in Appendices 1 and 2.

**JCPS**

JCPS is the largest school district in the state of Kentucky and one of two public school systems serving Jefferson County, in addition to several parochial and other private schools. According to JCPS Data Management, Planning, and Program Evaluation, JCPS market share for FY 2013 was 82 percent. In FY 2013, JCPS was ranked the 27th largest school district in the United States with over 100,000 students, approximately 6,400 teachers, and 155 schools and education centers. JCPS maintains a school system primarily for kindergarten through high school but also provides pre-school, vocational, and adult education programs. JCPS also funds a full-day Kindergarten program.

JCPS is accredited by the Southern Association of Colleges and Schools as a Quality School District. JCPS reports 235 of its teachers have earned National Board certification and several of its schools have received national recognition from various education organizations and news publications.

Within the 2012-2013 District Report Card, JCPS was classified overall as "Needs Improvement" based upon district accountability performance scores falling below the 70th percentile in the state. JCPS' overall score was 52.2, which equates to a 32 percentile ranking in Kentucky. The graduation rate for JCPS during that same period of time was 69.4 percent, which was lower than the 78.9 percent state rate.

According to the 2012-2013 District Report Card, JCPS' male and female student population was 50.8 percent and 49.2 percent, respectively. The racial composition of the JCPS' student population was:

- White (Not Hispanic)  50.4%;
- African American  36.1%;
- Hispanic  7.4%;
- Asian  3.3%;
- American Indian or Alaska Native  0.1%;
- Native Hawaiian or Other Pacific Islander  0.1%; and
- Two or More Races  2.6%.

JCPS' students receiving a free lunch was 55.9 percent, while 6.3 percent of students received lunch at a reduced cost.

# Chapter 1
# Introduction and Background

*Financial Highlights*

Per the 2012-2013 District Report Card, it was noted that JCPS spent $13,312 per student, which is $3,138 more than the State average of $10,174. The overall operating budget for FY 2013 was $1,164,000,000 and increased to $1,189,000,000 for FY 2014.

JCPS operational costs for the general education of all JCPS students are funded primarily by the General Fund. Revenues to the General Fund primarily consist of property taxes, occupational taxes, State SEEK funding, and other local funds. For FY 2013, JCPS General Fund revenues exceeded $963,000,000 while General Fund expenditures were almost $941,000,000, which means JCPS General Fund revenues exceeded expenditures by approximately $22,000,000.

In addition to the General Fund, JCPS has 11 other funds: Grants and Awards, Capital Outlay, Building Fund, Construction Fund, Debt Service Fund, Food Service Fund, Day Care Fund, Enterprise Fund, Adult Education Fund, Tuition Programs Fund, and Trust and Agency Fund. Overall, JCPS audited financial statements for FY 2013 show Board assets exceeded liabilities by $399,600,000.

For the current year, FY 2014, JCPS has budgeted its General Fund at $936,865,466, of which $602,500,411 was to be allocated directly to the schools. The remaining General Fund budget of $334,365,055 was allocated to the overall business and academic administration functions of JCPS, which includes, but is not limited to: Operations, Academic Services, Data Management and Program Evaluation, Financial Services, Administration, as well as Diversity, Equity and Poverty programs.

**The Board**

Per KRS 160.210, the Board consists of seven individuals elected from each of the seven divisions of the county. Board members may serve a four year term. Terms of board members are staggered so that every two years approximately half of the positions on the board are up for election, meaning board composition is subject to change every two years. While board members are not compensated for their service on the board, KRS 160.280, allows board members to be paid a per diem of $75 per regular or special board meeting or training sessions attended, not to exceed $3,000 each calendar year. Furthermore, board members may also be reimbursed for actual and necessary expenses incurred while traveling within the district while attending board business, not to exceed $3,000 a year per member. Reimbursement for travel outside of the school district must also be for actual and necessary expenses and board members are reimbursed at the same rate as JCPS employees and expenses must be documented by receipts.

To be eligible for election, the candidates must reside in the division in which they are running for office. KRS 160.210 establishes the initial lines of division for Jefferson County's school district but provides the local board of education the responsibility for establishing or changing the school board boundaries, with the approval of the county board of elections.

KRS 160.290 outlines the general powers and duties of the board. Under this statute, the board has general control and management of the public schools in the JCPS district. In summary, the statute states "[e]ach board shall exercise generally all powers prescribed by law in the administration of its public school system, appoint the superintendent of schools, and fix the compensation of employees."

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Introduction to Chapter 2 - Benchmarking and Comparative Analysis**

Chapter 2 addresses findings resulting from observations identified from survey results. Individuals were surveyed within JCPS, as well as 12 additional Kentucky school districts to obtain information to compare policies and practices from different regions in the state. Additionally, JCPS is the largest school district in Kentucky and does not have an appropriately scaled peer group within the state for benchmarking purposes. Therefore, auditors identified five out-of-state peer districts to survey for benchmarking to compare and analyze responses from schools that have a similar composition and budget as JCPS. The methodology for identifying the in-state and out-of-state districts for survey purposes is described in Appendices 1 and 2.

**Finding 1: JCPS has not established an appropriate, consistent peer group for benchmarking purposes.**

Although JCPS has previously gathered information to provide comparisons between themselves and public school districts in other states, the district has not established a consistent group of peer districts to benchmark themselves against on a regular basis. Instead, JCPS staff members have routinely chosen a new set of peers for each assignment, basing the selection of other districts on the specific area of comparison, such as salaries, revenues, or enrollment. This method of peer selection results in an ever changing list of peer districts and does not allow JCPS to consistently benchmark itself to an established group of peers for a wide variety of academic, financial, and operational metrics. Further, this process does not provide for long-term meaningful benchmarking results.

Benchmarking is a common practice that enables an entity to establish baselines, define best practices, identify improvement opportunities, and monitor performance. Businesses as well as most major corporations and many smaller ones have embraced benchmarking as standard operating procedure since the mid-1980's. However, governmental and non-profit organizations began implementing benchmarking as late as the early 1990's.

Integrating the benchmarking process at JCPS would result in valuable data that encourages discussion and new ideas. Due to the tremendous size of JCPS, no other Kentucky school district is seen as its peer. Therefore, JCPS must look outside the state for peers with similarly sized student enrollments, staffing numbers, and budgets, along with other criteria. JCPS staff has previously established peer groups for numerous projects using information obtained from sources like the Council of Great City Schools, National Center for Education Statistics' Education Finance Statistics Center (EDFIN), Trial Urban District Assessment (TUDA), Educational Research Service, and Hanover Research.

Using these sources, JCPS has previously identified peers for multiple projects including the Greater Louisville Education Project, the Broad Foundation project, the Mid-Continent Research for Education and Learning project, a salary comparison project, and other specific analysis assignments from Board members and JCPS staff; however, the school districts identified as peers for each project have not always stayed consistent between projects. In some instances, specific school districts were added to the peer list by request and others were added due to the perceived focus of the analysis.

Although JCPS did perform benchmarking for certain projects and in response to requests, it had not established specific benchmarking measures to be routinely performed with an established group of peers. By not establishing these standard measures or routinely benchmarking against a consistent group JCPS has not gathered information meaningful to establish trends or demonstrate progress, which would be valuable information for making administrative and management decisions.

Auditors first asked the JCPS Chief Financial Officer (CFO) in January 2014 whether JCPS had identified comparable school districts from other states. The CFO provided auditors with a list of 34 public school districts that were most recently used to compare their district with others. Upon further inquiry, auditors determined that the list of 34 had been created the previous month in response to an internal request by the Director of Financial Planning and Management. According to the Chief of Data Management, Planning, and Program Evaluation Services, who oversaw the creation of the list of 34, this peer set was created, first by, using an automated peer search function on EDFIN to suggest 40 peer school districts and, second, by substituting or adding a few districts from TUDA that operate as countywide districts, are located in a metropolitan area, and realize higher achievement than at JCPS.

The use of 34 public school districts leads to the need to collect a great deal of data and to perform numerous analytical comparisons that could weaken certain results due to the averaging of input from so many districts. Selecting peers in this manner may allow performance data to be skewed or misleading.

Characteristics of districts can change over time and may cause a previously selected peer to no longer be a good match to JCPS. In addition, there is a need, at times, to tailor the peer list to include certain districts that are leaders or innovators in a particular area when establishing baselines for that area of research. While there may be a need periodically to alter the members of a peer group, doing so should not be done without a justifiable and documented reason. By changing the peer group, JCPS will not have historical or consistent benchmarking results to measure status or progress over time.

Also, the number of peer districts selected by JCPS may be too broad for appropriate benchmarking. Using such a broad peer group may pull in peer districts that are clearly outside the range of effective comparison with JCPS. For instance, media reported that JCPS includes districts such as New York, Boston, and Chicago public schools in its peer group. Auditors did not identify these districts in the specific peer group provided during our review; however, they may have been included previously in the ever-changing peer selection utilized by JCPS. Including such districts is an example of how broad the peer group may be without using a more targeted methodology, and how unrealistic or skewed benchmarking results may be as a result of including districts clearly not in line with JCPS demographics.

To identify a core peer group for comparative analysis during our review, the auditors identified five public school districts in five different states to serve as peer districts for JCPS. The underlying premise of the selection of these peer districts was based on enrollment, student demographics, a snapshot of recent revenues and expenditures, and socio-economic status. Also, auditors focused on districts considered to be high-performing in their state and across the nation. See Appendix 2 for information regarding the selection of peer districts. It should be noted JCPS included all of these peer districts within the 34 peer districts discussed above.

The five districts selected by the performance review team as peer districts for JCPS were:

- Austin Independent School District, Austin, Texas (Austin ISD);
- Baltimore County Public Schools, Baltimore, Maryland (BCPS);
- Charlotte-Mecklenburg Schools, Charlotte, North Carolina (CMS);
- Cobb County School District, Marietta, Georgia (CCSD); and
- Pinellas County Schools, Largo, Florida (PCS).

*Recommendations*   We recommend that JCPS integrate benchmarking into their strategic planning process and that they use a static group of peers as the core to this practice. Benchmarking with the same group will provide a consistent or historical perspective providing valuable information impacting short and long term decision making. The results of peer district benchmarking should be made available to the JCPS Board, administrators, and posted on the JCPS website for transparency and public availability. We further recommend that as multiple benchmarking results become available over time, a summary document of the various benchmark results be created to identify trends within the data collected.

We recommend that JCPS continue to use the five peer districts identified in this report as the core group of peers for benchmarking purposes. Along with the core group, JCPS may choose to include a reasonable number of additional public school districts when benchmarking, as long as the number does not cause the resulting information to become meaningless or skewed. We also recommend that the rationale for any changes to the peer districts be documented.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Finding 2: A comparison to five peer districts found JCPS ranks at or near the bottom in categories involving teacher staffing and expenditures for instruction, while ranking highest in the categories of school administrators, support staff, and instructional aides.**

As part of our survey of five out-of-state peer school districts, we obtained certain staffing and student information from the National Center for Education Statistics (NCES) for each district. Based on a comparison of the staffing and student data for JCPS and the five school districts, JCPS has higher staffing ratios for School Administrators, Support Staff, and Instructional Aides than for teacher staffing and has the lowest expenditures for instruction. JCPS has the second highest student-to-teacher ratio and the lowest percentage of teachers to total staff compared to the peer districts. This results in more students per teacher at JCPS than nearly all other peer districts. Alternatively, JCPS has the highest ratio of overall staff per student, particularly in the number of school administrators, and the highest percentage of instructional aides. JCPS also spends the lowest percentage of total current expenditures on instructional costs in comparison to the peer group. This appears to indicate JCPS places less emphasis and resources for teacher staffing than the five other peer districts and JCPS may employ an excessive number of administrative or non-teaching staff.

For all calculations used for comparison, the NCES data used reflects financial, staffing, and student numbers during the 2010–2011 school year. While NCES has posted 2011–2012 school year data, updated staffing numbers for JCPS do not appear to be accurate. Total staff reported by NCES for JCPS during the 2010–2011 school year was approximately 14,153, while total reported staff for the 2011–2012 school year was only 7,319. Based on current staffing reports provided directly by JCPS, actual staff numbers more closely match the 2010–2011 data; therefore, this data was selected for analysis.

Student-to-teacher ratios are considered an extremely important statistic for school districts and their individual schools. According to various studies, lower student-to-teacher ratios have been associated with student success and achievement. Table 1 compares the student-to-teacher ratio of JCPS with the five out-of-state peer districts.

**Table 1: Student-to-Teacher Ratios**

| District | Total Students | Total Teachers (FTE) | Student/Teacher Ratio |
|---|---|---|---|
| Baltimore County | 104,160 | 7,455.03 | 13.97 |
| Austin ISD | 85,697 | 6,093.62 | 14.06 |
| Pinellas | 104,001 | 7,251.12 | 14.34 |
| Cobb County | 107,315 | 7,402.10 | 14.50 |
| JCPS | 97,331 | 6,142.69 | 15.85 |
| Charlotte-Mecklenburg | 135,954 | 8,547.32 | 15.91 |

Source: Auditor of Public Accounts based on NCES data.

As seen in Table 1, JCPS is within just six hundredths of a point of having the highest student-to-teacher ratio of the peer group. This means four of the five peer districts employed more teachers per student than JCPS. According to information provided by NCES, the national average student-to-teacher ratio in 2010 was 16, which is slightly higher than JCPS.

In further comparison of teachers employed by JCPS to those of the peer districts, the number of teachers employed as a percentage of total district staff was reviewed. As indicated by Table 2, JCPS has the smallest percentage of teachers as a percentage of their total staff. This means JCPS employs a higher percentage of administrative or non-teaching positions than the other peer districts.

**Table 2:  Teachers as a Percentage of Total Staff**

| District | Total Staff | Total Teachers (FTE) | Teachers as Percentage of Total Staff |
|---|---|---|---|
| JCPS | 14,153.69 | 6,142.69 | 43.40% |
| Pinellas | 14,656.78 | 7,251.12 | 49.47% |
| Charlotte-Mecklenburg | 17,254.17 | 8,547.32 | 49.54% |
| Austin ISD | 11,735.83 | 6,093.62 | 51.92% |
| Baltimore County | 14,338.38 | 7,455.03 | 51.99% |
| Cobb County | 13,460.70 | 7,402.10 | 54.99% |

Source: Auditor of Public Accounts based on NCES data.

After reviewing staffing data for other positions within JCPS, a possible reason for the lower percentage of teachers is due to a much higher percentage of instructional aides and school administrators and support staff. Table 3 contains the percentage of total district staff comprised of instructional aides. See Table 6 for information regarding school administrators and support staff.

**Table 3:  Instructional Aides as a Percentage of Total Staff**

| District | Total Staff | Total Instructional Aides | Instructional Aides as a Percentage of Total Staff |
|---|---|---|---|
| Baltimore County | 14,338.38 | 990.60 | 6.91% |
| Austin ISD | 11,735.83 | 849.95 | 7.24% |
| Cobb County | 13,460.70 | 1,295.40 | 9.62% |
| Charlotte-Mecklenburg | 17,254.17 | 1,805.73 | 10.47% |
| Pinellas | 14,656.78 | 1,711.85 | 11.68% |
| JCPS | 14,153.69 | 2,119.00 | 14.97% |

Source: Auditor of Public Accounts based on NCES data.

As illustrated in Table 3, JCPS has a much higher number of instructional aides than the peer districts. It is possible that JCPS is supplementing a smaller teacher workforce by providing the instructional aides to compensate for the larger student-to-teacher ratio. While some may see this as a common or acceptable practice, certain research such as the Tennessee Student/Teacher Achievement Ratio Project has indicated that the use of instructional aides in classrooms was less effective at improving student achievement than having smaller class sizes allowing for more individual student instruction by teachers. Other studies indicate instructional aides can be effective in improving student achievement, but only if they have been properly trained on educational practices and teachers have been trained in how to use instructional aides in the classroom.

We also compared, as seen in Table 4, the total number of students to the total number of all staff employed by each of the school districts to obtain a student-to-total staff ratio. This analysis was performed to provide an additional method to determine whether the peer districts were functioning with smaller or larger total staff sizes than JCPS.

**Table 4:  Student-to-Total Staff Ratio**

| District | Total Students | Total Staff | Student/Total Staff Ratio |
|---|---|---|---|
| JCPS | 97,331 | 14,153.69 | 6.88 |
| Pinellas | 104,001 | 14,656.78 | 7.10 |
| Baltimore County | 104,160 | 14,338.38 | 7.26 |
| Austin ISD | 85,697 | 11,735.83 | 7.30 |
| Charlotte-Mecklenburg | 135,954 | 17,254.17 | 7.88 |
| Cobb County | 107,315 | 13,460.70 | 7.97 |

Source: Auditor of Public Accounts based on NCES data.

As seen in Table 4, JCPS has the lowest student-to-total staff ratio of the peer group. This indicates that JCPS is functioning with the largest number of total staff per student than any of the other peer school districts. This fact, along with JCPS having the lowest percentage of teachers and almost ranking at the bottom in comparison to the student-to-teacher ratio of other peer districts, may indicate that JCPS has too many administrative or non-teaching staff.

To determine possible staffing areas that JCPS may exceed the peer districts with the employment of non-administrative or teaching staff, an analysis was performed of more specific staffing types. During the survey of JCPS teachers, it was the opinion of some respondents that there are too many administrators at the central department level. Table 5 contains those staff classified as District Administrators or District Administrative Support Staff by NCES as a percentage of total district staff.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Table 5:  District Administrators and Support Staff as Percentage of Total Staff**

| District | Total Staff | District Administrators and Support Staff | District Administrators and Support Staff as Percentage of Whole |
|---|---|---|---|
| Cobb County | 13,460.70 | 225.90 | 1.68% |
| JCPS | 14,153.69 | 431.00 | 3.05% |
| Charlotte-Mecklenburg | 17,254.17 | 613.26 | 3.55% |
| Austin ISD | 11,735.83 | 467.33 | 3.98% |
| Baltimore County | 14,338.38 | 601.85 | 4.20% |
| Pinellas | 14,656.78 | 781.00 | 5.33% |

Source: Auditor of Public Accounts based on NCES data.

Based on the information in Table 5, JCPS has the second smallest percentage of District Administrators and Support Staff of the peer districts.  This indicates that, in comparison to the peer districts, JCPS may not be employing an excessive number of central department staff classified within those staff categories.

It was also suggested during the surveys of JCPS teachers, through complaints received by this office, and in media reports that JCPS employs an excessive number of school administrators.  Table 6 identifies those staff classified as School Administrators and School Administrative Support Staff by NCES as a percentage of total district staff.

**Table 6:  School Administrators and Support Staff as a Percentage of Total Staff**

| District | Total Staff | School Administrators and Support Staff | School Administrators and Support Staff as Percentage of Whole |
|---|---|---|---|
| Charlotte-Mecklenburg | 17,254.17 | 909.02 | 5.27% |
| Cobb County | 13,460.70 | 797.50 | 5.92% |
| Baltimore County | 14,338.38 | 989.30 | 6.90% |
| Pinellas | 14,656.78 | 1,139.40 | 7.77% |
| Austin ISD | 11,735.83 | 931.63 | 7.94% |
| JCPS | 14,153.69 | 1,412.00 | 9.98% |

Source: Auditor of Public Accounts based on NCES data.

Table 6 identifies JCPS as having the largest percentage of School Administrators and Support Staff of the peer districts. It exceeds the next largest peer district's percentage by two points and the lowest percentage peer district by over four and one-half points.

School administrative staff were further reviewed by determining the average number of School Administrators and Support Staff per school. The number of schools used for this comparison was obtained from the same NCES data used for other staffing analysis. Table 7 provides the results of this analysis.

**Table 7: Average School Administrators and Support Staff per School**

| District | Total Schools | School Administrators and Support Staff | Average School Administrators and Support Staff per School |
|---|---|---|---|
| Charlotte-Mecklenburg | 175 | 909.02 | 5.19 |
| Baltimore County | 173 | 989.30 | 5.72 |
| Cobb County | 117 | 797.50 | 6.82 |
| Pinellas | 166 | 1,139.40 | 6.86 |
| Austin ISD | 127 | 931.63 | 7.34 |
| JCPS | 177 | 1,412.00 | 7.98 |

Source: Auditor of Public Accounts based on NCES data.

As illustrated in Table 7, JCPS employs more School Administrators and Support Staff per school on average than the other peer districts. Based on the information in Table 3 and Table 6, staffing at the school administration level is a potential area for restructuring or reduction, if the objective is to provide a higher percentage of teaching positions while not increasing overall staff levels.

Table 8 contains a breakdown of the Total Current Expenditures. Given that student population sizes, number of schools, and other variables will affect the total amounts of expenditures for each school district, a direct comparison of those total amounts would not be appropriate. Instead, the table provides the percentage of the Total Current Expenditures for each of the specific categories. This allows for a comparison of the expenditure priorities for each of the school districts.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Table 8:  Total Current Expenditures of JCPS and Peer Districts by Expense Category for 2010-2011**

| Expense Category | JCPS | Austin ISD | Cobb County | Pinellas County | Charlotte-Mecklenburg | Baltimore County |
|---|---|---|---|---|---|---|
| Instructional Expenditures | $567,979,000 | $472,195,000 | $643,751,000 | $583,030,000 | $679,520,000 | $839,877,000 |
| Percent of Expenditures | 53.10% | 58.42% | 67.93% | 61.86% | 62.09% | 60.85% |
| Student and Staff Support | $161,644,000 | $94,428,000 | $75,402,000 | $96,409,000 | $82,732,000 | $136,894,000 |
| Percent of Expenditures | 15.11% | 11.68% | 7.96% | 10.23% | 7.56% | 9.92% |
| Administration | $119,910,000 | $92,426,000 | $82,632,000 | $86,247,000 | $112,839,000 | $159,749,000 |
| Percent of Expenditures | 11.21% | 11.43% | 8.72% | 9.15% | 10.31% | 11.57% |
| Operations, Food Service, Other | $220,015,000 | $149,238,000 | $145,889,000 | $176,865,000 | $219,356,000 | $243,766,000 |
| Percent of Expenditures | 20.57% | 18.46% | 15.39% | 18.76% | 20.04% | 17.66% |
| **Total Current Expenditures** | **$1,069,548,000** | **$808,287,000** | **$947,674,000** | **$942,551,000** | **$1,094,447,000** | **$1,380,286,000** |

Source: Auditor of Public Accounts based on NCES financial data.

As seen in Table 8, JCPS has the lowest percentage of Total Current Expenditures devoted to the instructional classification.  While most of the other school districts reported Instructional Expenditures of 60 percent or greater, JCPS reported 53.10 percent.  This lower percentage of Instructional Expenditures appears to be due to having the highest percentage of expenditures in the categories for Student and Staff Support and Operations, Food Services, Other.  JCPS also had the third highest percentage of administrative expenditures of the group.

As a further comparison of the Total Current Expenditures, Table 9 provides calculations for the amount spent per student in each district.  Each of the specific per student expense categories were sorted from the lowest to highest amount.  A review of the rankings within Table 9 reveals that JCPS has the second highest amount of Total Expenditures per Student.  Though JCPS has the third highest amount of Instructional Expenditures per student of the peer districts, it still ranks higher in per student expenditures for all the other categories.  This higher ranking in other expense categories is due to having the highest amount of the peer group for Total Student and Staff Support Expenditures per Student and second highest ranking for both Administration Expenditures and the Operations, Food Service, Other Expenditures.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Table 9:  JCPS and Peer Districts Ranked by Expenditures per Student**

| School District | Total Students | Total Expenditures | Total Expenditures per Student |
|---|---|---|---|
| Charlotte-Mecklenburg | 141,728 | $1,094,447,000 | $7,722 |
| Cobb County | 107,291 | $947,674,000 | $8,833 |
| Pinellas County | 103,776 | $942,551,000 | $9,083 |
| Austin ISD | 86,528 | $808,287,000 | $9,341 |
| JCPS | 99,191 | $1,069,548,000 | $10,783 |
| Baltimore County | 105,153 | $1,380,286,000 | $13,126 |
| **School District** | **Total Students** | **Total Instructional Expenditures** | **Total Instructional Expenditures per Student** |
| Charlotte-Mecklenburg | 141,728 | $679,520,000 | $4,795 |
| Austin ISD | 86,528 | $472,195,000 | $5,457 |
| Pinellas County | 103,776 | $583,030,000 | $5,618 |
| JCPS | 99,191 | $567,979,000 | $5,726 |
| Cobb County | 107,291 | $643,751,000 | $6,000 |
| Baltimore County | 105,153 | $839,877,000 | $7,987 |
| **School District** | **Total Students** | **Total Student and Staff Support Expenditures** | **Total Student and Staff Support Expenditures per Student** |
| Charlotte-Mecklenburg | 141,728 | $82,732,000 | $584 |
| Cobb County | 107,291 | $75,402,000 | $703 |
| Pinellas County | 103,776 | $96,409,000 | $929 |
| Austin ISD | 86,528 | $94,428,000 | $1,091 |
| Baltimore County | 105,153 | $136,894,000 | $1,302 |
| JCPS | 99,191 | $161,644,000 | $1,630 |
| **School District** | **Total Students** | **Total Administration Expenditures** | **Total Administration Expenditures per Student** |
| Cobb County | 107,291 | $82,632,000 | $770 |
| Charlotte-Mecklenburg | 141,728 | $112,839,000 | $796 |
| Pinellas County | 103,776 | $86,247,000 | $831 |
| Austin ISD | 86,528 | $92,426,000 | $1,068 |
| JCPS | 99,191 | $119,910,000 | $1,209 |
| Baltimore County | 105,153 | $159,749,000 | $1,519 |
| **School District** | **Total Students** | **Total Operations, Food Service, Other Expenditures** | **Total Operations, Food Service, Other Expenditures per Student** |
| Cobb County | 107,291 | $145,889,000 | $1,360 |
| Charlotte-Mecklenburg | 141,728 | $219,356,000 | $1,548 |
| Pinellas County | 103,776 | $176,865,000 | $1,704 |
| Austin ISD | 86,528 | $149,238,000 | $1,725 |
| JCPS | 99,191 | $220,015,000 | $2,218 |
| Baltimore County | 105,153 | $243,766,000 | $2,318 |

Source: Auditor of Public Accounts based on NCES financial data.

In comparison to the five peer districts, JCPS stands out as having fewer teachers per student and total staff, and higher numbers of School Administrators, Support Staff, and Instructional Aides. This is in comparison to having the lowest percentage of total current expenditures for instruction. Though JCPS has the highest ranking percentage for student and staff support, it appears JCPS has this ranking in part due to lower Instructional Expenditures.

*Recommendations*

We recommend JCPS reevaluate staffing and funding priorities to better align with the educational instruction of JCPS students. We recommend an evaluation be made of staffing at the school administration level and the number of instructional aides as a potential area for restructuring or reduction, if the objective is to provide a higher percentage of teaching positions, which would reduce the student teacher ratio, while not increasing overall staff levels. We further recommend JCPS evaluate funding made available to spend for instruction with the goal of providing more resources that can be used in the classroom or other educational purposes. Considering classroom instruction and teacher interaction is paramount in the education of students, we recommend JCPS assess staffing priorities in order to ensure students' most basic educational needs are not just met, but to also provide them with the greatest opportunity to fully succeed.

**Finding 3: In comparison to three peer districts, JCPS central department employees are paid a significantly higher average salary and have more employees earning over $100,000 annually.**

Our survey of five out-of-state peer school districts included requests for the average salary for non-school central department employees, as well as the number of employees from that group earning over $100,000 annually. Of the five peer districts surveyed, three responded with the requested information. In comparing JCPS to the three peer districts that responded, JCPS reported higher central department average salaries and a larger number of those employees earning over $100,000 annually.

The survey questions focused on salary information related to those employees that function only at the central level and not at the schools. This would include the highest levels of school district administration, and other employees necessary for the overall operation of the district, including positions such as facility maintenance workers, human resources, payroll, and a variety of clerical staff. Table 10 contains a comparison of the central department salary data provided by JCPS and the three peer districts that responded.

**Table 10: JCPS Central Department Salary Information Compared to Peer Districts**

|  | JCPS | Charlotte-Mecklenburg | Cobb County | Austin ISD |
|---|---|---|---|---|
| **Average Salary – Central Departments** | $64,503 | $45,952 | $58,637 | $48,691 |
| **Central Department Salaries of $100,000 or More** | 150 | 53 | 33 | 39 |

Source: Auditor of Public Accounts based on surveys of JCPS and other peer school districts.

As seen in Table 10, JCPS reported a significantly higher average salary for non-school employees working for the central departments. It exceeds the next highest average at Cobb County School District by $5,866 and the lowest reported average at Charlotte-Mecklenburg by $18,551.

In addition, Table 10 shows that JCPS reported 150 central department employees earning over $100,000 annually. The highest reported number by the peer districts responding to our information request was 53, at Charlotte-Mecklenburg, which is a difference of 97 employees. While this is a significant difference, JCPS exceeded the number of employees earning over $100,000 annually reported by Austin ISD and Cobb County by 111 and 117, respectively.

Using a salary listing provided by JCPS, the types of employees paid $100,000 or more annually mostly includes the highest executive or administrative positions in the district such as the Superintendent, assistant superintendents, department heads, directors, and assistant directors. However, it also includes employees listed as managers, specialists, coordinators, and others. In addition, while the comparison of the number of employees earning over $100,000 annually was focused at the central department level, JCPS also pays a significant number of school level employees over this amount. These employees are primarily listed as principals and assistant principals. In total, JCPS paid 369 employees $100,000 or more annually as of March 25, 2014. These 369 employees had an average tenure of approximately 18.3 years at JCPS. Exhibit 1 contains a listing of these employee positions and their respective salaries.

Further, a review was performed to determine the number of Kentucky Executive Branch state employees with a salary over $100,000. As of May 2014, 281 of approximately 35,000 state Executive Branch employees had an annual salary over $100,000. In contrast, as of March 25, 2014, 369 of 14,886 full-time JCPS employees were paid over this amount.

The surveyed districts were also asked to provide the average salary of classroom teachers. Table 11 illustrates that JCPS has a higher average salary than the other three peer school districts.

**Table 11:  JCPS Teacher Salary Information Compared to Peer Districts**

|  | JCPS | Charlotte-Mecklenburg | Cobb County | Austin ISD |
|---|---|---|---|---|
| **Average Salary of Classroom Teacher** | $60,440 | $44,030 | $56,013.65 | $46,132 |
| **Highest Salary Paid to a Teacher Assigned to a Classroom** | $90,695 | $97,908 | $95,708.28 | $66,688 |

Source: Auditor of Public Accounts based on surveys of JCPS and other peer school districts.

The margin of difference between the average JCPS teacher salaries and the peer districts is similar to the difference in salaries for central department employee salaries, though not quite as large. While JCPS reported an average of $60,440, Cobb County reported $56,013, which is a difference of $4,427. The difference between JCPS and the $44,030 reported by Charlotte-Mecklenburg is $16,410.

Also of interest is the salary gap between the average salaries for central department employees and classroom teachers. At JCPS, the difference in average salaries between central level employees and teachers is $4,063. In contrast, the difference between the average salaries for the two groups in Cobb County is only $2,624, $2,559 in Austin ISD, and in Charlotte-Mecklenburg it is $1,922. This indicates JCPS has a far greater gap in salaries between classroom teachers and central department employees than the other three peer districts. Table 10 also demonstrates that while each of the school districts reported central department employees with salaries over $100,000, none reported any classroom teachers with salaries that exceeded that amount.

Based on the comparison to the three peer districts, salary levels and the number of people paid in excess of $100,000 warrant further review by JCPS to determine the most effective and equitable use of funds to benefit the district. According to JCPS staff interviewed, a comprehensive salary study was not completed at JCPS in recent years. Also, as seen in Finding 1, JCPS has not established a consistent peer group that it regularly compares issues such as employee salaries. In addition, the necessity for any comparatively higher average salaries and the number of salaries over $100,000 in comparison to the peer group must be justified and supported using a transparent process.

*Recommendations*    We recommend JCPS develop a process to conduct a thorough salary review beginning with those positions earning over $100,000 annually. We recommend the review include a comparison of peer districts with consideration and adjustments for the cost of living or other unique factors that may impact the results of the salary review. The number of peer districts used to gather and compare salary data should not be so large that the results are diluted or skewed and result in meaningless or misleading information. We recommend that once the peer group of schools is established, as also recommended in Finding 1, this group be consistently used as a basis for monitoring the parity of salary levels over time. If a member of the peer group no longer provides for a reasonable comparison, JCPS should document the reason and include another peer district. We recommend the process to perform the salary study, the criteria used to select the peer group, the results of the study, as well as actions taken by JCPS in response to the study, be well documented and performed in a transparent manner.

**Finding 4: JCPS places more restrictions on textbooks and instructional resources than other Kentucky school districts surveyed.**

Surveys of teachers and principals were performed at both JCPS and 12 other Kentucky school districts to determine the availability of textbooks and other instructional resources for student use. The surveys asked the question, "[a]re instructional resources available for use only in school or are these resources also available for students to take home?" An analysis of the teachers' and principals' survey responses from JCPS and the other selected school districts clearly indicate JCPS' students have more restricted access to textbooks and other instructional resources than students from surveyed districts. This analysis was based on the survey responses of 1,139 teachers and 71 principals from JCPS, as well as, 2,246 teachers and 89 principals from other in-state school districts. Because not all instructional materials included in the survey were available or used by respondents, a portion of respondents indicated that the question was not applicable to them. For this reason, analysis contained within this finding does not include those responses from respondents indicating that the question does not apply.

According to JCPS teachers responding to the survey question, 53 percent stated that textbooks were only available to students for use in school. In comparison, 13 percent less, or 40 percent of the teachers responding from other surveyed districts stated that textbooks were only available for in school use. Further, principals responding to the survey question substantiates the conclusion reached from analyzing teachers' responses that a higher percentage of JCPS' students only have textbooks available while in school.

Teachers and principals from JCPS and other surveyed districts also responded regarding whether students had access to textbooks and other instructional resources that could be used in the classroom and taken home for use. While 47 percent of JCPS teachers responding to the question indicate students have access to textbooks for both school and home use, 60 percent, or 13 percent more, of other districts' teachers responded that students have the additional opportunity and benefit of using textbooks at home. The analysis of survey responses from JCPS principals and principals from other districts confirm the teachers' responses that students from JCPS have less opportunity than students from other surveyed districts to take home a textbook and have the benefit of this resource for additional review and study.

The availability of workbooks is another example of JCPS' students having less access to instructional resources at home and being limited to in school use. Again, based on teachers' and principals' survey responses from JCPS and other school districts, at least nine percent fewer of JCPS teachers responded that students had an opportunity to take home curriculum workbooks and benefit from extended use outside the classroom.

Table 12 and Table 13 provide the responses received regarding the availability of textbooks and other instructional resources from the surveys of teachers and principals from JCPS and other surveyed districts.

# Benchmarking and Comparative Analysis - Findings and Recommendations

### Table 12: JCPS and Other Kentucky Classroom Teacher Survey Results
### as to the Availability of Instructional Resources

| Instructional Resource | JCPS Classroom Teachers | | | | Other Kentucky School District Classroom Teachers | | | |
|---|---|---|---|---|---|---|---|---|
| | Only in School | Percent Only in School | Both in School and Home | Percent Both in School and Home | Only in School | Percent Only in School | Both in School and Home | Percent Both in School and Home |
| Textbooks | 530 | 53% | 464 | 47% | 801 | 40% | 1,185 | 60% |
| iPads/Tablets | 508 | 92% | 44 | 8% | 1,135 | 95% | 59 | 5% |
| Printed Materials | 146 | 14% | 905 | 86% | 219 | 10% | 1,872 | 90% |
| Workbooks | 339 | 43% | 450 | 57% | 497 | 34% | 979 | 66% |
| Online Resources | 182 | 18% | 814 | 82% | 356 | 18% | 1,623 | 82% |
| Multi-Media Information | 311 | 47% | 356 | 53% | 497 | 38% | 805 | 62% |
| Other | 93 | 54% | 79 | 46% | 175 | 48% | 189 | 52% |

Source:   Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers

### Table 13: JCPS and Other Kentucky School District Principals Survey Results
### as to the Availability of Instructional Resources

| Instructional Resource | JCPS Principals | | | | Other Kentucky School District Principals | | | |
|---|---|---|---|---|---|---|---|---|
| | Only in School | Percent Only in School | Both in School and Home | Percent Both in School and Home | Only in School | Percent Only in School | Both in School and Home | Percent Both in School and Home |
| Textbooks | 30 | 43% | 40 | 57% | 29 | 35% | 54 | 65% |
| iPads/Tablets | 51 | 93% | 4 | 7% | 62 | 94% | 4 | 6% |
| Printed Materials | 10 | 15% | 56 | 85% | 6 | 7% | 81 | 93% |
| Workbooks | 25 | 37% | 42 | 63% | 17 | 22% | 60 | 78% |
| Online Resources | 9 | 13% | 58 | 87% | 7 | 8% | 79 | 92% |
| Multi-Media Information | 21 | 40% | 32 | 60% | 23 | 37% | 39 | 63% |
| Other | 14 | 56% | 11 | 44% | 16 | 52% | 15 | 48% |

Source:  Auditor of Public Accounts based on surveys of JCPS principals and a sample of other Kentucky school district principals.

Responses from principals at JCPS and other surveyed districts consistently indicate a higher percentage of instructional resources are available for students in home use than indicated from the teachers' survey responses. Though both teacher and principal responses reflect that JCPS has more limited access to these resources than students in other districts surveyed, it does call into question why the principals' perception of the resource availability to students is different from teachers. Principals in other surveyed districts also had the impression that more students had access to educational resources than indicated by teacher responses. This variance could indicate monitoring and communication concerns, such as classroom teachers having first-hand knowledge of resource availability for students and that a process was not established at JCPS or other surveyed districts for this information to be consistently communicated to principals.

Based on the survey responses previously discussed, JCPS students could have an academic disadvantage by not having greater access to textbooks and other educational resources. Scrutinizing opportunities to make additional funding available for textbooks and other instructional resources, as well as monitoring the ultimate use of these funds could impact the quality of education of JCPS students.

*Recommendations*    We recommend that JCPS evaluate the availability of textbooks and other instructional resources to students for use in school and at home. We recommend that a process be established to annually obtain this information at each school and that school teachers and principals coordinate the collection and reporting of this information to the JCPS's Central Office where the information will be accumulated for a report to the Superintendent and Board. We recommend this report, in addition to other relevant information, be considered during the annual budget process when determining the amount budgeted for the procurement of textbooks and other instructional resources that will benefit students both in and out of the classroom.

We further recommend that the process developed by JCPS to obtain and report this information be discussed with KDE. By KDE being aware of or assisting in the development of such of a process, KDE could encourage or request all Kentucky school districts to obtain this information regarding the availability of instructional resources. If such a process is initiated and KDE received a report of the availability of textbooks and other instructional resources from all school districts, it would provide KDE the opportunity to accumulate this information into a statewide report.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Finding 5:  Over 93 percent of JCPS teachers spent personal funds to supplement resources for classroom instruction primarily due to a lack of financial resources allocated to the classroom.**

Based on a survey sent to all JCPS teachers, 93.5 percent of respondents reported expending personal resources for instructional or other resources used in their classroom.  Of these teachers, a vast majority stated it was due to issues that appear to be beyond their control.  While approximately 26.3 percent of teachers reported using their own resources due to personal preference or activities they initiated, an overwhelming 73.6 percent of teachers stated that they spent personal funds due to a lack of resources allocated to the classroom, needs of their students, or other issues related to JCPS administrative processes.  In addition, teachers responding that they used personal resources reported a wide range of expenses, with 87.3 percent of them reporting using hundreds or even thousands of dollars of their personal funds in the last school year.  While a teacher should always have the prerogative to use their personal resources for the education or enrichment of their students, no teacher should feel the requirement to use their own resources due to a lack of funding or resources from their school district or due to inefficient or ineffective procurement practices.

To obtain an understanding of teacher usage of personal resources at JCPS and other school districts in Kentucky, the survey asked teachers to indicate whether they spend personal resources for their classrooms.  Teachers at both JCPS and the other Kentucky school districts overwhelmingly responded to this question that their personal funds and resources were used for their classrooms.  Table 14 provides the number and percentage of responses to the question.

**Table 14:  Percentage of Teachers Using Personal Resources**

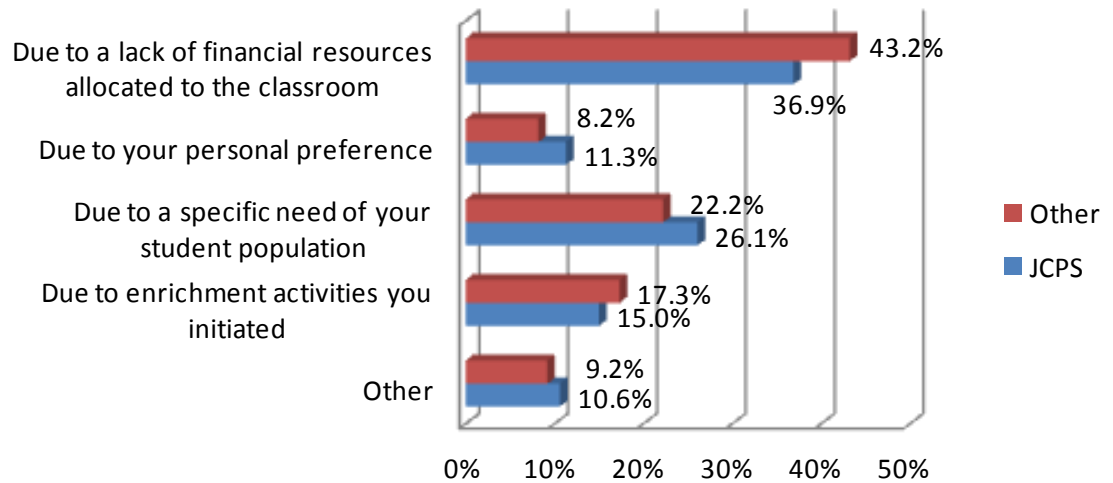| | JCPS Teachers | | Other Kentucky Teachers | |
|---|---|---|---|---|
| **Answer** | **Responses** | **Response Percentage** | **Responses** | **Response Percentage** |
| Yes | 1,061 | 93.5% | 2,131 | 95.9% |
| No | 74 | 6.5% | 91 | 4.1% |

Source:  Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

These results are similar to a national study conducted by the National School Supply and Equipment Association (NSSEA).  The 2013 Retail Market Awareness Study conducted by NSSEA found that 99.5 percent of public school teachers spent some amount of their own funds for their classrooms.  This is a significant number of teachers and demonstrates that expending personal funds for the benefit of their students appears to have become commonplace among teachers.

In order to determine why teachers were using personal resources in Kentucky, both JCPS teachers and the other Kentucky teachers were asked to select a primary reason for their personal expenditures.  Teachers were provided a choice of four statements that might best reflect their reason for using personal resources or they could also choose "Other" and specify a reason.  Graph 1 includes the responses of both groups of teachers surveyed.

**Graph 1**

# JCPS and Other Kentucky Teachers
## Reason for Personal Resource Use

Due to a lack of financial resources allocated to the classroom — Other 43.2%, JCPS 36.9%

Due to your personal preference — Other 8.2%, JCPS 11.3%

Due to a specific need of your student population — Other 22.2%, JCPS 26.1%

Due to enrichment activities you initiated — Other 17.3%, JCPS 15.0%

Other — Other 9.2%, JCPS 10.6%

Legend: ■ Other  ■ JCPS

X-axis: 0%  10%  20%  30%  40%  50%

Source:  Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

As seen in Graph 1, both JCPS teachers and the teachers from other Kentucky school districts responded very similarly. At JCPS, 11.3 percent of teachers stated that they used personal resources due to their own personal preference, while another 15 percent of teachers reported funds were used for activities they initiated. These appear to be expenses that may not necessarily have been required for the full function of a teacher's classroom, but were for items or activities the teacher voluntarily chose to pay for. While this may be a teacher's choice, the greatest majority of teachers stated their primary reason for expending funds was due to issues that they could not control or had no choice.

The primary reason chosen by both JCPS and other Kentucky school district teachers was due to a lack of allocated funds for the classroom, with 36.9 percent of JCPS teachers choosing this answer. This appears to be due to the inability of school districts to budget sufficient funds for the classroom level due to an overall lack of district funding or that funding for classroom supplies has not been prioritized by the district. Further, 26.1 percent of the JCPS teachers responded that the use of their personal resources was related to the specific needs of their student population, which appears to be relative to the financial need of students or that the teacher's classroom population had another very specific need that was not being met by funding from the school district.

# Benchmarking and Comparative Analysis - Findings and Recommendations

A portion of the teachers selected "Other" as their response, with 10.6 percent of JCPS selecting this choice. The survey then allowed these teachers to specify the other reason. At JCPS, a large majority of those teachers that selected "Other" as their choice indicated their reason for spending personal resources was due to difficulties with the procurement process at JCPS. Comments indicated that teachers found the process to be extremely slow and cumbersome, sometimes waiting weeks or even months for requested supplies to arrive. Rather than go through this process or due to immediate need of certain supplies, teachers chose to purchase their own supplies and resources.

In order to determine the magnitude of the expenses made by JCPS and other Kentucky teachers, they were asked to select a range that encompassed the amount of personal resources spent during the 2012-2013 school year. Table 15 provides the responses of the surveyed teachers.

**Table 15: JCPS and Other Kentucky Teachers Personal Resources Expended**

| Amount | JCPS Teachers | | Other Kentucky Teachers | |
|---|---|---|---|---|
| | Responses | Response Percentage | Responses | Response Percentage |
| $0-99 | 132 | 12.7% | 185 | 8.9% |
| $100-199 | 227 | 21.9% | 390 | 18.8% |
| $200-299 | 264 | 25.5% | 502 | 24.2% |
| $300-399 | 115 | 11.1% | 266 | 12.8% |
| $400-499 | 88 | 8.5% | 183 | 8.8% |
| $500-999 | 148 | 14.3% | 395 | 19.0% |
| $1000-1999 | 44 | 4.3% | 112 | 5.4% |
| $2000 or more | 19 | 1.9% | 41 | 1.9% |

Source: Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

As seen in Table 15, teachers at both JCPS and at other Kentucky school districts reported a wide range of personal expenses in the 2012-2013 school year, but most reported spending hundreds of dollars and some reported amounts in the thousands. In total, 87.3 percent of JCPS teachers reported spending $100 or more. Of these, 6.2 percent stated that they had spent more than $1000. Results for the other Kentucky school district teachers were similar to those of JCPS.

The national survey of teachers by NSSEA reported that the average amount spent out of pocket by public school teachers nationally was $485 in 2013. This average was further broken down into the following categories and averages:

- $149 for school supplies;
- $198 for instructional materials; and
- $138 for "other classroom supplies."

The majority of teachers at both JCPS and the other Kentucky school districts reported expending amounts in ranges that are lower than the national average reported by the 2013 NSSEA report. However, due to the significant number of teachers reporting annual expenses over $500, including some over $1,000, the combined amounts would likely result in an average at least similar to that found by the national report.

In many school districts, teachers are provided a stipend or budget in order to purchase instructional resources or other supplies for their classroom. We asked JCPS teachers through the survey whether they had received a stipend or budget for this purpose during the 2013-2014 school year and 63.6 percent responded that they had. For those teachers that indicated a stipend or classroom budget was provided, we asked them to indicate the approximate amount that was provided based on a range of values. Table 16 provides the stipend amounts indicated by JCPS teachers.

**Table 16: JCPS Teachers Reported Stipend Amounts**

| | JCPS Teachers | |
|---|---|---|
| **Stipend Amount** | **Responses** | **Response Percentage** |
| $0-99 | 51 | 7.1% |
| $100-199 | 232 | 32.2% |
| $200-299 | 271 | 37.6% |
| $300-399 | 93 | 12.9% |
| $400-499 | 26 | 3.6% |
| $500-999 | 29 | 4.1% |
| $1000 or more | 19 | 2.7% |

Source: Auditor of Public Accounts based on surveys of JCPS classroom teachers.

As seen in Table 16, for the 63.6 percent of JCPS teachers that responded they received a stipend, the majority reported values between $100 and $399. Based on the large number of teachers stating that they have expended personal funds due to a lack of funds for the classroom and the large amounts of personal funds being expended, it would appear that not enough teachers are receiving a stipend or that the stipends being provided to teachers are not sufficient to provide necessary resources in the classroom.

*Recommendations* We recommend JCPS conduct a review of the process for budgeting and assigning classroom stipends to teachers. While such funds appear to be controlled by the school principals, JCPS could, at a minimum, provide suggested guidelines for teacher stipends to ensure the distribution is equitable among teachers that have the greatest need and appropriate for the type of classroom and subject matter being taught.

In addition to the procurement related recommendations in Finding 16, we recommend JCPS conduct a further review of the procurement process at the school level and determine how to develop an expedited process for ordering items needed by teachers not currently available through contracts.

Finally, we recommend JCPS review the reimbursement process at the school level and develop a policy to ensure that teachers are able to receive reimbursement for the use of their personal funds when appropriate and necessary supplies that are not available in a reasonable period are purchased for classrooms and students.

**Finding 6: The percentage of students able to provide all required and optional classroom supply list items has decreased in the last three years.**

More than half of the JCPS classroom teachers responding to our survey indicated that the percentage of students able to provide all of the required items, or any of the optional items, on the school supply lists has decreased over the last three years. This decrease in students' abilities to provide items occurred despite the fact that approximately 75 percent of classroom teachers indicated that the number of such items on the supply lists have either remained the same or decreased during the same period of time. It appears that JCPS' reliance on students providing all necessary or required items on the school supply list, as well as one or more optional items, is not a viable or practical option to rely on for providing supplies for the classroom in the future.

For several years, school supply lists provided to students seem to have become more of a standard than an exception. Some districts or schools post the school supply lists on their website, and many retailers have a copy of student school supply lists conveniently available for back-to-school shopping. To gain a better understanding of the prevalence, number of items, and general make-up of the typical school supply lists being distributed in Kentucky, we asked classroom teachers from both JCPS and from a sample of Kentucky school districts a series of questions. See Exhibits 2 and 4.

A clear majority of classroom teachers surveyed in JCPS, 84.04 percent, indicated that the number of items on the student school supply lists have either stayed the same or decreased over the last three years. Though by a smaller percentage, Kentucky classroom teachers surveyed agreed that supply lists have either stayed the same or decreased over the last three years. Table 17 illustrates the breakdown of responses received regarding supply list items.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Table 17:  Breakdown of Responses from Classroom Teachers Regarding the Number of Items on School Supply Lists**

| Possible Responses | JCPS Classroom Teachers | | Kentucky Classroom Teachers | |
|---|---|---|---|---|
| | Responses | Percent of Responses | Responses | Percent of Responses |
| More items on the list | 128 | 15.96% | 426 | 25.65% |
| List has stayed the same | 347 | 43.27% | 671 | 40.40% |
| Less items on the list | 327 | 40.77% | 564 | 33.96% |
| **Total Responses** | **802** | | **1,661** | |

Source:  Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

Some school supply lists may only include required items for students' personal instructional needs such as paper, pencils, crayons, scissors, etc.; however, other lists also include items identified as optional for the student, classroom, or school. Despite the reported decrease or stagnation in the number of items required or identified during the last three years, more than half of classroom teachers in JCPS, and in the other Kentucky school districts surveyed as well, indicated that the percentage of students able to provide all of the required items, or any of the optional items, on the school supply lists has decreased over the same period of time.

Classroom teachers in both survey groups were also asked to provide the percentage of students in their classrooms that were able to provide all of the items listed as required on the student supply list this year.  A greater percentage of classroom teachers from JCPS than from the other Kentucky school districts surveyed acknowledged that only 25 percent or less of the students in their classrooms were able to provide all of the items appearing on the school supply list, 33.54 percent versus 22.34 percent, respectively.   Table 18 shows the percentage of classroom teachers from JCPS and from the other Kentucky school districts surveyed that chose each range of percent of students able to provide all required items.

**Table 18:  Breakdown of Responses from Classroom Teachers Regarding the Percentage of Students Able to Provide All Required Items**

| Percent of Students Providing All Required Items | JCPS Classroom Teachers | | Kentucky Classroom Teachers | |
|---|---|---|---|---|
| | Responses | Percent of Responses | Responses | Percent of Responses |
| 0-25% | 269 | 33.54% | 371 | 22.34% |
| 26-50% | 214 | 26.68% | 424 | 25.53% |
| 51-75% | 194 | 24.19% | 541 | 32.57% |
| 76-100% | 125 | 15.59% | 325 | 19.57% |
| **Total Responses** | **802** | | **1,661** | |

Source:  Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

Classroom teachers from both survey groups were asked a similar question regarding the percentage of students able to provide any of the optional items on the student supply list.  Once again, a greater percentage of classroom teachers from JCPS than from the other Kentucky school districts surveyed acknowledged that only 25 percent or less of the students in their classrooms were able to provide any of the items appearing on the optional school supply list.

Even more interesting is that the percent of JCPS classroom teachers choosing this range more than doubled, while the percent of other Kentucky school district classroom teachers nearly tripled from the responses regarding required items. Table 19 shows the percentage of classroom teachers from JCPS and from the other Kentucky school districts surveyed that chose each range of percent of students able to provide at least one optional item.

**Table 19:  Breakdown of Responses from Classroom Teachers Regarding
Students' Ability to Provide Optional Items**

| Percent of Students Providing All Required Items | JCPS Classroom Teachers | | Kentucky Classroom Teachers | |
|---|---|---|---|---|
| | **Responses** | **Percent of Responses** | **Responses** | **Percent of Responses** |
| 0-25% | 324 | 67.22% | 785 | 62.90% |
| 26-50% | 103 | 21.37% | 287 | 23.00% |
| 51-75% | 37 | 7.68% | 141 | 11.30% |
| 76-100% | 18 | 3.73% | 35 | 2.80% |
| **Total Responses** | **482** | | **1,248** | |

Source:   Auditor of Public Accounts based on surveys of JCPS classroom teachers and a sample of other Kentucky school district classroom teachers.

Survey responses from classroom teachers at JCPS and at the other Kentucky school districts surveyed suggest that students are less financially able today than three years ago to provide all of the items appearing on the school supply list.  It appears that JCPS' reliance on students providing all necessary or required items on the school supply list, as well as one or more optional items, is increasingly not a viable or practical option to rely on for providing supplies for the classroom.

*Recommendations*   We recommend JCPS consider the information in this finding, as well as the information in Finding 5 regarding personal funds spent by teachers for classroom resources, when evaluating the funding made available for instructional resources. Given the information presented that fewer students are able to supply multiple items for classroom resources, we recommend that JCPS begin to determine the impact that will have in the classroom.  We further recommend potential savings resulting from other findings and recommendations presented in this report be considered when budgeting for these fundamental, yet essential, resources required for the basic educational needs of the students.  Finally, we recommend JCPS continue to monitor the trend of availability of these basic items in the classroom to ensure these student needs are met.

**Finding 7: Compared to peer districts, JCPS had the lowest textbook budget and did not receive textbook funding from the state.**

Compared to the four peer districts that responded to our textbook questions, JCPS had the lowest textbook budget and it was the only district that did not receive textbooks or specific textbook funding at the state level. While JCPS does receive state funding, Kentucky discontinued a specific allotment for textbooks to public schools in FY 2010. With no additional assistance from the state, the responsibility of funding textbooks falls solely on the district. This lack of state funding appears to be a significant factor in JCPS not being able to budget at the same level as the peer districts.

Further, JCPS had not developed any goals related to the expansion of non-traditional, 21$^{st}$ century instructional resources, e.g., personal electronic devices and electronic instructional materials. Instructional resources are of vital importance to the success of any curriculum and JCPS has not established a process to ensure that textbook funding is monitored and targeted at the district level. Strategic goals have not been developed to ensure that JCPS schools are maximizing their instructional resources funding and understand the status of the district regarding the types of instructional resources that should be purchased.

In peer districts, textbook funding can be restricted for textbooks only or can be used for textbooks and other instructional materials. Based on funding information from peer districts, it appears that the JCPS' textbook budget is significantly less. The peer districts that JCPS is the closest to in budget amounts restricted their budgets for actual textbooks and budgeted other funding for instructional supplies and materials. However, JCPS' stated budget is for textbooks and other instructional materials, which could include supplemental print materials, calculators, microscopes, and electronic instructional materials. Table 20 provides a comparison of the data received from the four peer districts in addition to JCPS data.

# Benchmarking and Comparative Analysis - Findings and Recommendations

**Table 20: JCPS Textbook Information Compared to Peer Districts**

| Question | JCPS | Austin ISD | Baltimore County | Charlotte-Mecklenburg | Pinellas County |
|---|---|---|---|---|---|
| **Did the state provide textbook funding?** | No | Yes | Yes | Yes | Yes |
| **What amount is provided from state funding?** | N/A | State education agency maintains each district's textbook budget and provides the actual textbooks. The district's last two biennium budgets are: FY 2012: $9,128,447 FY 2013: $3,945,043 FY 2014: $6,959,344 FY 2015: $6,575,719 | FY 2013: $11,400,000 FY 2014: $12,300,000 | FY 2013: $1,990,608 FY 2014: $2,037,283 | FY 2013: $6,600,000 FY 2014: $6,700,000 |
| **What is the overall budget for textbooks?** | FY 2013: $4,695,000 FY 2014: $4,608,000 | Textbook funding budgets are maintained at the state level. See above. | FY 2013: $20,800,000 FY 2014: $21,800,000 | FY 2013: $5,513,755 FY 2014: $5,576,630 | District only receives state funding for textbooks. See above. |
| **Is the textbook budget for textbooks only?** | No, this is for textbooks and other instructional materials. | Traditionally just textbooks, but, in 2011, the state legislature passed a bill that these funds can be used by school districts for instructional materials in general, including textbooks and technology. | No, this is for instructional textbooks and supplies. | Yes, this budget is for prescribed textbooks. The budget for supplies and materials is: FY 2013: $27,416,775 FY 2014: $37,620,843 | Yes, this budget is restricted to the purchases of textbooks, workbooks, and library books. |
| **Does the district or schools monitor the use of textbooks or other instructional resources?** | School | The state and the district monitor the funds and resources purchased. | District | The district manages the distribution of textbooks from the state textbook warehouse. | The district determines which textbooks to use from an approved list with the Florida Book Depository and manages the distribution to schools. |

Source: Auditor of Public Accounts based on surveys of JCPS and other peer school districts.

As seen in Table 20, three peer districts responded that they received a significant amount of state funding and in Texas the textbooks are provided directly by the state and the district's textbook funding is maintained by the state. In addition, JCPS was the only school district within the peer group where the schools determined the textbooks and instructional resources, not the district. In Kentucky, decisions regarding the selection of textbooks and instructional resources are made by the local Site Based Decision Making (SBDM) council. See Finding 17.

In our survey of JCPS principals, they were asked to rate the following statement regarding their instructional resource budget. Graph 2 illustrates the JCPS principals' responses:

**Graph 2**

### The amount budgeted annually is sufficient to meet the school's needs for instructional resources.
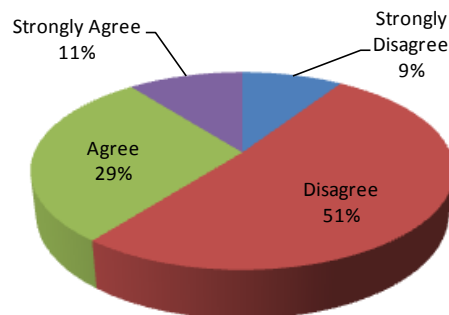


Source: Auditor of Public Accounts based on surveys of JCPS principals.

A combined 60.53 percent of the 71 JCPS principals that responded to our survey indicated that their school's budget was not sufficient to meet their school's instructional resource needs. These principals answered that they either disagree or strongly disagree with this statement that this annual budget was sufficient. This indicates that the majority of JCPS principals have the perception that funds for this purpose are not adequate.

Concerning the initiatives to expand the use of non-traditional, 21st century instructional resources, only two peer districts discussed specific, measurable goals related to these initiatives. The following items describe these two goals:

- For Charlotte-Mecklenburg, the strategic plan is to have one electronic device for each student by 2018. The district has these devices for classrooms and teachers and is now focused on providing them to students. The district is funding this initiative using local budget requests and Title I funding. Also, the district is reviewing whether state funds allocated for textbooks can be redirected for the purchase of additional devices.

- Pinellas County is impacted by a state mandated goal that, by the 2015-2016 school year, all instructional materials must be digital. According to the mandate, the instructional material must be available digitally but it does not require all students to have an electronic device. However, schools have used grants and Title I funds to fulfill the goal of having one device for each student. Currently, the district has a one to three student ratio.

The response provided by JCPS, when asked if the district had expanded its allocation of instructional resources into non-traditional, 21st century resources, was that KDE had expanded the textbook category to include e-books, iPads, and online resources. In addition, JCPS pays a fee to take part in the Kentucky Virtual Library and has invested in the bandwidth needed to stream resources from Kentucky Educational Television. While the textbook category had been expanded to include e-books and iPads, there was no mention of goals related to these resources.

In our survey of JCPS principals and teachers, a question was asked regarding what form(s) of instructional resources is their school currently providing its student population. Of the 71 JCPS principals responding to this question, 64.8 percent indicated that an iPad/tablet was provided to its student population. However, of the 1,139 JCPS teachers responding, only 41.7 percent of the teachers stated that an iPad/tablet was provided to its student population. There was also a large discrepancy regarding the use of workbooks between the principals and teachers responses. These discrepancies illustrate that there appears to be a disconnect as to what instructional resources the principals think are provided and what the teachers state are provided at JCPS. Graph 3 illustrates the JCPS principals' and teachers' responses:

**Graph 3: JCPS Principals and Teachers Survey Results as to the Instructional Resources Provided in Schools**
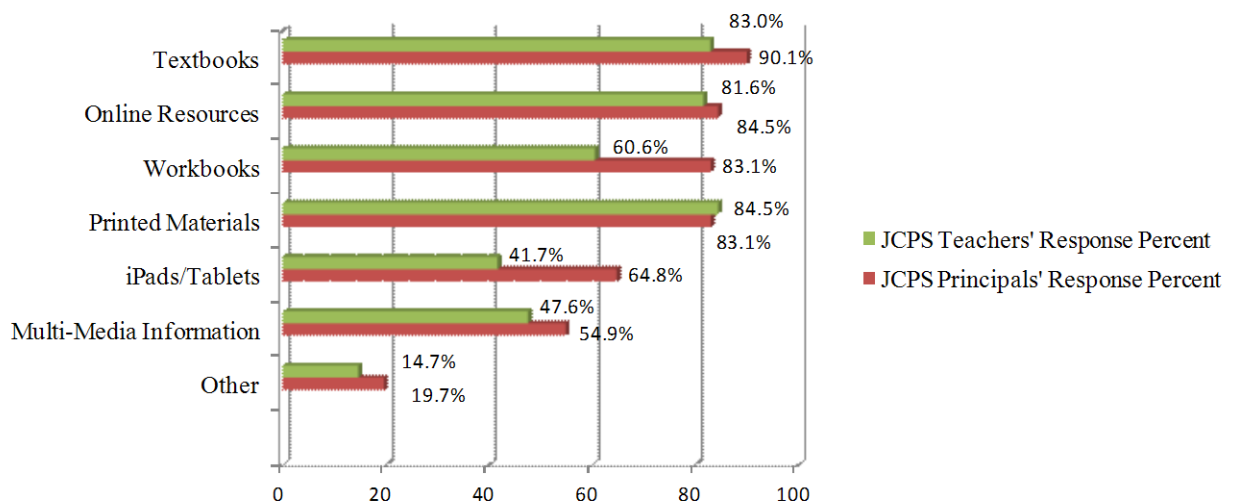


Source: Auditor of Public Accounts based on surveys of JCPS principals and teachers.

The lack of state funding does appear to have had a negative effect on JCPS' level of textbook funding in comparison to its peer districts. However, the lower amount of funding should not prevent the adoption of monitoring procedures and strategic goals. To provide an equitable and quality education for its students, monitoring and reviewing the use of textbook funding is needed and should be a priority with or without additional state funding. Without the knowledge as to how schools are using textbook funds, budgeting issues cannot be addressed. This lack of knowledge also makes it difficult to make goals related to the use of specific types of instructional resources. Further, without a strategic plan for the implementation of more modern 21st century electronic resources, it would be difficult to ensure a reasonable process is followed to provide parity in the distribution of these resources to students.

*Recommendations*    We recommend that JCPS develop a process to monitor and report on the availability of district instructional resources. As recommended in Finding 4, the development of this process could be discussed with KDE. This information should be available prior to initiating the annual budget process. We recommend the funding for textbooks and other instructional resources be included as a standard benchmark to an established group of peer districts. This information should be captured routinely and tracked to determine the status of JCPS funding to the peer districts. We recommend strategic goals and policies be developed to ensure that vital instructional resources are provided throughout JCPS to promote a successful curriculum and quality student education. Further, we recommend the Kentucky legislature evaluate opportunities to restore a state allotment for instructional resources to assist Kentucky's public schools in providing these resources throughout the state.

# Governance - Findings and Recommendations

**Introduction to Chapter 3 - Governance**

As in all school districts, the JCPS Board plays a vital role. This role is even more critical at JCPS because the Board is charged with overseeing a $1.2 billion annual budget, which is by far the largest school district budget in the Commonwealth. Additionally, the size of the student population, number of schools and employees and complexity of its operations require a highly-functioning Board. Findings 8 and 10 depict a Board that may be too small to effectively oversee the District's finances and operations, or utilize a committee system, which is considered sound board governance practice. Finding 9 indicates that the Board has not actively examined or questioned staff to ensure an effective understanding of the budget. The recommendations herein seek to improve the effectiveness of the JCPS Board to oversee the finances of the District.

**Finding 8: The JCPS Board may benefit from adding "at large" members to the Board due to the size and complexity of JCPS.**

In compliance with KRS 160.210, JCPS has seven Board members, which may not provide for an adequate number of members considering the size of JCPS and the complexity of its budget, operations, and programs. By statute, JCPS is the only school district in Kentucky that has seven members, with all other districts having five members. Though there is no definitive methodology to determine how many members a board should have, the majority of the national peer districts selected by auditors for the purpose of benchmarking to JCPS had a larger number of board members than JCPS. Due to the size of the organization and the importance and complexity of governing the education of over 100,000 students, JCPS may benefit from increasing the size of the Board to maximize the effectiveness of its governing responsibilities.

Related to the number of board members, KRS 160.210 requires that "counties containing a city of the first class wherein a merger pursuant to KRS 160.041 shall have been accomplished, there shall be seven (7) divisions as equal in population as is practicable, with members elected from divisions." KRS 160.041 refers to a merger between an independent school district with a county school district, which occurred at JCPS in 1975. The JCPS Board members are elected by general election to four-year terms and each member is responsible for a specific division, referred to as districts, of Jefferson County and the schools contained therein.

All other school districts in Kentucky have five board of education members, according to KRS 160.210. While KRS 160.210 does allow the divisions to be redrawn subject to the approval of the county board of elections, it does not allow for more divisions to be created.

Three of the five peer districts had a larger number of board members than JCPS, while two had the same number. Table 21 summarizes the information found related to peer districts and their boards of education.

**Table 21:  Number of Board Members in Peer Districts**

| School District | Number of Board Members | Elected or Appointed | Terms | Student Enrollment |
|---|---|---|---|---|
| Austin Independent School District, Austin, Texas | 9 Members | Elected | Four-year terms | 85,000 |
| Baltimore County Public Schools, Baltimore, Maryland | 11 Members, Plus One Student Representative Member | Appointed by Governor of Maryland | Five-year terms | 108,376 |
| Charlotte-Mecklenburg Schools, Charlotte, North Carolina | 9 Members | Elected | Four-year terms | 135,600 |
| Cobb County School District, Marietta, Georgia | 7 Members | Elected | Four-year terms | 109,760 |
| Pinellas County Schools, Largo, Florida | 7 Members | Elected | Four-year terms | 101,000 |

Source:  Auditor of Public Accounts, based on a review of other peer school districts.

One question to consider when determining the correct size for a board is whether the board can carry out its functions without overburdening the individual members.  Currently, the JCPS Board has only one committee, which is the Policy Committee with three members.  According to the Board Chair, the reduction to only one committee is due to Board members opinions that information presented to the committee and then to the Board felt like double reporting.  Also, with there just being a few more Board members than committee members it was thought that everything could be presented to the full Board.  Staff and others were presenting information at a committee meeting and then reported the same level of information to the full Board.  With additional members, JCPS may be able to delegate more issues to a committee empowering them to perform detailed research or study.  The committee could then report to the Board for additional discussion or questions.  This approach could free time during Board meetings to further discuss strategic or long term issues that must be considered by JCPS.  Additional concerns related to the Board's lack of committee utilization are described in Finding 10.

Also, during our interviews with JCPS Board members, the issue of having each Board member representing a division was discussed.  At Board meetings, time is spent discussing the accomplishments and needs of individual schools within a Board member's division.  These discussions at the school level can lead to a lack of focus on district-wide issues, which is not an effective use of the Board's time.  Board members representing JCPS "at large," not representing a particular division within JCPS, could provide a different perspective to the governance of JCPS.  "At large" members' primary focus would be issues impacting JCPS as a whole, which would provide additional support to the other seven members that represent specific divisions.

Furthermore, it may be beneficial to the JCPS Board to identify crucial expertise needed on the Board for it to be fully prepared to address the district's complex issues. "At large" members with the specific areas of expertise, such as individuals with financial, management, educational, etc., may further strengthen the Board by utilizing individuals that may also act as built-in consultants. For example, Board members are not required to have any financial expertise to be elected, even though they are statutorily required to control and manage school funds. Board members with education, experience and/or certifications in finance or accounting fields may assist the Board with interpreting the JCPS budget, as well as the financial impact of contracts and other Board decisions.

*Recommendations*    We recommend that JCPS take all necessary steps, including working with Kentucky's General Assembly, to increase the statutory limits for the JCPS Board by two additional members and amend KRS 160.210 accordingly. We recommend these additional members be elected as "at large" members and represent the entire JCPS district. Additional members could assist the Board by providing opportunity to have additional committees determined to be necessary to obtain more detailed information to present to the full Board. Further, members "at large" could provide a different perspective and context to the Board by representing JCPS as a whole and not a portion of the JCPS district.

JCPS should also consider whether additional expertise would improve the Board, and, if so, consider whether requirements for specific experience, certification, education, etc., should be included in the statutory language related to one or both "at large" Board members.

**Finding 9: Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively without significant reliance on JCPS staff.**

Approving the JCPS budget is one of the most important responsibilities of the Board, yet Board members generally do not appear to have a depth of understanding to actively examine or question the budget effectively. According to state law and JCPS policy, the Board is to control and manage all school funds to promote public education. Based on the lack of clear answers received from JCPS budget staff and comments from current Board members, it does not appear that the Board has achieved the level of understanding or received sufficient training needed to effectively examine and approve the budget. This level of understanding is difficult to achieve considering the size and complexity of the JCPS budget, which also has many regulatory restrictions. To complicate this issue, Board members are not required to have any financial expertise to be elected even though they are statutorily required to control and manage school funds. Therefore, this understanding must be developed with assistance from JCPS staff for the Board to gain a level of expertise to independently identify issues requiring further questions or actions.

For our review period, auditors took steps to understand the JCPS budget process and compare the budget to actual expenditures to determine whether there were large variances to investigate. For this purpose, budget information was requested and reviewed. When variances were noted, inquiries were made regarding the reason. On February 13, 2014, the auditors sent a three-page summary document to JCPS budget staff requesting confirmation as to certain aspects of the budget process along with additional questions from our review and made it clear we were requesting timely confirmation that the process as documented was accurate.

In response, JCPS budget staff stated additional information was necessary and they would encapsulate the process from A – Z, but it would be awhile due to work on the current budget. On March 24, April 14, and April 21, 2014, the auditors requested a status update on this request. On April 25, after contacting the CFO requesting assistance in obtaining a response to our request, auditors received an 18-page document that repeated a great deal of the information that had previously been provided in various emails and documents. Upon review of the document, auditors found that specific questions regarding the budget were not answered. The following are a few examples of questions that were asked but JCPS did not respond:

- If the spending plans are not used for budgeting purposes, how does Central Office know how to budget the different expenditure categories? Also, it is not clear how Central budget staff monitors the school's compliance with these spending plans.
- How long can these funds be in carryover status?
- The following three object codes had expenses that were significantly less than the budgeted amount over the three years of the data reviewed. For each code, can you provide us with the reason that this occurred.
    - 0532 Telephone
    - 0644 Textbook and Other Instructional
    - 0522 Property Insurance
- How frequent are the instances in which non-salary payroll is paid without sufficient funds and deficits taken from the subsequent year funds?

The difficulty and amount of time involved in receiving information regarding the budget process and the repetition of information already provided illustrates the obstacles Board members could potentially have when attempting to develop their own personal understanding of the JCPS budget process.

Board members were asked how comfortable they were with the large amount of budget information provided by staff. Six of the seven current Board members met with our auditors and provided the following comments related to the budget process that illustrate that Board members have wide and varying thoughts on the issue:

- The CFO provides information on every aspect of the budget and it is totally sufficient. She will tell them if there are issues.
- Budget is not revisited for a comparison with actual because of timing issues.
- Executive management develops strategies and goals, while the Board deals with mundane issues.
- CFO gives out packets of data at each budget work session. The CFO is available and sends out summary emails of questions received.
- The Board would be concerned if a line item's actual expenses go over budget and would question why JCPS continues to over budget certain items.
- Financial presentations not logical or helpful. Too much unstructured detail.
- Budget prepared at a regulatory level with no trend analysis or projections.
- Not much emphasis on actual expenditures.
- Not sure what the budget line items really mean as to what expenses are included.

These and other statements made by Board members note the various levels of reliance placed on JCPS staff, the usefulness of the budget information and format presented to the Board, and the amount of inquiry and discussion determined necessary to ensure the best allocation of resources to fully review and approve a budget. Considering the Board's fiduciary duty to manage school funds, the Board has a responsibility to discuss and to identify an approach to review the budget and other financial information in a manner that is useful to all members.

While budgets are approved by the Board, there is no monitoring of actual expenditures and revenue to determine whether any budget issues should be addressed as the school year progresses. The lack of budget to actual monitoring prevents Board members from knowing whether money was tied up in an item that could be budgeted elsewhere in the following year. Conversely, it appears Board members are not informed as to whether a budget item's actual expenditures exceed or are less than budgeted amounts. Without monitoring actual expenditures to budgeted amounts, the Board has not implemented an effective financial review process. Further, a Board has insufficient information to approve a budget without first understanding the actual expenditures from the previous year.

All school district budgets must consider numerous funding sources, program requirements, and regulations that cause the budget process to be complex and technical. For example, certain grant funds may be expended over multiple years but the entire amount must be budgeted in the first year of the grant because the budget can only represent new money. However, carry forward and carryover funds from previous years are included in the budget.

To meet statutory responsibilities, Board members must understand budget implications and how they affect JCPS, even if they have never been exposed to any type of detailed budget documentation. In addition, as further noted in Finding 10, the Board has no budget committee to specifically focus on significant revenue or expenditure areas that may need further research or discussion. A budget committee comprised of a specified number of Board members, potentially with a background in finance or budgeting, may be of assistance in reporting issues to the full Board.

The budget requires certain deadlines making it necessary for Board members to have developed an understanding of the process so that a meaningful and effective review and discussion of the budget can occur. If expertise in understanding the budget is not readily developed, the potential exists for a budget to be approved to simply meet a deadline, without having a clear understanding of the impact on JCPS.

*Recommendations*   We recommend that the JCPS Board work to better understand the budget and direct JCPS budget staff to provide budget information in a more useful manner that will assist them in achieving their goals and objectives but not focused primarily on a regulatory presentation. We also recommend that Board members be provided with a budget to actual report that can be reviewed regularly so that variances can be known and discussed. Further, we recommend that the Board periodically discuss strategic or big picture items involving certain budget, financial, and other matters to gain a better appreciation of individual Board members needs and expectations for information allowing them to better fulfill their responsibilities. The Board should then determine the most effective approach, methodology, format, etc. for receiving necessary and beneficial information. Finally, we recommend that the Board consider annual training workshops to specifically focus on understanding and analyzing budgets. These workshops may be presented by the district's finance staff, external auditor, or others with appropriate skill set and specific knowledge of school district budgets to make this training effective.

**Finding 10: The Board lacks a committee structure to provide a detailed level of oversight of financial and audit matters.**

As noted earlier in this report, the only committee of the JCPS Board is the policy committee. However, other areas that are also important to proper Board oversight, such as JCPS' budget and audit functions, had no associated Board committee. This lack of Board structure requires either all Board members to have a detailed working knowledge of these areas or that areas are not sufficiently addressed. Given competing agenda items and limited expertise of Board members in financial and audit areas, it does not appear these areas receive the necessary focus and attention.

Finding 9 identified that Board members do not generally have the depth of understanding required to actively examine or question the budget effectively without significant reliance on JCPS staff. Such heavy reliance on staff is not conducive for proper oversight of the work of these financial, and therefore the Board has not established a process to perform independent and detailed reviews of the budget and other financial matters.

Further, the Board may have received conflicting information related to the amount of time spent discussing budget and other financial matters. A consultant's recent benchmarking report on the Board's effectiveness indicated the Board spent 14 percent of its time on issues related to finances and facilities. This report stated that high performing districts typically only use 10 percent of their Board meetings to discuss these types of issues because finance topics are considered to be supportive without a direct impact on student achievement. However, the report states that national survey findings indicate most boards spend 60 percent of their time discussing finance related issues. This report may lead Board members to believe the Board is spending too much time discussing financial related issues. However, given the financial complexity of JCPS, the 10 percent recommended time limit does not appear to be sufficient for gaining the understanding necessary to review and approve budget issues. In addition, it is not known whether these high performing boards had a committee structure that allowed for a more detailed review by a specific committee, whose discussion time was not included in the report's analysis.

By establishing a committee, certain Board members with the greatest expertise and interest in the JCPS' budget may have work sessions and meetings to analyze budget to actual items, investigate troubling variances, obtain and review details of certain spending categories, contracts, etc. Noteworthy matters taken from these committee meetings may then be reported to the whole Board, which may result in a more efficient use of time during Board meetings.

Additionally, Findings 25 and 26 address concerns related to the current organizational structure of the JCPS Office of Internal Audit (Internal Audit), as well as the lack of a risk-based audit plan for the performance of its duties. The JCPS Board does not have an audit committee to establish and oversee either the reporting structure or the work performance of Internal Audit. Audit committees are often comprised of Board members, and at times, others to oversee both internal and external audit functions.

An audit committee would serve the purpose of dedicating sufficient time to fully understand whether the combination of internal and external audits effectively address financial and compliance matters most significant to JCPS. Further, an audit committee can follow up on issues identified through these audits and determine how management corrected weaknesses identified. Such an oversight function would ensure the full Board is appropriately notified of significant concerns, without requiring a significant time investment by all Board members.

In addition, reporting directly to the Board provides more independence for the employment of internal auditors and is more conducive to proper independence for an internal audit function. However, management may still play a role in audit committees for assistance in establishing priorities, risk setting, and in facilitating external audit communications and contracting.

As stated earlier, discussions with the JCPS Board Chair indicated the Board did have a broader committee structure in years past, but that members thought this resulted in duplicative reporting to the committee and to the Board. However, effective committees should have more in depth discussions, questions, analysis, and information than the full Board. Committee reports to the full Board should be transparent and informative, bringing matters up for vote with the full Board as necessary. But the information provided should generally be summary level information, except when more detail is needed due to problems noted or leading up to a vote for a related topic.

*Recommendations*

We recommend JCPS establish a committee structure that includes, at a minimum, a budget and audit committee, in addition to the existing policy committee. The expansion of the Board for "at large" members, as recommended in Finding 8, will make the committee structure even more effective by adding additional perspectives and backgrounds. However, even under its current Board structure, committees should assist the Board in strengthening its oversight of these important areas.

# Contracting - Findings and Recommendations

**Introduction to Chapter 4 - Contracting**

Chapter 4 relates to the review of JCPS contracts. Contracts were reviewed to determine that the proper procurement process was used, contracts were properly approved and monitored, and expenditures were paid in accordance with contract terms. Overall, findings identify a lack of monitoring and oversight of JCPS contracts at a central level. In some instances, signed written contracts were not maintained. Auditors also identified contracts that are allowed to renew an unlimited number of times without reporting to the Board. Instances also were noted of payments made for invoices and construction change orders that did not comply with contract terms or lacked required supporting documentation. Improvements to the contract and procurement processes are needed to increase transparency and ensure taxpayers that JCPS is a good steward of the public funds.

**Finding 11: JCPS does not maintain a central database of all JCPS contracts.**

During the review period, auditors found JCPS issued well over 1,700 contracts with private vendors. However, this calculation does not include individual professional service contracts valued under $5,000 or capital construction contracts issued through the JCPS Department of Facility Planning. According to the Director of Accounting Services, a system does not currently exist at JCPS to allow for the district to readily report such information. Given JCPS' nearly $1.2 billion operating budget and the millions of dollars expended with contractors, it is imperative for JCPS to have a system in place to readily have the information available for management planning and decision making.

JCPS' procurement process allows contracts to be initiated by its various departments and cost centers. Once a contract is initiated, it is reviewed and approved by management with contracts over $5,000 presented to the Board for approval. Once a contract is in place, the responsibility for oversight of the contract terms and the vendor's work product are the responsibility of the department or cost center initiating the contract.

JCPS' Director of Accounting Services thought that a list of all JCPS contracts could be pieced together based on current JCPS records; however, the process to accumulate this data would take significant time as contracts are not currently maintained within the JCPS financial accounting system, known as the Municipal Information System (MUNIS). According to the Director of Accounting Services, to record such information in MUNIS, JCPS would need to procure the MUNIS contract module, which JCPS is now considering.

Without this contract information being readily available for review, management cannot effectively and efficiently evaluate JCPS' current or historical use of contract services. A centralized system, if implemented, would assist JCPS in readily identifying and tracking all contracts and allow management to understand the full extent of JCPS' contract usage and better evaluate whether contract services should continue or be performed internally.

*Recommendations*    We recommend JCPS implement a document number series for various types of contracts to assist in readily identifying and tracking all JCPS contracts. We also recommend JCPS implement a means to maintain a record of all JCPS contracts. We further recommend contract information be available including the name of the department that initiated and is responsible for the oversight of the contract, date of the contract, contract procurement method, period of the contract, contract amount, if applicable, and whether the contract is new, extended, or a renewal. To provide greater public transparency, we recommend JCPS place all contracts, contract payments, and other relevant data on the JCPS website.

**Finding 12: JCPS has not maintained contracts for banking services used to deposit and secure hundreds of millions of dollars in JCPS funds.**

Since 2005, JCPS has not consistently maintained a formal written contract for banking services, including its general banking services and its individual school activity funds. As of the close of business April 14, 2014, the accounts held at JCPS' primary banking institution totaled over $280,000,000. These accounts included monies related to the general fund, nutrition services, and other Central Office accounts as part of the general banking services. Although JCPS does not pay a utilization fee to its banking institutions, banking service contracts are important for various reasons. Banking service contracts ensure that deposits are fully collateralized, any fees associated with non-routine transactions are disclosed, and establishes the bank's responsibility for correcting errors and account breaches. In addition, written and signed contracts provide taxpayers with a necessary level of transparency.

In February 2005, JCPS issued a Request for Proposal (RFP) for banking services, which covered various service areas including general banking and individual school activity accounts. While the Board approved multiple vendors to provide banking services to schools for maintenance of school activity accounts, only one vendor was approved by the Board to provide general banking services to JCPS for its Central Office funds. The contracts for banking services were awarded in 2006 from this 2005 RFP.

Through interviews and requests for information, auditors found that all the original banking services awarded through the RFP process were never finalized in a signed contract. JCPS drafted contracts for these services; however, the contracts were not signed by JCPS or the vendors. According to the Director of Accounting Services, it was his recollection that the former Director of Purchasing decided that the Board's approval of the bid and the vendor's responses would essentially become the contract for these vendors. However, the current Director of Purchasing stated that this does not seem correct to him as JCPS requires signed contracts "for all other bids/RFPs."

According to JCPS management, contracts for banking services could be renewed each biennium with no limitation to the number of times a contract can be renewed; however, no formal original signed contract existed to be renewed. Further, it appears JCPS has only attempted to ensure that one of the original draft contracts associated with the banking services RFP was actually renewed. Though JCPS reported to auditors that the contract with the vendor providing general and other banking services was renewed each biennium, JCPS could only provide a signed "contract renewal" for the period July 1, 2009 through June 30, 2011 and July 1, 2014 through June 30, 2015. Per the Director of Accounting Services, each time the contract was to be renewed, JCPS prepared the contract and he forwarded the contract to the bank for its signature; however, he never received a signed copy of the agreement back from the bank. The Director of Accounting Services stated "without the vendor's signature, the contracts basically die there and never get executed."

While the Director of Accounting Services stated that the vendor continued to honor the terms of the original agreement, a formal written contract signed by both parties provides assurance that a vendor consistently honors the terms of the contract, and allows for transparency and accountability of both parties. Given the significant amount of the funds contained within the JCPS accounts held by the vendor, and the public nature of these funds, a formal written contract should be finalized and maintained with copies of the agreements retained for reference at all times.

*Recommendations*

We recommend JCPS ensure that a formal written contract for all banking services is signed by both parties and maintained by JCPS at all times in an effort to clearly define the terms of the contact and ensure the continuity of services, as well as transparency and accountability.

**Finding 13: JCPS has active contracts that can be renewed or continued annually without report or presentation to the Board.**

JCPS has active contracts that may be renewed or continued by management with no limitation to the number of times a single contract can be extended. Further, JCPS personnel may renew or continue these contracts without notifying the Board before or subsequent to the action taken.

While JCPS procurement regulations do allow for the Board to approve multiyear contracts for supplies and services, the regulations and policies do not appear to require the Board to be notified when these contracts are continued or renewed. Further, there is no language contained within the regulation or policy to limit the number of times a single contract can be renewed or continued before Board approval is required. JCPS procurement regulations only require services to undergo the procurement process again when a price modification exceeding 10 percent of the total contract price is proposed. While this regulation may limit significant increases in contract amounts without Board approval, it provides no assurance to JCPS that it is receiving the lowest contract cost.

According to Board policy, the Board is presented with all contracts of at least $5,000 for review. During interviews with JCPS Board members, auditors were informed that the threshold amount for review was being evaluated by the Board due to the number of contracts let at this lower amount and the time required for review. Most contracts addressed in this finding were well above threshold for contract review.

While testing a sample of general contracts issued by JCPS, auditors found six RFPs issued by JCPS that included language allowing an unlimited number of contract renewals. The services associated with the six RFPs were awarded in different years resulting in contracts valued as high as $146,000 for an integrated management information service and $140,000 for CPA audit services annually. The services and the award dates of the six RFPs are as follows:

- banking services awarded in 2006;
- employee assistance program awarded in 2009;
- online payment system awarded in 2010;
- CPA audit services awarded in 2012;
- integrated management information service awarded in 2013; and
- automated absence management and placement service awarded in 2013.

The only contract resulting from these RFPs that the Board is made aware of each year is the contract for its annual CPA services to perform JCPS' independent financial statement audit. According to the Chief Financial Officer, while the bid allows for renewals of the CPA contract, JCPS takes this specific contract to the Board each year because of any changes that the State Committee on School District Audits may have required.

While most of the services associated with these six RFPs have only been awarded in the past four years, JCPS' recent contract renewal for banking services was found to be associated with an RFP from 2005. See Finding 12 for more information relating to this contract renewal.

In addition to the six RFPs, auditors found a professional services contract for legal services procured through noncompetitive negotiations, provided for under JCPS Procurement Regulation section 3.24, which includes language allowing the contract to remain in effect until such time as either JCPS or the vendor terminates the contract. The contract for Board legal services was approved by the Board on September 22, 2008, and became effective October 1, 2008. The contract was to run for an initial term of nine months, unless renewed for additional terms. The contracts states "[u]nless notice of termination is given by either party in accordance with this paragraph, this contract shall be considered renewed each year for an additional one (1) year term." According to JCPS, this contract is the most recent contract for Board legal services and continuation of this contract has not been presented before the Board since it was initially approved. Exclusive of out-of-pocket expenses, the contract for Board legal services shall not exceed $150,000 a year.

The practice of unlimited renewal opportunities for public contracts, coupled with the practice of non-periodic reporting of these renewals or continued contracts to the Board in a public open meeting of the Board does not lend itself to transparency and good public governance. Furthermore, without periodically issuing an RFP for services and goods under contract, the Board cannot assure itself that the best price is obtained for goods or services available in the current market place. We believe the Board and its members would benefit by establishing limits to the number of times a contract can be renewed or extended in policy and by requiring annual reporting or disclosure of these continued contracts to the Board for informational purposes.

*Recommendations*

We recommend the Board establish through its policies a limit on the number of contract renewals allowed and the length of time a contract may be extended.

We also recommend JCPS staff provide an annual report to the Board of all contract renewals and extensions. This report to the Board should specify the date of the original award, the fees associated with the award, and the number of renewals previously granted to the vendor. Further, we recommend the Board reach a determination regarding the threshold for contract review.

Finally, for multiyear contracts we recommend JCPS consider issuing RFPs for its various goods and services on a more periodic basis. Priority should be placed on contracts established and in place at JCPS for several years, such as for banking services, employee assistance program services, and Board attorney services.

**Finding 14: Payments totaling $41,364 to three JCPS contractors for professional services had either insufficient documentation or were not in compliance with contracts.**

Professional service contract payments totaling $29,604 were either unsupported or based on questionable documentation, and payments of $11,760 were out of compliance with the professional service contract requirements. A sample of 29 professional service contracts was selected and the associated payments issued between FY 2011 and FY 2013 were reviewed. This review identified reimbursements made to two contractors without receipts to support the original expense, a payment made to a contractor based on an altered invoice, and payments made to two contractors for services performed before the related contracts were approved by the Board. The effectiveness of the JCPS contract monitoring process is questioned given that payments were made without required supporting documentation and were not in compliance with contract terms.

Documentation to support $28,661 paid to two contractors, one serving as a program liaison and the other serving as a facilitator for the Board and executive management, in FY 2011 and FY 2012 could not be located. The associated contracts state that these contractors were to be paid an hourly rate plus reimbursement for expenses with receipts attached to the invoice submitted to JCPS. While these invoices were sent to the appropriate JCPS department for review and forwarded to the JCPS Accounts Payable Department (Accounts Payable) for processing, the supporting receipts documenting expenditures such as airfare, hotel, and other transportation expenses could not be found in JCPS Accounts Payable files. An invoice submitted by one of the two contractors on February 21, 2012, indicated that copies of all receipts were enclosed along with the invoice when submitted to JCPS. Therefore, there is the potential that receipts may have been originally submitted but were not forwarded by the responsible JCPS department to be maintained in the official Accounts Payable file.

Auditors also found other payments in the Accounts Payable files that were not adequately supported by sufficient documentation and related information. Some of the payments lacked receipts, a clear explanation of the purpose in the expenditure, or the names of individuals associated with meals paid by JCPS. JCPS should ensure that adequate supporting documentation is consistently provided to Accounts Payable prior to remitting payments to vendors and this documentation should be retained in the payment files.

Another personal service contract payment to provide architectural project manager services was supported by an invoice that had been altered by JCPS staff to ensure timely payment. On July 15, 2013, the vendor submitted an invoice to the JCPS Department of Facility Planning for services rendered between July 1, 2013 and July 12, 2013. The invoice totaling $943 was paid by JCPS on July 26, 2013. However, the original invoice maintained by the Department of Facility Planning was altered and then a photocopy of the altered invoice was submitted to Accounts Payable. The invoice on file with Accounts Payable omitted the date of the invoice and the dates of when the professional services were performed were changed to indicate the services were provided between June 10, 2013 and June 28, 2013. According to the Manager of Fiscal Services for the Department of Facility Planning, the invoice was altered by his staff because the contractor would not have been paid until August 2013 due to Accounts Payable's fiscal year-end closeout. Altered invoices provide no assurance that transactions are properly accounted for and increase the risk of noncompliance with contract terms.

Finally, auditors identified two instances when contractor services were performed before the associated contract was approved by the Board. In both instances, the contractors had been working under a contract with JCPS but a new contract was created when the contractor's payments were in danger of exceeding the total contract amount.

In one of the two instances, the vendor had a Board approved contract in place not to exceed $35,000 to cover professional services provided to JCPS between November 1, 2011 and September 30, 2012. As of July 20, 2012, the vendor had already been paid $34,366 for services provided under the established contract. On September 9, 2012, the Board approved a new contract for the vendor, in the amount of $20,500 with a term of November 1, 2011 through December 2012. The vendor then submitted an invoice for $6,027 to JCPS on September 10, 2012 for services provided between July 23, 2012 and September 7, 2012. Previously, the vendor typically submitted invoices every two weeks; however, this invoice was for services provided over a six week period indicating that the contractor may have been aware that payment requests would, had invoices been regularly submitted, exceed the maximum contract amount. By overlapping the term of the contract with the previous contract, JCPS staff appears to have been aware that the original contract amount had been exceeded by the contractor and a new contract was needed for this time period.

In the second instance, another vendor also had a Board approved contract in place not to exceed $75,000 for services rendered October 12, 2010 through October 12, 2011. As of June 24, 2011, the vendor had been paid $64,877 leaving an additional $10,123 and approximately four months left on the contract for potential billing purposes. On August 8, 2011, the Board approved another contract for this vendor, to continue the services provided in the original contract, not to exceed $156,250 for the period August 9, 2011 through July 31, 2012. The next payment to this contractor was made on August 19, 2011 for $16,490, which was based on two invoices submitted to JCPS on June 23, 2011 and July 30, 2011. While the term of the original contract includes June and July 2011, the amount paid exceeded the approved contract amount of 75,000 by $6,367. Again, over lapping the contract term with the previous contract, allowed JCPS to pay the contractor above the original agreed amount for services to be provided through October 12, 2011.

*Recommendations*   We recommend JCPS ensure all contract reimbursements are adequately supported by sufficient documentation prior to payment. Supporting documentation should include original detailed receipts and should include a clear purpose for the expense and the individuals associated with the expense. Contractors who receive reimbursement for actual expenses should be required to submit original receipts to JCPS to support their expenses and JCPS staff should ensure that the originals are submitted to and retained by Accounts Payable to support the payment made to the vendor.

We also recommend JCPS inform staff that altering original vendor invoices is never acceptable no matter the circumstances. We further recommend JCPS deny payment of any vendor invoices that appear to be altered until an original is provided.

In addition, we recommend JCPS review vendor invoices to ensure the invoices are in compliance with all contract requirements.  Any discrepancies identified between the vendor invoice and the contract should be documented and discussed with the vendor to resolve the matter.

Further, we recommend JCPS examine its current contract monitoring process to ensure the enforcement of the current contract terms without approving a new contract that overlaps the previous contract period.  We finally recommend any necessary contract renewals or contract extensions be considered and approved by the Board before the vendor is allowed to continue work for JCPS.

**Finding 15:  Poor documentation and lax oversight led to $5,561 in overpayments for capital construction change orders.**

While testing a sample of capital construction projects, auditors identified two overpayments made to contractors for architectural services totaling $5,561.  Both overpayments were associated with project change orders and appear to have resulted from poor documentation and lax oversight.  While only two overpayments were identified, auditors had difficulty finding or understanding reviewer notes in the capital construction files.  Amounts listed on invoices, change orders, and contracts were often times crossed out with no clear indication as to why the amounts were changed.  While auditors were able to gather additional information upon request from the Fiscal Manager, the documentation contained within the files should be sufficient to document final calculations and determinations.

During FY 2011 through FY 2013 JCPS expended over $154.6 million on 142 capital construction projects.  Auditors selected and reviewed a sample of six capital projects that include multiple vendor contracts and represented 40 percent, or over $62.4 million, of all JCPS capital construction project expenditures incurred from July 1, 2010 through June 30, 2013.  Within these six capital projects examined by auditors, all 63 change orders were reviewed.  The overpayments identified during testing were in association with the two largest capital construction projects, which also had the largest number of change orders.

The first overpayment was due to duplicate payments related to the same change order invoice.  On February 21, 2013, JCPS received an invoice for Architecture/Engineering (A/E) Consultant Services totaling $1,055 for project change orders #39 and #40.  Before this invoice was reviewed or paid, JCPS received the same invoice for the same amount associated with the same change orders again on March 27, 2013.  JCPS reviewed and paid this second invoice on April 26, 2013.  In July 2013, the original invoice received in February was reviewed and the duplicate payment was made on August 16, 2013.

The second overpayment was remitted to the vendor despite JCPS records indicating that the architect had made errors in his work, which necessitated parts of the change order. When change orders are necessary due to errors made by architects, the architects do not receive a fee for those changes. On February 4, 2012, change order #4 was reviewed and approved by JCPS for this project. During this review, JCPS staff documented on post-it notes that the architect had made errors and staff crossed through the architect's fee amount of $4,506 on the change order supplemental but did not write any notes to explain why the fee was marked out. When the invoice associated with this change order was submitted on February 14, 2013, it was reviewed and paid on February 28, 2013 though the architect fees of $4,506 had been eliminated from the change order supplemental.

While the final determination was not clearly stated on the change order supplemental, the auditors did not expect the invoice to include the architect fees. Upon presentation of this documentation by the auditors, the Facilities and Environmental Services Fiscal Manager agreed the payment should not have been made and that it appeared staff did not review the original change order documentation in the file before approving the payment to the vendor.

*Recommendations*     We recommend JCPS review the process it followed when approving the duplicate payments to the vendor to determine where the process should be strengthened to prevent future duplicate payments from occurring. We recommend this process include, at a minimum, a review by staff of the original change orders, contracts, or other supporting documentation relevant to the payment before approving the vendor payment to ensure the amounts charged agree to the amount owed to the vendor. The payments related to specific change orders should be reviewed and monitored to ensure that duplicate payments are not made.

We also recommend JCPS staff ensure changes to original documentation, such as vendor invoices, contracts, and change orders be adequately supported to explain the purpose of the changes made. Any notes should be clearly documented so that a reviewer is able to clearly understand the changes and the purpose of the changes prior to any associated payments. Further, we recommend notes made by a reviewer should be done in a manner that ensures the permanence of the note, instead of using a post-it note that can easily be discarded or misplaced.

Finally, we recommend JCPS request reimbursement from these vendors for the duplicate payments identified during this review.

**Introduction to Chapter 5 - Operations, Policies, and Procedures**

Findings 16 through 24 address important aspects of the JCPS organization and operations. These findings address various issues related to policies, processes, human resources, as well as other financial activities and operational efficiencies. Recommendations are presented for Board and administration consideration to resolve or improve issues identified in these findings. Chapter 5 contains one of the most significant findings in the report that JCPS used a costly, outdated, and unnecessary centralized warehouse system. Eliminating this could be as much as $3 million or more a year. This chapter also depicts a lack of clear, up-to-date, centralized policies and procedures. Further, it demonstrates an inconsistent policy related to administrative versus faculty leave time. Clear and consistent policies reduce the risk of fraud, abuse, and misappropriation.

**Finding 16: JCPS uses a costly, outdated, and unnecessary centralized warehouse system.**

A network of six JCPS central warehouses that store, process, and deliver a large number of the supplies used by JCPS' schools and administrative departments is based on an outdated model that is not necessary or cost effective due to the just-in-time delivery capabilities of outside vendors. The JCPS Supply Services Department (Supply Services) orders JCPS' most commonly used supplies from contracted vendors, stores them in the warehouses, and then delivers them once ordered by individual schools or departments. This type of internal warehousing system develops a costly middle man infrastructure between the vendors selling a product and the end users, as it requires funding to operate the warehouse and delivery infrastructure. These overhead expenses can exceed the costs of doing business with vendors who already maintain large supply chain networks and will deliver items directly to the end users, as needed.

The warehousing model used by JCPS is based on the concept that purchasing large quantities at a time and storing them allows JCPS to pay a lower price per item. These savings are then passed on to the JCPS end users. However, if the total overhead cost to maintain the warehousing and delivery system is taken into account, savings from bulk purchases can be reduced or eliminated. While not all overhead costs are known for the JCPS warehouses, known costs are significant enough to indicate that savings from bulk purchases may be negligible.

The central warehouse method also assumes that purchases are in a sufficiently large quantity to obtain lower pricing. Based on usage reports detailing the items that have been ordered over the last three school years, more than half were ordered 10 or fewer times per year. This is likely not a sufficient amount to receive bulk pricing on the majority of those items.

*Supply Services Warehouses*

The six warehouses operated by Supply Services maintain the majority of the items most commonly used by JCPS schools and central departments. As of November 18, 2013, these six warehouses contained 14,646 unique item types with a total value of $4,475,735, but the number and types of items, as well as their value, can vary throughout the year. According to Supply Services staff, it is their goal to stock the most commonly used items in the warehouses. The six warehouses storing these supplies are:

- Instructional Supplies;
- Custodial Supplies;
- Maintenance Supplies;
- Tractor Services/Supplies;
- Vehicle Maintenance Supplies (Blankenbaker Garage); and
- Vehicle Maintenance Supplies (Nichols Garage).

The Instructional and Custodial warehouses are located within the same building, but the inventories are accounted for separately. Some of the items used most often from these warehouses are copy paper, paper towels, and toilet tissue. Items from these warehouses are ordered online by school and Central Office staff, which generates "pick tickets" to be printed out and fulfilled by warehouse workers. Orders may be delivered via large delivery truck or van directly to the intended recipient or may be sent through the inter-district mail courier service (PONY), which delivers three times per week. Depending on the size of the order, delivery can range from a couple of days to one week.

The Maintenance warehouse is a source of tools and supplies needed for the maintenance and repair of JCPS facilities and equipment. This includes items for flooring, HVAC, plumbing, and copier repair. At this warehouse, written work orders describing parts needed for specific jobs are presented by maintenance staff to the warehouse workers who then locate the items. More than half of the unique item types stored in the six Supply Services warehouses are located in the Maintenance warehouse.

The final three warehouses are located within three different vehicle maintenance garages. These garages maintain all JCPS owned vehicles such as buses, large trucks, cars, SUVs, and tractors. Garage workers evaluate vehicles brought in for maintenance or repair and generate a work order with required parts for the job. The work order is then brought to the Supply Services warehouse workers stationed in a separate section of the garage to obtain the needed parts from the storage area.

As of March 2014, Supply Services had 59 employees, but not all were specifically assigned to one of the six warehouses. According to information provided by the Director of Supply Services, only 31 employees are assigned to a specific warehouse. While not assigned directly to the warehouses, most of the remaining Supply Services staff are still listed as warehouse workers or drivers that can be used to assist with those services when needed, but may also be providing the other services conducted by Supply Services. This includes storing and selling JCPS' surplus property and operating its PONY service. Table 22 lists the number of workers by position type for Supply Services.

**Table 22:  Supply Services Staff by Position Type as of March 2014**

| Position | Staff Total |
|---|---|
| Warehouse Workers | 27 |
| Drivers | 15 |
| Data Entry/Clerks | 5 |
| Mail Service | 4 |
| Property Records Auditors | 4 |
| Central Receiver | 1 |
| Secretary | 1 |
| Foreman | 1 |
| Director | 1 |
| **Total Staff** | **59** |

Source: Auditor of Public Accounts based on employee data provided by JCPS.

In addition to the warehouse facilities and staff, Supply Services is also assigned 29 JCPS vehicles as part of the warehouse and delivery infrastructure.  This includes 14 large enclosed delivery trucks, six refrigerated trucks, and nine assorted smaller vans and trucks.  In total, these vehicles had an original purchase price value of $1,074,922; though the current value is much lower due to depreciation.  These vehicles are primarily used for the delivery of warehouse items and operation of the PONY service.  Supply Services' trucks and drivers may also be used to assist the food service warehouse overseen by another department that operates its own fleet of trucks and drivers.

The total cost to operate Supply Services during FY 2013 was $4,988,954; however, when expenses incurred on behalf of other departments are excluded, such as deliveries for the food service warehouse and refilling science kits for the science warehouse, total operational costs were $3,121,590.  These remaining funds are paid exclusively by the JCPS General Fund.  The $3,121,590 in General Fund expenditures does include both the costs to operate the six warehouses, as well as the other internal Supply Services functions.  Separate accounting for only the operation of the warehouse system is difficult due to the overlap of staff and resources between the warehouses and the other services.

Table 23 reflects the total FY 2013 General Fund expenditures to operate the internal functions of Supply Services, which excludes those expenses incurred on behalf of other departments.

**Table 23:  FY 2013 Supply Services Expenditures (General Fund Only)**

| Expense | Amount |
|---|---|
| Salaries | $2,374,127.78 |
| Benefits | 642,280.33 |
| Workers Compensation | 79,628.49 |
| Fuel | 57,255.07 |
| Supplies | 21,660.28 |
| Fees and Services | 4,058.59 |
| Building Repairs/Maintenance | 1,174.80 |
| Equipment/Machinery/Furniture | -58,595.35 |
| **Total Expenditures** | **$3,121,589.99** |

Source: Auditor of Public Accounts based on expenditure data provided by JCPS.

While not all of these expenses can be attributed solely to the function of the central warehouse and delivery system, interviews with staff and onsite visits indicate that this service does account for a large portion of the Supply Services General Fund expenses.  There are also other overhead costs associated with the operations of Supply Services that cannot be specifically accounted for because they are intermingled with the expenditures of other departments.  This includes utility costs of the warehouse space, maintenance costs for delivery vehicles, vehicle insurance, and any security to monitor the inventory of the warehouses.

JCPS has continued to use a warehouse system due to the rationale that purchasing items in large quantities will result in a lower price per item for the schools or other central departments.  The fault with this rationale is that Supply Services only considers the original cost of the item and does not account for the overhead costs to operate the warehouses and deliver the items.  Supply Services only charges end users what it costs to purchase items from vendors.  Such a discrepancy makes any comparison of the prices charged by Supply Services to the prices of outside vendors an inaccurate indicator of total cost to JCPS.  Given the noted costs to operate Supply Services, the combination of the overhead costs with the unit cost of items stocked by the central warehouses would likely make the total cost of each item much higher.

It is also questionable whether Supply Services is truly receiving bulk discounts on most of the items being stocked in the warehouses.  Reports provided by Supply Services indicating the number and type of items ordered from each of the warehouses reveal that a majority of the items are used 10 or less times per year.  Table 24 identifies the actual percentage of unique items ordered from the warehouses 10 times or less in a year.

**Table 24: Percentage of Unique Warehouse Items
Ordered 10 or Fewer Times per Fiscal Year**

| Fiscal Year | Percentage of Items |
|---|---|
| 2011 | 65.55% |
| 2012 | 57.93% |
| 2013 | 59.21% |

Source: Auditor of Public Accounts based on usage reports
provided by JCPS.

Most items carried by Supply Services are not likely to receive any significant discount in quantities of 10 or less. While items could be ordered in larger quantities to obtain the discount and then be used over a period of years, this increases the risk for lost or damaged items or for the items to become obsolete while sitting on the shelves. It also means JCPS is not able to use those funds for other purposes as long as the items are not needed and sitting on the shelves.

For benchmarking purposes, we contacted Dallas Independent Schools because it was a school district similar in size to JCPS. According to Dallas officials, warehouses do not carry items if they are used fewer than 10 times per year and instruct schools and district departments to purchase from contracts with third party vendors with direct delivery to the end user. If JCPS had a similar rule, it would have removed 5,291 unique items out of the 8,939 unique items used in FY 2013 from warehouse stock.

However, even with this warehousing and delivery system, it appears there are still procurement concerns among teachers. JCPS teachers were surveyed in regard to the use of their personal resources to purchase items for their classrooms. Although the majority of JCPS teachers indicated the reasons were either due to a lack of financial resources allocated to the classroom or due to a specific need of their student population, more than 10 percent of JCPS teachers marked "Other" as a response, with some providing explanatory comments. One respondent noted, "[i]t was February before I received my supplies, and March before I received a bulb for my projector! Positively criminal."
Examples of similar comments include:

- Some things take too long to purchase and may need them within 2-3 weeks.
- The purchasing process is way too inefficient, time consuming and wasteful.
- Due to immediate need. The glacial pace of JCPS purchasing means that if I need something for my classroom right away, I have to purchase it myself.
- The resources that I request to be purchased are never here at the beginning of the year or at all because they are never actually ordered.

Based on the comments from JCPS teachers, there is a significant problem with ordering supplies and receiving them in a timely manner at the school level. Although some comments may be related to the process for procuring supplies that are not maintained in the warehouses, or with the order process within each school, it raises the question as to whether the warehousing system is not as efficient as it should be. Ultimately, whether procurement problems are a result of inefficient warehousing or school level procedures, it does appear to have a direct school level instructional impact.

*Benefits of Just-in-Time*  A just-in-time delivery contract with a vendor can reduce or eliminate JCPS' overhead costs by providing a single price per item that already includes the overhead costs of the vendor. These costs are spread throughout a third party vendor's supply and delivery network. While that may lead to some higher prices per unit for certain products, the efficiencies of a large network can result in a smaller increase to overall costs than what JCPS currently pays for warehouse overhead. The ability of a vendor to spread certain costs over a larger network of customers could also lead to potential lower prices for some other products. The single overall price of the items also allows JCPS to easily calculate the full cost of items being purchased.

Due to the location of JCPS in a large metro area, there are a sufficient number of vendors capable of delivering most of the necessary supplies to JCPS, providing opportunities for competition and cost savings. As the second largest governmental entity in the state of Kentucky, with a budget of nearly $1.2 billion, the purchasing power of JCPS is very strong. Such power could be used to negotiate favorable just-in-time delivery contracts with a variety of vendors that would continue to provide bulk pricing to JCPS schools and departments, while alleviating the need for much of the warehouse infrastructure and its associated costs.

Many large public entities have transitioned from central warehousing to just-in-time delivery, including Kentucky State Government. Kentucky stopped using a central warehousing system beginning in the 1990's when vendor competition and delivery infrastructure developed the capacity to provide necessary items directly to departments in a timely manner, at a competitive price. A 1999 state government document addressing warehouse optimization stated, "[l]arge stockpiles in warehouses often represent a cash investment that is no longer necessary to meet agencies' business needs. For some time now, vendors have been providing just-in-time delivery and prompt payment discounts to private sector businesses, in the process avoiding costly investments in warehousing. The state's practice of stockpile purchasing was our best indicator that our procurement process was broken."

JCPS uses items similar to those in state government such as office, custodial, and maintenance supplies. However, in state government, these items are ordered directly by the agency that will be using the supplies and delivered by the vendor, usually within one business day. In comparison, delivery from Supply Services can range from a couple of days to one week, depending on the size of the order.

There will likely always be a need to store certain items necessary for maintenance and repair work in order to ensure certain parts are readily available within hours, but it does not appear that there is a need for a large staff to control the distribution of these items to other staff. Facility maintenance staff already use a separate inventory program to track supplies kept on maintenance trucks and vans. Ordering directly from a vendor rather than taking work orders to the maintenance warehouse would not require a significant change. A similar process could be used for vehicle maintenance supplies. This would allow inventory to be controlled by the staff that make use of the supplies, allowing them to order items as needed and only retaining extra amounts for those items that are typically needed for emergencies or will be needed in the near future for scheduled projects.

A reduction or elimination in overall inventory stocked in the warehouses will also reduce the space required to store these items, which in turn reduces the amount of JCPS overhead costs attributable to those items. If enough items are removed from inventory, empty storage space may be repurposed by JCPS. JCPS may also consider leasing empty warehouse space, if possible, creating a new revenue source.

*Recommendations*  We recommend JCPS consider eliminating the central warehouse and delivery system currently in place and transition to a just-in-time delivery system. As part of this consideration, JCPS should review the items being stocked in the central warehouse to determine if there are certain products that should still be purchased in bulk and stored due to greater savings. All overhead costs for storage and delivery should be considered and included within the price of any items that continue to be warehoused.

We recommend JCPS seek out bids for a variety of just-in-time delivery contracts with vendors for office/instructional supplies, custodial supplies, facility maintenance supplies, and vehicle supplies. Once contracts are in place, JCPS should continue to use supplies still stocked in the warehouses until depleted, as well as, determine if any items should be declared as surplus and sold.

We recommend that JCPS allow schools and central departments to control their supply needs through just-in-time delivery contracts with vendors, with the intention being that items are ordered as needed to avoid overstocking items.

We recommend that once central warehousing has been reduced or eliminated, empty or unused space should be repurposed by JCPS, leased to outside parties, or otherwise used for the benefit of JCPS.

**Finding 17:**
**Central Office monitoring of the use of textbook funding is limited and textbook needs are not included in the overall improvement plans at the school or district level.**

JCPS General Funds are allocated each year to individual schools for textbook funding. However, the schools are not required to use the funds strictly for textbook purchases and the funds can be carried over to next year's budget. JCPS is not consistently monitoring the use of these funds to ensure they are being spent in the most effective and efficient manner and in a way that is consistent with achieving the academic goals set both at the school and district levels. Making sure JCPS students have access to quality instructional resources is an important element of educational equity, as well as making sure they can compete with students elsewhere in the United States and abroad.

Over the past several years, the state has not provided textbook funding, leaving local school districts the full financial burden to fund these purchases with local resources or grants. For FY 2014, JCPS budgeted $4,608,385 from its General Fund for textbook funding. That funding was divided among JCPS' 155 schools based upon the number of students at each school, with $20 allocated per elementary and middle school student and $40 allocated for each high school student. Once the funds are allocated by JCPS to the individual schools, it is the responsibility of the school's SBDM council to determine how the funds will be spent within the school. Because these funds are considered flexible funds, they can be used for a number of other purposes by schools, including professional development and extended school services.

After allocating the funds to the schools, JCPS' involvement in the use of the funds is limited. JCPS' schools are required to submit a textbook purchasing plan to Central Office to annually identify the purchases to be made with textbook funds before funds are expended. However, Central Office does not approve these plans but simply reviews them to ensure the school's spending is in compliance with the state guidelines. The plans are also not monitored throughout the year to ensure the schools are actually spending their funds in accordance with the submitted plans.

When JCPS schools purchase basal textbooks, which serve as the primary means of instruction in a content area, they are required to submit a notification to Central Office for approval. The notification requires the school to explain the necessity for the purchase, including whether the item to be purchased is on the state approved textbook list. If the item is not on the state approved list, it must meet certain criteria established by the state to be allowable. Once the purchase is approved by Central Office, the notification is sent to KDE for its acknowledgement. While this process allows JCPS to monitor core textbook purchases, the same process is not required for the purchases of other textbook or instructional materials. According to JCPS, staff only monitor textbook expenditures to ensure proper account codes are charged and that the model procurement code is followed; there is no monitoring to ultimately determine the amount of funds allocated to the schools that are used specifically to procure textbooks.

The monitoring practices of out-of-state peer districts were surveyed to compare JCPS practices with those districts. The results indicated that in all four peer districts that responded to the question, the district itself monitored the use and/or distribution of textbooks, unlike JCPS, where textbook usage and distribution is monitored at the school level. Also, those peer districts noted they receive state funding for textbooks. Two districts reporting the amount of textbook funding indicate much higher amounts budgeted for textbooks than JCPS. This information is presented in Table 20 in Finding 7.

The Director of Library Media Services stated that it would be ideal for schools to incorporate their plans for purchasing textbooks and other instructional materials into each school's Consolidated School Improvement Plan (CSIP). The CSIP is a state required annual plan completed by each school and approved by JCPS that establishes goals for each school and outlines the school administrators plan to achieve those goals, as well as the resources needed to accomplish the goals. However, textbook resources and related costs are not included within these plans.

If instructional resources, such as textbooks, were included in the school's CSIP, it would better incorporate all elements related to improving student achievement and assist administrators in focusing the use of these funds. Further, incorporating these expenses in individual school plans would assist JCPS in budgeting for textbook costs. JCPS would be able to analyze the textbook or instructional resource needs at each individual school. It would also help JCPS to link spending needs to a measureable goal.

*Recommendations*      We recommend JCPS establish a process to monitor the use of funding allocated to schools for the purpose of purchasing textbooks and other instructional materials. Although the funds can be used for other purposes, JCPS should have a clear understanding of how those funds are intended to be spent and the schools should be monitored to ensure compliance with the established spending plan. This will allow JCPS to determine the actual amount of funding used by schools to purchase textbooks and the amount used for other purposes. If revisions are made to the initial plans, schools should notify Central Office of the revisions and these revisions should be approved by Central Office before spending can proceed.

We also recommend JCPS incorporate textbook and other instructional material costs within each school's CSIP as a means to monitor spending and to measure the efficient and effective use of these funds. By including these costs within the plan, each school will be required to link textbook spending to a specific goal to be achieved. This will assist JCPS in linking textbook spending more directly to measurable goals and targeting budget funds to each school.

**Finding 18: JCPS lacks a comprehensive and centralized manual of procedures to ensure that they are current and consistent with Board approved policies.**

JCPS has not developed a comprehensive manual or other centralized repository for written procedures that document staff requirements to comply with approved Board policies. This has resulted in operating procedures being adopted and maintained in a segmented manner by each of the JCPS departments. The written procedures provided by JCPS were rarely referenced to a specific Board policy. Further, while JCPS staff performed work routinely, as a matter of practice, these work activities were not documented in writing. Without a documented manual that is periodically reviewed, any written or unwritten procedures could be outdated or inaccurate. This has resulted in a matrix of procedures that lack cohesive oversight to determine compliance with Board policies and avoid potential conflicts, overlaps, or procedural gaps in process.

Reviews of various procedures throughout this review have demonstrated that this decentralization has led to areas lacking procedures, out of date procedures, and confusion among staff over whether procedures exist. Therefore, it was difficult for JCPS staff to determine what processes should be used as the basis for compliance. This issue has been exacerbated further by the fact that staff use various terms, in addition to procedures, to describe their written processes, such as regulations, guidelines, and policies. Some procedures are only discussed in memorandums. It is unclear which of these types of written processes should take precedence over the other as they rarely reference each other or the Board approved policies.

Policies approved by school boards in Kentucky, including JCPS, generally outline how the district will comply with many of the Kentucky statutory and regulatory requirements school districts must adhere to, as well as other guidelines that reflect standards implemented by the boards. These board approved policies generally follow a numbering scheme that allows for the policy to be quickly located or referenced. For example, all JCPS Fiscal Management Board policies begin with 04, starting with 04.0 and continuing through 04.91. These policies are designed to provide overall standards, but specific procedures are needed to assist staff in daily operations.

A superintendent has authority granted through the school board to develop written procedures outlining how the policies of the board will be implemented by staff. At the vast majority of school districts in the state, written procedures developed under the authority of the superintendent are numbered based on the Kentucky School Board Association (KSBA) model. The KSBA model references the written procedures to the relevant, specific board policy. At these school districts, both the board policies and the procedures are maintained in comprehensive manuals that are also posted online through the KSBA. This allows for the quick reference to both the policies and procedures and ensures that all written standards and expectations for school district employees can be easily accessed by staff and the public. This has not occurred at JCPS where procedures are not easily accessible, numbering is inconsistent or nonexistent, and there is rarely a direct reference to a Board policy.

All written procedures at JCPS had to be obtained from each department, as needed, because there was no central procedure repository or manual. No administrator or committee of administrators at JCPS are assigned the responsibility to coordinate the collection of procedures to ensure they are current, updated timely, properly numbered, referenced to policy, and readily available. Though this may be a difficult process to initiate, due to the vast number of procedures required at JCPS, the result would provide all those involved with a clearer understanding of established procedures, as well as a methodology to effectively communicate procedural changes throughout the organization.

During this review, instances were encountered where JCPS did not have written procedures related to operational areas that should have been documented. Initially, staff indicated that these procedures existed, but, upon further review, documented procedures could not be located.

There are no written oversight procedures for petty cash accounts for JCPS' central level departments. The JCPS Director of Accounting Services initially believed the procedures existed and presented the Table of Contents for the accounting procedures manual, but it appears the notation was only a place holder as the procedure itself did not actually exist. During interviews of a staff member in charge of one of the central level petty cash accounts, it was explained that the petty cash procedures developed for school activity funds were followed. These procedures are specifically designed for school related processes and reference school administrators as the oversight staff members. JCPS' central departments have their own administrative structures and processes that are different than schools.

Further confusion regarding procedures was also encountered involving the oversight process for employees to personally pickup physical checks from the JCPS. While a staff member stated that it was a written requirement that employees could not personally pickup checks over $5,000 from the Accounts Payable Office, the Director of Accounting Services later indicated that no such written procedure existed. A requirement that "[n]o check in the amount of $2,500 or greater may be picked up by anyone other than the check payee without special approval," was found in a document titled "Expenditure Process Memo," but this document is maintained by Internal Audit and not one of the accounting offices. The staff member who originally stated the $5,000 limit was also the staff member that referred auditors to the Internal Auditor memo with the $2,500 limit. Regardless of either limit, it was found that checks in excess of $5,000 were picked up.

Due to the lack of structure in which policies, procedures, guidelines, or other directions are accumulated at JCPS, locating, as well as determining the association and hierarchy, and thus the authority, of various written standards is difficult. The Human Resources Department maintains a manual that includes standards regarding how salaries will be determined for newly created job classifications and positions that are being reclassified. However, it is not clear to what extent these standards must be followed as they do not reference the authority or policy from which they are based. In addition, it is common knowledge that JCPS has not used the processes specified. This includes new job positions that have been created and the changes made to other positions during the reorganization effort performed in 2013.

This 2013 reorganization included a title change and salary grade increase for the Executive Director of Data Management, Planning and Program Evaluation when the position was changed from an Executive Director to a Chief, though the rest of the title stayed the same. In addition, a salary grade decrease for the Director of Labor Management and Employee Relations was also implemented when the staff member holding that position changed. The written rules would have required these types of changes to undergo a review by a designated committee of staff members to evaluate the positions in order to establish salary ranges based on criteria set by the standards. However, there is no basis or known authority for the written rules. It could not be specifically identified how the salaries for these positions was determined.

While the Board is currently undergoing a complete review of JCPS policies, JCPS has yet to undergo a full accounting and review of all procedures, guidelines, manuals, and memorandums. Such a process has been mentioned as a goal by the Superintendent and other JCPS administrators during the review, but it was cited as being time consuming due to the vast number of various procedures. Based on the issues encountered during this review, a process is necessary to collect all written procedures, review for consistency with Board policies, determine whether additional procedures should be documented, and publish them in a consolidated manner.

*Recommendations*   We recommend JCPS undergo a full collection and review of all written procedures, processes, and guidelines used by JCPS staff to ensure they are current, meet the requirements of State law, Board policies, and accounting principles.

We recommend that JCPS determine whether there are unwritten practices employed by JCPS that are not currently written. These should be reviewed and a determination should be made whether these practices should be included as a written policy, procedure, or guideline.

We recommend JCPS fully consolidate all written procedures necessary for staff to carry out job duties into a single manual. All procedures should be numbered and reference back to the State law, Board policy, or other authority that empowers them. The manual should be made easily available online to both staff and the public.

We recommend JCPS create a procedures committee consisting of JCPS staff so that they may meet to discuss any needed additions or updates to the procedures manual. We recommend this committee consist of management from a variety of departments to ensure the knowledge of needed procedural changes is effectively communicated and distributed among a broad cross section of JCPS. It should also include a representative of the JCPS General Counsel's office to provide legal review and assistance.

**Finding 19: JCPS' current purchasing cards were plagued by administrative issues and complete supporting documentation for card transactions could not be located without extensive review.**

During the review period, the JCPS Central Office regularly used three purchasing cards associated with a single corporate purchasing card account. While JCPS received over $30,000 in incentive payments from using these cards to pay for expenditures, the account was plagued with numerous issues, both internally and externally, which caused the JCPS financial staff to decide to discontinue the purchasing card program in May 2014 and process future travel expenditures with a new bank credit card. Despite being unable to provide complete supporting documentation for these transactions, JCPS financial staff has not expressed that a change is needed to address the documentation issue caused by this process. JCPS should take steps to appropriately track these expenditures in MUNIS or provide additional documentation that would facilitate locating complete documentation that supports these transactions. Unless JCPS takes one of these actions, it will continue to be overly burdensome to review supporting documentation for such transactions.

*Background*

In the spring of 2011, JCPS signed an agreement to open a corporate purchasing card account with a purchasing card company. Prior to this action, JCPS Central Office employees had not used credit cards or purchasing cards for Central Office expenditures, but JCPS was looking for a way to increase revenues and capturing cash-back on some of its purchases would meet this goal.

The corporate purchasing card was chosen for two reasons. First, the purchasing card company offered excellent incentives in the form of cash back for purchases made using the card. JCPS immediately planned to use the cash earned to offset the cost of adding the Tyler Content Manager (TCM) module to MUNIS, a financial software package used in all 173 Kentucky school districts. TCM allowed school districts to capture, deliver, manage, and archive electronic information. Second, the purchasing card company representative assigned to JCPS' account claimed that this card offered an appealing set of controls, beyond the routine use of the Standard Industrial Classification codes, which could be established to make it more difficult for employees to violate the model procurement code when using the card. JCPS financial staff saw this as a great strength to the purchasing cards they hoped to eventually provide each school.

During the review period, the JCPS Central Office regularly used three purchasing cards. Card #1 was used to pay for accounts payable vendor purchases made on a regular basis for such services including routine computer services, food services, and education services. Card #2 was used for travel purchases such as hotels and rental cars, while Card #3 was used for only airfare purchases. A fourth card number was created just to carry the disputed past due balance and subsequent fees owed by JCPS until such time as the issue was resolved. No physical card was ever issued for this account. For additional details, see the *Issues with the Purchasing Card Company* section below for more details. Also, during the period, JCPS requested, but did not activate, one purchasing card for each school in the district. Despite never being activated or distributed to employees, a fraud charge appeared on three of the cards designated for the schools. All three charges were disputed and eventually dropped; however, one charge took eight months to be resolved.

JCPS earned and received $30,056 in incentive payments during the review period, while paying approximately $1,222 in fees. JCPS discontinued the use of Card #1 for making regular vendor payments during fiscal year 2013 and the cards requested for the schools were destroyed. The JCPS financial staff's current plans are to discontinue "the p-card program with Accounts Payable vendors other than travel," which JCPS plans to handle with a new bank credit card.

*Internal Issues*      In the spring of 2011 when JCPS entered into the purchasing card agreement, the version of MUNIS being utilized by the district did not provide a way to link expenditures made with a purchasing card to the actual vendor. However, JCPS financial staff expected this functionality would be available with an upgraded version of MUNIS in October 2011. The upgraded version would enable the user to link purchasing card expenditures to the actual vendor to calculate all payments made to a vendor for a given period and provide the ability to produce a vendor history report. The upgraded version would allow expenditures to be entered by the vendor's name despite the payment being issued to the purchasing card company instead.

Until the October 2011 upgrade occurred, JCPS financial staff had to determine how to account for the vendor when entering the transactions in MUNIS. If the payment was attributed to the purchasing card company and not the actual vendor, JCPS financial staff were concerned that this would conceal this transaction from any vendor history report for the actual vendor. In other words, a $500 computer purchase paid with the purchasing card would appear on a vendor history report for the purchasing card company, but not under the name of the vendor.

Because JCPS financial staff anticipated having the necessary functionality in the October 2011 upgrade, they decided to take an alternative approach by attributing all expenditures made with the purchasing card to the original vendor, not the purchasing card company. JCPS financial staff felt this would be a more transparent way of doing business, would show the true amount spent with a particular vendor, and would accustom staff to how transactions would be entered after the expected MUNIS upgrade.

Due to this unique situation, the purchasing card company representative suggested, though not the "standard company process," that JCPS write checks to the original vendors, instead of the purchasing card company as typically occurs. Instead of sending the checks to the vendors, JCPS was instructed to send the checks to the representative weekly. He would contact the original vendors and ask the vendors to run their charges through one of the JCPS purchasing card numbers he provided. Once the vendor had applied the charge, the purchasing card company representative would forward the checks from JCPS to the payment processing center. However, the purchasing card company's processing center misapplied the vendor payments to the wrong JCPS card number. This misapplication of payments caused overpayments on some cards and underpayments on others that resulted in late fees.

In September 2011, JCPS chose not to implement the October 2011 MUNIS upgrade the following month because JCPS staff were not satisfied with the payroll functionality of the upgraded system. Therefore, the complex and confusing process for handling its purchasing card, which was originally planned to be short-term, was extended because the MUNIS upgrade did not occur as planned.

*Impact of these Issues*

To test a sample of expenditures noted on the purchasing card statements, the auditors faced unexpected obstacles. During previous examinations of public school districts in Kentucky, the performance review team was able to track the individual transaction from monthly purchasing or credit card statements to the corresponding MUNIS transaction and test the supporting documentation. The financial staff at these districts were able to provide the supporting documentation for the selected transactions easily and quickly either by using the check or purchase order number noted on the statements or by running a vendor history report to determine the check and purchase order numbers that correspond with each statement. However, JCPS' staff could not identify purchasing card transactions in a timely manner and continue to be unable to identify these transactions from a vendor report because credit card charges are paid as direct payments to vendors. Because these payments are made directly to vendors and recorded as such in MUNIS, no payments are made or recorded to the purchasing card company. This was not only difficult during the review, but also the methodology created internal confusion. During the review, JCPS Accounts Payable staff initially stated that the Central Office did not have credit cards. They believed this to be true because a check had never been issued to a purchasing or credit card company

Due to JCPS' approach to entering purchasing card transactions in MUNIS using the actual vendor, supporting documentation for transactions selected from the monthly statements could not be located without a great deal of difficulty. Due to the excessive amount of time expended by both parties to locate the documentation, it was decided to end the search because this task had already taken over a month. Though JCPS fully implemented the October 2011 upgrade of MUNIS by early 2012, JCPS financial staff has still not taken steps to use the functionality in MUNIS. JCPS financial staff acknowledged that the process for locating the original documentation for specific transactions on the monthly statement was difficult, but staff did not anticipate how labor-intensive it would be to locate documentation for a transaction.

*Issues with the Purchasing Card Company*

In November 2011, the purchasing card company representative pressed JCPS to expand the number and type of vendors that JCPS would use the purchasing card to pay and to change how payments would be made in the future. The representative provided JCPS financial staff with a template they could use to communicate these changes to all of JCPS' preferred suppliers. JCPS financial staff felt the tone and wording of the letter did not match their desires, so they edited and returned the letter to the representative. A month later, JCPS was contacted by a vendor who shared the letter they thought was sent by JCPS. Not only did it include the original language removed by JCPS, but it also provided the name of a JCPS employee who should be contacted with questions. The named JCPS employee was unaware of this action until he started receiving calls from unhappy and bewildered suppliers. It was at this point that JCPS financial staff began to consider ending their relationship with the purchasing card company.

In addition to the unauthorized letter, as noted above, JCPS was experiencing issues with the purchasing card company either not applying their payments to the right charge on the right card or simply delaying the application of the payments. Both actions caused late fees to accumulate and left JCPS financial staff confused as to the true balance of the cards.

According to JCPS, between August 12, 2011 and April 20, 2012, JCPS issued 519 checks as payment for charges on Card #1, the purchasing card used to pay for vendor purchases made on a regular basis. On average, nearly 19 days passed between the date the check was issued and the date the check cleared the JCPS bank account. However, it took longer than 30 days to complete the process for 104 of the payments, 27 of which took over 60 days to complete. With the average payment during this period being approximately $11,484, even though the payment delays were created by the processes involving the purchasing card representative and its processing center, the purchasing card company often applied late fees and interest charges because it appeared that JCPS was not making timely payments. Also, at least three vendors complained and requested payment by a method other than by purchasing card because they were not receiving timely payments using this method.

During December 2011, the original purchasing card company representative left suddenly and without explanation. The newly assigned representative expressed surprise by the actions of the original representative and the method by which both parties had agreed to process purchasing card payments. Later in 2012, when JCPS officials indicated they were thinking about terminating the agreement due to the difficulties they had experienced, the new representative suggested entering into remediation in order to obtain the true amount of fees and interest owed for each of the active cards. JCPS agreed and, after numerous months of remediation, the purchasing card company agreed to remove the majority of the fees and interest charged to the account during the tenure of the original representative. While some of the blame for this situation lies with the purchasing card company and its representative, JCPS should have strengthened its monitoring practices due to the unusual process they had agreed to follow.

*Recommendations*  We recommend that JCPS financial executives formally investigate other alternatives to the purchasing card currently used to allow for a more transparent, direct, and effective payment process. Once an alternative has been selected, JCPS should take steps to terminate the current purchasing card agreement and resolve any payment issues that may still exist.

We recommend that JCPS more closely monitor purchasing or credit card activity and work quickly and diligently with the purchasing or credit card company to reconcile discrepancies.

We also recommend that JCPS take steps to address the documentation tracking procedures that occur when accounting for these transactions using the name of the actual vendor and not the purchasing card. JCPS staff should explore whether MUNIS can address this need or whether additional information should be maintained to track the transactions to the required supporting documentation. Accurate and transparent vendor information is essential to an organization, but steps should be taken by JCPS to ensure that supporting documentation for purchasing cards payments can be located in a timely manner.

**Finding 20: Travel reimbursement guidelines are vague and lead to inconsistencies.**

Unlike other public school districts in Kentucky, the Board and JCPS have neglected to adopt policies or related procedures for employee reimbursements for travel expenses. Instead, JCPS has chosen to rely upon a vague set of travel guidelines and various forms, which allow supervisors the ability to determine, on an individual basis, whether or not the expenditures listed on the reimbursement request form were made prudently or were made to accommodate personal comfort, convenience, and taste. While sampling nearly 300 reimbursements to non-school staff at JCPS, reimbursements approved for valet parking, car rentals with low mileage, parking fees for days when the employee had extended the trip for personal reasons, early bird check-ins on flights, as well as other similar issues were observed. The Board and JCPS should work together to establish policies, procedures, and detailed guidelines regarding allowable employee reimbursements for travel in order to ensure consistency.

During the review period, Board-approved policies or Superintendent-initiated procedures pertaining to expense reimbursements for JCPS employees were not formalized. A cursory review of Board-approved policies at six large Kentucky public school districts found that the Boards for these districts adopted a personnel policy specifically addressing expense reimbursements. Such policies, while not required by law or regulation, fall within the authority and discretion of a district's board of education.

Superintendents at three of these districts reviewed have taken additional steps to develop procedures related to travel reimbursement. These additional steps include incorporating the reimbursement forms in their totality, referencing where such forms are located on the district website, or offering specific guidance as to what is eligible for reimbursement.

During the review period, JCPS employees were guided by a seven-page document known as the *Travel Reimbursement Guidelines* and three forms labeled as the *Out of County Travel Voucher*, the *In-County Travel Voucher*, and the *Flying vs. Mileage Form*. The *Travel Reimbursement Guidelines* is broken down into five sections: purpose; in-county travel; out-of-county travel; other miscellaneous expenses; and three pages of tables identifying all cities or locales for which the high rate or mid rate for per diem may be requested. The only JCPS issued updates to the document were to align JCPS' mileage reimbursement rate with the state's mileage reimbursement rate in April 2011 and July 2012. The three forms identified as being used during the review period are not specifically mentioned in the *Travel Reimbursement Guidelines*.

The *Travel Reimbursement Guidelines* explain the mileage reimbursement rate calculation and approval process, as well as the per diem reimbursement method for out-of-county meals. However, unlike many of the Board-approved policies at other districts reviewed, the document does not address the allowability of such expenses as gasoline, tolls and fees, additional charges on a hotel bill beyond the cost of the room, emergency repairs to Board-owned or rental vehicles, registration and membership fees, lodging less than 50 miles from the employee's work station or home, and tips for valet parking, bellhop, and other such services. Related to determining whether specific reimbursements are allowable, the *Travel Reimbursement Guidelines* are vague and leave much to the discretion of the employee and his or her supervisor.

As noted above, *JCPS Travel Reimbursement Guidelines* explains the per-diem meal reimbursement methodology for the district. In the benchmarking survey of out-of-state peer groups, only one other peer district indicated it was also on a per-diem basis, but its per-diem reimbursement rates are based on the state rates. JCPS adopted its own meal reimbursement rate instead of the meal per-diem rate established by the state. JCPS rates are $50 high rate, $36 midrate, and $30 standard rate. State travel guidelines also include a $30 standard rate, but limits high rate reimbursements to $36.

In addition, the document does not speak to the payment of travel expenses incurred by the Superintendent or the process by which the Superintendent's requests for reimbursement should be reviewed prior to payment. According to the Board Chairperson, the current Superintendent does not request travel reimbursements, but issues related to this Superintendent or a future Superintendent could occur without established policies and procedures.

The *Travel Reimbursement Guidelines* also do not provide sufficient specific examples of expenditures that are disallowed. This oversight in specificity transfers the discretion to allow or disallow a particular expenditure to the individual employee's supervisor and, thus, introducing the possibility of inconsistencies into the approval process depending on the supervisor's judgment.

*Sample of Travel Reimbursements*

To determine the impact from JCPS' lack of policies or related procedures for employee reimbursements for travel expenses, a list of all employees not assigned to a school who received reimbursements during the three fiscal years under review was requested. From this list, a sample of 99 individuals was selected. These individuals included the current and former Superintendent, current and former Board members, key JCPS financial staff, and employees who received over $3,000 in total reimbursements for the three year period.

Related to these 99 individuals, we judgmentally selected 287 payments to test for compliance with the *Travel Reimbursement Guidelines* and established procedures for payment. All payments identified for testing purposes were analyzed based on the following criteria: (1) is the apparent necessity and/or a clear and related business purpose noted or referenced on the supporting documentation provided for the expenditure; (2) is the expenditure reasonable in nature and not excessive or unusual; (3) is the expenditure properly approved; and (4) is each expenditure supported by sufficient documentation, including itemized information when appropriate.

Testing of the payments showed nearly all requests for reimbursement had a stated purpose, proper approvals, and adequate supporting documentation; however, instances of charges that seemed to accommodate personal comfort, convenience, and taste rather than using JCPS resources in a prudent manner were observed. Examples of such charges that were approved for payment include:

- flights purchased less than fourteen days prior to attending conferences or meetings;
- two instances where flights were purchased the day before departure;
- early bird check-in fees for an airline;
- extra legroom fees on each segment of a flight;
- overweight luggage fees;
- additional parking fees at the departure airport due to personal travel tacked onto the end of the business trip;
- parking in a covered garage at the airport rather than in long term parking on the surface ($4/day difference);
- car rentals with less than 50 miles driven, one with only 12 miles driven;
- $50 tip to bellman for unloading and delivering boxes of conference materials;
- valet parking at hotels;
- meals in hotel restaurant charged to the room instead of (and in one case, in addition to) receiving per diem;
- tour on a trolley while attending a conference in San Diego (charge was placed on hotel bill);

- mileage, per diem, and hotel stay for attending the 2013 KHSAA Boys State Basketball Tournament in Lexington for an employee that was not directly associated with the district's athletics.

While these examples appear unnecessary, these are items that have been reimbursed due to JCPS' reliance upon a vague set of travel guidelines and forms. With the exception of the last example, these items could continue to be reimbursed unless Board-approved policies and JCPS procedures are created and the *Travel Reimbursement Guidelines* strengthened. The last example, however, did have a note with the supporting documentation that said that the Superintendent has indicated that this expense will not be paid in the future and that the employee requesting reimbursement should be informed of this decision. No request for repayment from the employee was identified.

In August 2012, JCPS created the *Spending Guidelines* to address what types of expenditures should not be paid using the JCPS budget. This document includes a "quick reference guide for indentifying improper expenditures," which easily enables a user to determine, by category and transaction type, whether the expense is allowable. In addition, the *Spending Guidelines* state that "[t]he use of public funds to accommodate personal comfort, convenience, and taste is not permitted." Both a similar quick reference guide and the above referenced statement should be included in the *Travel Reimbursement Guidelines* in order to remind employees of the expectations of the Board, JCPS officials, and taxpayers.

*Recommendations*   We recommend that the Board and JCPS officials work collaboratively to both adopt an expense reimbursement policy for employees within their Board-approved policy manual and to develop administrative procedures to further explain the policy. The Board-approved policy and/or the administrative procedures should explain which expenses are reimbursable and which are not, what defines acceptable documentation, how per diem and mileage rates are calculated, and how an employee can be reimbursed. The policy should acknowledge, by reference, any administrative procedures developed by JCPS, as well as the *Travel Reimbursement Guidelines* and/or other forms created to further assist with the expense reimbursement process and to provide specific examples as to what expenses are and are not allowable.

**Finding 21: JCPS has not developed written procedures documenting the assignment process and allowable usage of JCPS owned vehicles taken home by staff.**

JCPS has not developed written procedures to outline the process used to determine when it is appropriate to assign staff a JCPS owned vehicle that can be taken home and used for commuting to work. Also, no written guidelines were developed that are part of a policy or procedure manual that outline how the take-home vehicles may be used by staff once assigned. The lack of specific documented guidelines for assigning vehicles may lead to uncertainty in determining which staff receive take-home vehicles and the appropriate use of those vehicles. Considering JCPS spent $170,795 on fuel costs alone for 67 take-home vehicles in FY 2013, the criteria for take-home vehicle assignments should be documented to ensure the expense is necessary.

The only written document related to take-home vehicles is a vehicle assignment sheet signed by staff members at the time they are assigned a vehicle. It includes some usage guidelines, but they are not part of an official procedure manual. In an interview with the Chief Operating Officer (COO), he stated that he believed policies existed related to JCPS take-home vehicles, but that he had never actually seen them. He has only seen the guidelines included on the vehicle assignment form signed by staff. No further policies or procedures related to take-home vehicles were provided by JCPS.

The take-home vehicle assignment process, according to the COO, begins with a director or other cost center head making a written request of a take-home vehicle for a staff member. This request would then have to receive the final approval of the COO. The COO stated that approval for take-home vehicles is based on whether the individual needs to be out on the roads on behalf of JCPS or staff that travel a great deal to JCPS buildings. It is expected, although not documented in procedure, that the vehicles are to be used for JCPS business only and not personal use.

During FY 2013, JCPS provided 67 staff members with take-home vehicles. The majority of these vehicles were provided to maintenance and grounds personnel, as well as JCPS security officers. Take-home vehicles are also provided to certain transportation personnel and to the Superintendent, per the terms of her employment contract. Many of the maintenance vehicles are large work trucks and vans, while security officers drive large sedans typical of most law enforcement agencies.

According to the COO, many of the staff assigned take-home vehicles have a shorter commute from their homes to their worksite than the distance from the JCPS parking compound to the worksite. By allowing them to commute directly to the worksite, it can save on JCPS vehicle mileage. Other staff may be classified as having "on-call" status during the evenings and need the ability to go directly to a worksite to ensure quick response to problems at schools and avoid interruptions to the school day.

The need for daily take-home vehicles for other staff was less clear. For example, a director in charge of school facilities, but not actually performing repairs or maintenance, reportedly makes numerous trips between schools for oversight, but it is unclear how much travel is required in the evenings.

In order to ensure the need for take-home vehicles is transparent, defined parameters and criteria will need to be developed and written in the procedures. If a shorter commuting distance from their homes is a criterion by which staff may receive an assigned take-home vehicle, it should be documented. Similarly, if a staff's on-call status requires a vehicle to be taken home, this should be documented in the procedures, as well as whether it only applies during the on-call period or during the entire year. This assists in ensuring consistency in the assignment of vehicles and provides clear guidelines for staff.

It was determined that staff assigned a take-home vehicle with commuting privileges have $3 per work day deducted from their wages per Internal Revenue Service rules. The one exception to this is the Superintendent, who has been provided a 2007 Ford Explorer. Per her employment contract with JCPS, the vehicle can be used for more than commuter use, so it is taxed based on the lease value of the vehicle provided.

JCPS will also need to consider implementing other controls for the usage of the take-home vehicles. While some of the work trucks and vans used by maintenance staff and the sedans used by security staff have JCPS decals that identify them as property of JCPS, other vehicles such as small SUVs and trucks do not. These smaller vehicles only have a State of Kentucky "official" license plate. This makes them indistinguishable from similar vehicles owned by other public entities around the state. Not being identified as property of JCPS may give a driver the feeling of less accountability in how a vehicle is used and increase the risk of misuse.

*Recommendations*  We recommend JCPS develop written procedures related to the assignment and usage of JCPS owned vehicles, including those assigned as take-home vehicles and those kept on JCPS property at night. Specific criteria for staff qualifications used to assign a take-home vehicle and whether that vehicle is allowed to be used for commuting purposes should be documented.

We recommend JCPS evaluate all current take-home vehicle assignments to determine whether these assignments are necessary and needed by the assigned staff during the entire year or whether vehicles only need to be taken home seasonally or when staff are on-call.

We recommend that JCPS place decals on all vehicles identifying them as property of JCPS to help act as a control for vehicle usage through public scrutiny.

**Finding 22: The JCPS procedures for its cell phones are outdated and do not establish criteria for assigning phones.**

JCPS technology procedures providing guidelines for its cell phones were created in July 2000 and do not appear to have been updated since that time. These outdated procedures reference cell phone plans that are no longer used by JCPS and a cell phone vendor that no longer exists. In addition, the procedures require an application process for employees to be assigned a JCPS cell phone, but provide no criteria for determining the conditions that must be met to receive a phone.

According to data provided by JCPS, it is currently paying for a total of 277 cellular service lines for voice, text, and hot spot services through two separate vendors. Based on this data, the number of lines over the last several years has been reduced. Table 25 contains the JCPS payment amounts and number of cell phone lines for the last two fiscal years and the current year as of February 2014.

**Table 25:  JCPS Cellular Payments and Lines of Service**

| Fiscal Year | Payments | Lines of Service |
|---|---|---|
| 2012 | $165,131 | 341 |
| 2013 | $139,396 | 286 |
| 2014* | $78,813 | 277 |

Source: Auditor of Public Accounts based on information provided by JCPS.
* As of February 2014.

It should be noted between 2012 and 2013, there was approximately a 16% decrease in cell phone charges.  Although 2014 numbers appear much smaller, it is because those are partial-year expenditures through February 2014. Extrapolating the amounts reported, 2014 amounts appear to be in line with 2013.

*Outdated Procedures*    In July 2000, JCPS adopted Cellular Telephone Guidelines as part of the Digital Technology Department's Educational Technology Policies and Procedures Manual to document the oversight process of cell phones.  These cell phone procedures do not appear to have been updated since their initial adoption. Included within the procedures are references to at least three different service plans that were used at the time the procedure was adopted, but do not exist under the new cell phone contracts currently used by JCPS.  In addition, the procedures refer to a monthly payment process for the cell phone bills that notes GTE Wireless as the vendor, which is a company that no longer exists.  The procedures also state that only one phone will be approved per school or cost center.  Based on the cell phone assignment list provided by JCPS, there are multiple cell phones per cost center.

The procedures also do not appear to have been updated for changes in technology, as they include a warning that an inexpensive scanner can be used to intercept cell phone signals.  While this may have been possible at the time the procedures were developed, new digital technologies used in modern cell phones would no longer make this possible.

The cell phone procedures adopted in July 2000 reflect the state of technology at that time, but parts of it no longer apply due to advancements and changes in cell phone service plans.  JCPS will need to update these procedures in order to ensure they are applicable to current practices.  See Finding 41.

# Operations, Policies, and Procedures - Findings and Recommendations

*No Criteria for Assignment*

The cell phone oversight process established within the procedures includes a section on the approval process of cell phone assignment to JCPS employees. It requires an "Application for Cellular Phone Service" be completed by either the schools or Central Office cost centers, which are then sent to an Assistant Superintendent or Cabinet-level Supervisor for approval. While this application includes a section requiring a rationale be provided to document the need for a cell phone for a particular employee, no procedures at JCPS state what criteria should be used to determine whether an employee would qualify for a cell phone. Based on current policy and current practice, it is unclear as to who is able to give final approval regarding this application before a cell phone is ordered and activated. This lack of criteria and non-specific approval process could potentially cause inconsistencies among JCPS departments and schools.

Even with the 16 percent decrease in cell phone expenditures in the past three years noted above, JCPS may find additional efficiencies by updating its policies and procedures and reviewing whether 277 cell phones are necessary and reasonable. In surveying out-of-state peer districts for benchmarking purposes, two districts reported having cell phone policies. One district offers a $60 stipend to all individuals at the Executive Director level and above only, while a second district furnishes cell phones to employees dependent on actual job duties and not job title.

*Recommendations*

We recommend JCPS update the Cellular Telephone Guidelines section of the Digital Technology procedures to ensure they represent current cellular technology and service plans. We also recommend JCPS update these policies to include documented criteria to be used in determining which staff members qualify to be assigned a JCPS cell phone and additional information as to who must review and provide final approval. After establishing criteria for assigning a cell phone, we recommend that JCPS evaluate the current assignment of phones to determine whether the number of cell phones can be reduced.

**Finding 23: JCPS does not have a consistent policy for all salaried staff regarding the use of accrued leave time for partial days and may result in a larger than necessary liability for unused leave payouts.**

JCPS salaried administrators at the central department level, whose positions are categorized as exempt from the overtime rules of the federal Fair Labor Standards Act (FLSA), are not required to use their accrued leave time as long as they work a portion of the work day. In comparison, 58 percent of JCPS teachers reported that the leave policy applied to them requires that they use a full day of leave if they only work a partial day, even though teachers are also considered exempt from FLSA overtime requirements. This indicates there is an inconsistency in the leave practices for JCPS salaried-exempt employees. In addition, because the central department employees are not required to use leave for the actual amount of time they are absent, this can lead to larger leave totals and a larger than necessary liability for JCPS.

*Fair Labor Standards Act*

The federal FLSA was enacted to establish rules creating a minimum wage and requirements for overtime pay of employees, but it provides exemptions from the overtime requirement so that certain types of salaried employees are not required to receive overtime pay no matter how many extra hours are worked. According to FLSA rules, exempt salaried employees must meet two criteria. First, the employee must be paid on a salary basis of at least $455 per week and receive that pay regardless of hours worked in a week or the quality or quantity of work produced. Second, the employee must fit into one of the exempt job categories, including executive, administrative, outside sales, professional employment, or highly compensated.

*Implementation of FLSA at JCPS*

Based on the FLSA rules, all JCPS teachers, school administrators, and other certified school staff members are considered exempt from FLSA overtime requirements. In addition, 418 Central Office staff have also been classified by JCPS as salaried-exempt under the FLSA rules by JCPS. According to JCPS Human Resource officials, these salaried-exempt employees do not have to use leave time unless they will be absent for the entire day because leave time usage for those staff has been set to a minimum increment of one day. JCPS staff members have stated that they believe this leave practice is in keeping with the requirements of the FLSA and refer to those rules as their primary rationale for not requiring leave usage for partial days.

*Inconsistent Policy Application*

To compare how leave practices are implemented at the school level, JCPS teachers were asked if they were required to use leave if only a partial day of work was missed. Given that teachers have the same salaried-exempt status as central level administrators, it was expected that the practice would be the same. Table 26 includes the responses of the JCPS teachers:

**Table 26:  JCPS Teachers Required to Use Leave for Partial Days**

| Answer | Responses | Percentage |
|--------|-----------|------------|
| Yes | 614 | 58.0% |
| No | 444 | 42.0% |

Source: Auditor of Public Accounts based on survey of JCPS classroom teachers.

As seen above, over half of the teachers reported that they are required to use accrued leave for missing a partial school day. Based on the requirements of the agreement between JCPS and the Jefferson County Teachers Association, which represents teachers, the minimum increment of leave that can be used is one day. This means that in order to miss a partial day, 58 percent of teachers are reporting that they would have to use a full day of leave and potentially use more leave hours than hours of work actually missed. This is inconsistent with the practice for the salaried-exempt employees at the central department level that allows administrative staff to use less leave for work hours missed.

Table 26 also indicates there is also an inconsistency in leave practices at the school level. There were 42 percent of the teachers that reported they did not have to use accrued leave for missing a partial work day. This indicates that the application of leave usage requirements may possibly vary among schools, depending on principals' or other school administrators' requirements.

As a final comparison, teachers in the other surveyed Kentucky school districts were asked the same question regarding the usage of accrued leave for days they worked only a partial work day. Table 27 contains the other Kentucky teachers' responses.

**Table 27: Other Kentucky Teachers Required to Use Leave for Partial Days**

| Answer | Responses | Percentage |
|--------|-----------|------------|
| Yes | 1,924 | 91.0% |
| No | 191 | 9.0% |

Source: Auditor of Public Accounts based on survey of a sample of other Kentucky school district classroom teachers.

As seen above, 91 percent of the other teachers reported that they would have to use leave. This may indicate a far more consistent policy at other school districts. However, the overall impact to the leave balances of these teachers is not known because the minimum allowable leave increments for each of these school districts is unknown.

While the leave practice for salaried-exempt employees implemented by JCPS does not appear to violate any legal requirements, the practice is not currently considered a requirement of the FLSA either. At one time, the FLSA was interpreted to limit leave deductions to one day increments, but the United States Department of Labor (US DOL) has since issued new opinions that would allow for leave deductions of partial days. Auditors examined US DOL Opinion Letter FLSA2005-7 and Opinion Letter FLSA2007-6, which indicated that employers may reduce an employee's accrued leave balance for the time an employee is absent from work even if it is less than a full day, provided the employee receives the full guaranteed salary.

JCPS officials have stated that those classified as salaried-exempt work many more hours per week than the expected 40 hours, using nights, weekends, and holidays to make up for any time taken off during a work day. However, because salaried-exempt employees are not required to complete a timesheet or other mechanism to record actual hours worked, there is no way to determine the accuracy of this statement.

In order to determine whether a salaried exempt employee should be using leave, a timesheet tracking the actual hours worked during the week would be needed. After a review of US DOL requirements and opinion letters and opinions of other legal sources, there is no law that would prohibit an employer from requiring a salaried-exempt employee to complete timesheets. The general interpretation on the use of timesheets is similar to that of the use of partial leave days. As long as the guaranteed salary of the employee is not affected, then it does not violate the rules of the FLSA.

Research indicates that other employers set lower leave increments and require timesheets for salaried-exempt employees. Other larger school districts comparable to JCPS use smaller leave increments, but still provide salaried employees an opportunity to work a flexible schedule to achieve a 40-hour work week. Cobb County School District established quarter hour leave increments. The Charlotte-Mecklenburg School District has set the minimum leave increment at four hours for salaried employees, but they still allow flexibility for those employees to work outside of regular office hours.

As a public entity, JCPS has a responsibility to be fair to employees, but to also use public funds in the most prudent manner. By establishing a leave practice that allows staff to potentially use less leave time than may be expected based on a 40-hour work week, JCPS has potentially incurred a much larger liability than is necessary.

*Impact on accumulation of liability for unused leave*

KRS 161.155 requires public funded school districts like JCPS to provide sick leave to employees, where that leave can accumulate without limit. The district must then pay 30 percent of the value of that sick leave to the employee at the time they leave the district. Employees are also granted three personal leave days each year that may be converted to sick leave, further increasing these accrued totals. A JCPS Board Personnel Policy requires that vacation leave be given to all 12–month, full-time employees, which can be paid out at 100 percent value when the employee leaves JCPS.

Based on a 27-year career before retirement, a full-time salaried-exempt employee that did not use any sick or personal leave days could accrue 405 days and keep a maximum balance of 40 vacation days. Based on the average daily salary of $376.30 paid to the 418 salaried-exempt Central Office staff, JCPS would pay $45,720 for that employee's retirement for sick leave and $15,052 directly to the employee from vacation leave. Utilizing these averages, JCPS could have a liability as much of $25,402,696 for the current level of exempt staff. This does not indicate that the employee has abused the JCPS leave system, but is merely a demonstration of the liability that JCPS is incurring due to accumulated leave and the current leave policies.

*Recommendations*

We recommend JCPS develop a leave policy or procedure that requires all employees to report the actual amount of leave time used regardless of exemption status. Actual amounts of leave used can be tracked through the use of timesheets that would reflect actual hours worked by all staff, including salaried-exempt workers.

We recommend JCPS establish smaller increments in which Central Office administrators may use leave. At a maximum, this should be set at a half day or four hours, based on a 40 hour work week, but hourly or quarter hour leave should also be considered an increment as well.

**Finding 24: Due to a reorganization in August 2013, the Director of Pupil Personnel no longer supervises the attendance clerks that collect and analyze school attendance data for all JCPS schools.**

In August 2013, the current Director of Pupil Personnel (DPP) was reorganized into a division within the Office of Chief Academic Officer and was no longer located in the office that collects and analyzes school attendance data. The Attendance Supervisor, who was previously supervised by the DPP, continues to maintain the same roles and responsibilities for the collection and reporting of the schools' attendance data, but this position now reports to the Director of Planning and Program Evaluation within the Office of Data Management, Planning, and Program Evaluation Services.

State law requires specific training and certifications for the position of DPP to effectively perform their duties and KDE considers this position to be of significant importance because of their responsibility to track students and ensure their attendance in public schools. However, state law and KDE regulations do not prohibit the separation of the DPP from the attendance data personnel. While not prohibited, the August 2013 JCPS reorganization could result in decreased communication that could diminish the effectiveness of the DPP. With over 100,000 students and state funding based on enrollment, attendance is a significant area in which the organization and available resources should be maximized.

The DPP is required by KRS 159.140 to maintain attendance and other student records and make reports as required by any laws, regulations, or board policy. The many duties required by KRS 159.140 include the following:

- Enforce the compulsory attendance and census laws in the attendance district he or she serves.
- Ascertain the causes of irregular attendance and truancy, through documented contact with the custodian of the student, and seek the elimination of these causes.
- Secure the enrollment in school of all students who should be enrolled and keep all enrolled students in reasonably regular attendance.

KRS 159.080 requires that each superintendent of a local school district appoint a DPP and assistants, as deemed necessary. In addition, a DPP must have the general qualifications of teachers, as well as a valid professional certificate for director of pupil personnel services issued in accordance with the Education Professional Standards Board. For additional guidance, 16 KAR 3:030 established the training and certification process required for a DPP in Kentucky's public schools.

According to KDE's Pupil Attendance Manual for 2013-2014, the DPP is described as a position of great importance due to their responsibility for tracking students and ensuring their attendance in public schools. Within this manual, the primary attendance reports identified as required by each school district for purposes of state funding are the Growth Factor/January Growth Factor and the Superintendent's Annual Attendance Report.

While the Pupil Attendance Manual requires the submission of these reports, the manual did not specify that these reports must be submitted by the DPP. This issue was referred to KDE staff with the Division of District Support and they stated that the DPP is not required to submit these reports and that these reports typically are submitted by the Superintendent. When asked about how the JCPS reorganization would affect the DPP responsibilities, KDE staff stated that "it is fine for JCPS to have their own process as long as the DPP is included."

JCPS' position description for the DPP requires the administration of state and district policies related to membership, placement, and attendance of students in the district, as well as maintaining a census of all school age children in Jefferson County. The DPP is also responsible for assuring that JCPS has an accurate system of attendance accounting for all children enrolled and to provide advice, leadership, and direction to all of the coordinators, assistant directors, and other personnel in the department including the pupil services teams.

The August 2013 reorganization appears to make it more difficult for the DPP to fulfill certain responsibilities due to less direct involvement with the Attendance Supervisor. In addition, the DPP, who is specifically trained and had a specialized certificate to work with attendance data and issues, no longer oversees the work of the Attendance Supervisor.

Without immediate and timely information concerning attendance data, the DPP's effectiveness in fulfilling the job responsibilities is potentially impaired. The DPP is responsible for enforcing Kentucky's attendance laws, yet organizationally JCPS has separated this function from the attendance data information that is needed to be aware of attendance issues at each school. Given the DPP and the Attendance Supervisor, who actually collects and analyzes data, are now located in two separate departments and the DPP no longer supervises the Attendance Supervisor, an increased and coordinated effort will be necessary to ensure relevant information is shared timely and the function remains effective.

This change in organization appears less efficient to satisfy the statutes, regulations, and board policies for report submittal. The DPP stated that attendance is still his responsibility, but the primary objective now revolves around student truancy. The DPP stated he did not know the reason for the reorganization.

*Recommendations*    We recommend that JCPS take steps to determine that the August 2013 reorganization, resulting in placing the DPP into the Office of Chief Academic Officer, was necessary. Further, we recommend consideration be given to the effectiveness of the DPP without having immediate knowledge of attendance issues or that a trained DPP is not preferred to oversee the Attendance Supervisor or work directly with the attendance data collection and analysis. If the reorganization continues, documented procedures must be developed to ensure that the DPP and Attendance Supervisor consistently work closely and communicate effectively. These procedures are needed to ensure the DPP receives the necessary information to address nonattendance and monitor the schools with attendance issues. While these reports are not required to be submitted by the DPP, we recommend the DPP review the Growth Factor reports and the Superintendent Annual Attendance report in order to assure that JCPS has an accurate system of attendance accounting for all children enrolled.

# Internal Audit - Findings and Recommendations

**Introduction to Chapter 6 - Internal Audit**

In entities the size and scope of JCPS, monitoring and internal audit functions provide critical information to help management ensure policies and procedures are working as efficiently and effectively as intended. Internal audit can act as a fraud deterrent, and provide independent feedback to boards when structured appropriately. Findings 25 and 26 in this section address weaknesses noted with the Internal Audit's organizational structure and audit plan. Also, Finding 27 addresses the reporting and monitoring of hotline complaints, which is also a critical monitoring function.

**Finding 25: Internal Audit reports to the Superintendent rather than the Board and no policies were adopted to govern the internal audit activity at JCPS.**

Internal Audit reports to the Superintendent and not to the Board or an audit committee of the JCPS Board. For organizational independence, the Institute of Internal Auditors requires that the chief audit executive report to a level within the organization that allows the internal audit activity to perform responsibilities independently. Reporting solely to the Superintendent does not fulfill this independence requirement, nor does it provide the Board with an important tool to independently evaluate areas of interest or concern. The primary conflict being that the Director of Internal Audit was dependent upon the Superintendent for continued employment and any salary increases, which would call into question whether the audit work, the audit topics examined, and the resulting reports could be fully independent and free from bias. To protect this needed function for JCPS, the Board should implement reorganization procedures to establish the independence of Internal Audit.

In benchmarking surveys to out-of-state peer districts, questions were developed to learn more about the internal audit activities within the selected peer districts. Table 28 presents the questions, as well as JCPS and peer district responses.

**Table 28: JCPS Internal Audit Information Compared to Peer Districts**

| Question | JCPS | Austin ISD | Baltimore County | Charlotte-Mecklenburg | Cobb County | Pinellas County |
|---|---|---|---|---|---|---|
| Is there an internal audit function? | Yes | Yes | Yes | Yes | Yes | Yes |
| How many staff members? | 5 | 5 | 9 | 5 | 3 | 7 |
| What position does the function report to? | Superintendent | Board's Audit Committee | Board's Audit Committee | Chief Financial Officer | Chief Financial Officer | Chief Financial Officer |
| Is an annual audit plan developed? | No | Yes | Yes | Yes | No | No |
| Who approves annual audit plan? | N/A | Full Board | Board's Audit Committee | Chief Financial Officer | N/A | N/A |

Source: Auditor of Public Accounts based on surveys of JCPS and other peer school districts.

As noted above, all five peer districts surveyed had an internal audit function. Two of those districts report to the board's audit committee, while three others report to the chief financial officer. We believe reporting to the chief financial officer also impairs the independence of the internal auditors given that the district financial transactions subject to audit would be within the purview of the chief financial officer. Finding 26 addresses an additional internal audit issue related to peer district benchmarking results.

Along with this lack of independence, the Board has not adopted policies related to internal audit functions. Without a policy, Internal Audit has little or no Board involvement. Currently, Internal Audit does not have an annual audit plan approved by the Board and does not get Board approval for the audits conducted. As a result, the Board is not aware of any internal audit findings and recommendations and is not in the position to ensure implementation of any necessary changes or monitor the implementation of the recommendations. See Finding 26.

While there was no policy regarding internal audits, the following description of Internal Audit was provided by the Director:

> The Internal Audit unit is an administrative control which measures district schools and cost centers compliance with board policies, and federal, state, and local laws and regulations. It helps ensure JCPS maintains financial controls and procedures to produce financial statements consistent with generally accepted accounting principles.

> Staffing for the department is currently seven: a director, one senior auditor, four auditors, and one clerk (open, on hold). Most staff have accounting or business degrees, with three MBAs and one CPA. Internal Audit performs school activity fund audits, district annual audit assistance, and attendance audits. It performs other special audits and provides support for school bookkeepers and office personnel.

Based on interviews with Internal Audit staff, concerns were expressed about their independence to perform their duties and a lack of involvement from the Board. Staff were aware that the Director's job relies on the Superintendent and they expressed concern that this could affect the Director's decisions and actions. The staff also discussed a concern that several key Internal Audit positions will be left vacant subsequent to retirements in order to reduce costs and that this will put a strain on the auditors workload. These situations could prohibit Internal Audit from fulfilling their audit responsibilities.

Related to this situation, the annual external audit conducted for FY 2012 reported two related internal audit items within its management letter to JCPS. Both of these items were reported again in the external auditor's management letter for FY 2013, and these issues continue during the review process.

The first item was related to the internal audit process. The condition and criteria were stated as follows:

> It was noted that formal reports by Internal Audit were not always being prepared or sent to the appropriate management personnel.

The second item was labeled, "Audit Plan for Internal Audit Department should be Developed." This issue was simply stated that Internal Audit does not have a formal audit plan.

Without receiving a direct report or adopting policies related to Internal Audit's activities, the Board is not aware of the internal audits performed or the resulting findings, recommendations, and conclusions. The internal audit function must be independent in order to carry out its responsibilities in an unbiased manner. By reporting directly to a superintendent, Internal Audit is vulnerable to the decisions of a superintendent, who could be biased regarding an audit topic or fear that certain audit conclusions could reflect negatively on the superintendent's performance or specific decisions.

*Recommendations*    We recommend that the Board implement a reorganization that will result in Internal Audit reporting functionally to the Board or a designated Board committee. We also recommend that the Board or designated Board committee perform the annual evaluation of the Director of Internal Audit. For daily administration purposes, we recommend the Director of Internal Audit report to a senior management official in a manner that will not compromise the independence of the internal audit function.

As part of this reorganization, the Board or a Board committee should approve an annual audit plan developed by Internal Audit using the Board's input and guidelines. Based on the annual audit plan, we recommend that the Board or designated Board committee determine the office's budget. The audit plan should include flexibility to allow for the time and resources to investigate issues that arise during the school year from allegations or concerns involving fraud, waste, or abuse. When these types of allegations do arise, the Board should also determine whether Internal Audit has sufficient staffing skills to address the potential activities.

We further recommend the Board or a Board committee conduct quarterly meetings to provide summaries of the audits and reviews conducted to ensure there is direct communication with the Director of Internal Audit.  The goal of this reorganization should be to ensure that the work of Internal Audit can be performed with full independence and that the Board, as the JCPS governing body, is involved in the approval of Internal Audit's reviews, activities, and findings.

In addition to the annual audit plan, we recommend the development and adoption of a Board policy that provides guidance in the areas of the planning, implementation, and reporting requirements so there are specific procedures that must be followed.  Report distribution should require that reports are sent to the appropriate management personnel and that the Board will receive a summary report as a tool to monitor activity and any needed implementation of processes or controls.

**Finding 26:  Internal Audit has not prepared an audit plan or implemented a risk-based audit approach.**

Internal Audit resources are used to perform basically the same routine engagements each year without developing an audit plan and without performing a risk assessment of JCPS.  Without this assessment and audit plan, Internal Audit cannot ensure resources are maximized and focused on high risk areas of activity.  Internal Audit continues to annually perform two audits of every school's activity fund, attendance audits at all schools, and certain financial audit procedures relied upon by the external CPA firm conducting the JCPS financial statement audit.  While some additional time remains available to conduct audits or reviews that are not routine, this approach is not an effective method to allocate audit resources.  A specific method, including a risk assessment, could be initiated to strategically approach what audits should be performed.  Further, Internal Audit does not present an audit plan to the Board or designated Board committee for discussion and approval.

As seen in Table 28 in Finding 25, the benchmarking survey of five peer districts indicates three of the five prepare an annual audit plan, and all three are approved by the individual or committee the internal auditor reports to, with one exception.  In Austin ISD, even though the internal audit function reports to the board's audit committee, the audit plan is actually approved by its full board.

The annual salaries of Internal Audit staff totaled $529,000 as of May 23, 2013 for six staff members.  As of March 25, 2014, staff annual salaries had decreased to $454,000 due to the retirement of an internal auditor.  These amounts reflect just the staff's base salary and do not include associated expenses and benefits.  This is a significant investment in staff that should be maximized to ensure that their work is risk-based and strategically focused.

During this review, the Director of Internal Audit was reassigned to an auditor position effective February 25, 2014. The Director's position remains vacant as of the date of this report. As of July 1, 2014, it is our understanding that the former Director's salary will be adjusted to reflect his reassignment.

In the absence of an approved, risk-based audit plan, work appears to be repetitive, which may lead to ineffective audits due to redundant procedures over and over again without analyzing the most effective use of audit resources. Table 29 provides the breakdown of audit types conducted according to Internal Audit staff.

**Table 29: Percent of Internal Audit Time Used to Conduct Audits by Type**

| Audit Type | Percentage of Time |
|---|---|
| School Activity Funds | 35% |
| Attendance | 15% |
| Complaint-driven | 20% |
| Assisting external auditor with financial statement audit | 30% |

Source: Auditor of Public Accounts based on information provided by Internal Audit.

Whereas it appears Internal Audit is expending resources in important areas for the district, there does not appear to be significant time built in for auditing financial policies and procedures, construction, contracts, or other financial matters. Also, decisions on how to spend resources appear to be arbitrary and may exceed what is necessary in a few areas only to leave other activity and policies completely exposed to waste, fraud, or abuse.

Internal Audit reviews the activity funds in all 155 JCPS schools twice each year, with visits to each school in the spring and fall. When asked the reason for routinely performing these audits at all schools twice annually, the Director of Internal Audit stated that these audits are required by state law. The state law referenced was a KDE administrative regulation, 702 KAR 003:130. This regulation requires the following related to audits:

(1)  Activity fund internal accounts shall be audited annually by a certified public accountant, and a report shall be made to the district board of education.

(2)  Audit reports shall be reviewed and accepted by the local board of education, and appropriate action taken.

(3)  Recommendations and exceptions listed in the audit shall be reviewed by staff of the Department of Education.

(4)  A copy of the school audit report shall be on file in both the office of the principal and the office of the superintendent of the local school district. It shall be open for public inspection in both locations.

This regulation does not require the activity funds to be audited two times each year; however, to address this regulation, the Director of Internal Audit, a certified public accountant, made the decision to audit the activity funds at all schools twice annually. In addition, the Board's Audits policy that primarily discusses the audits conducted by an external independent firm contains one sentence that addresses "internal audits" and requires the following:

> Internal audits of all school system accounts and business procedures, both centralized and decentralized, shall be conducted as required by the state and as needed to provide an accurate assessment of the status of all funds, records, and reports controlled by the employees of the District.

Related to school activity funds, JCPS' external auditor selects a rotating sample of 15 schools each year to either audit or review the work of Internal Audit staff to determine whether to rely on the work of Internal Audit. The fact that Internal Audit reviews each school's activity fund and that these audits are supervised by a certified public accountant, provides assurance to the external auditor that these audits are properly managed and monitored. The external auditors also receive a copy of Internal Audit's reports on all school activity funds and review these for noted deficiencies. At the end of this process, a separate Independent Auditors' Report is issued for each school type (high school, middle school, and elementary school) that is presented to the Board in compliance with 702 KAR 003:130(2).

Internal Audit also performs pupil attendance audits at every school each year to ensure compliance with state regulations and JCPS policies. Though KDE conducts on-site attendance audits of 20 percent of all JCPS schools each year, the Director of Internal Audit stated that these audits are conducted because of the importance of maintaining accurate attendance data that is used in determining state funding for JCPS schools. JCPS knows the names of the schools that will be audited by KDE months in advance but Internal Audit continues to audit all 166 schools each year, including those audited by KDE.

While performance of these types of audits is important, auditing 100 percent of these activities raises the question as to whether past performance and audit risk is considered and whether resources could be better applied to maximize audit coverage of other potential areas of risk. Considering that JCPS is one of only a few Kentucky districts that may employ internal auditors, no specific state requirements have been developed that specify or offer guidance regarding the approach in determining the reviews or audits that should be performed by an internal audit function.

As noted, Internal Audit also spends significant time assisting the JCPS external auditor during the annual financial statement audits. The areas of assistance provided included the documentation of internal controls, cash disbursements and cash receipts testing, payroll, journal entry testing, fixed assets, and inventory observations. In conjunction with performing these audit procedures; Internal Audit assists the external auditors in the audit of federal government programs in accordance with single audit A-133 standards. The areas in which assistance was reportedly provided during the review period includes Special Education, Title I Part A, SEEK, Head Start, Child Nutrition, School Improvement Grants, Improvement of Education Grants, Education Job Funds, and State Fiscal Stabilization Funds.

According to the external auditor, Internal Audit determines the scope of the work it will perform to assist with the annual financial statement audit. The external auditors then review the work and determine whether it can be relied upon to provide the needed assurances that the work was done independently and adequately. Regarding the audits of federal programs, the external auditors select the programs to review and the needed sample sizes. The external auditor confirmed that this work did reduce the audit fee and that this is a typical audit approach for any large company having an internal audit department.

Though this assistance has been beneficial, JCPS' external auditor has made recommendations related to Internal Audit in the management letters issued during our review period. In the FY 2012 and FY 2013 financial statement audits, the following recommendation was provided to management:

> We recommend that Internal Audit perform a risk assessment and develop an audit plan for each fiscal year based on the assessment. At the end of each fiscal year, the Director of Internal Audit should report to the Board the projects that were completed during the fiscal year, projects scheduled but not completed due to various circumstances and the plan for the upcoming fiscal year.

While routine audits performed are beneficial and provide comfort, conducting audits without a risk assessment to consider other potential audit areas limits the staff. This limitation does not allow JCPS to maximize the benefit of the internal audit function. In addition, the time spent reviewing specific areas in all JCPS schools and meeting the related deadlines, did not allow staff time to conduct follow-up activities related to their findings from the audits or reviews previously conducted.

In reviewing selected peer districts from other states, it was found that Baltimore County Schools in Maryland operates an internal audit office that manages the school's complaint system. Baltimore County internal audit office has an investigation unit that reviews these calls and examines the issues that arise. The Chief Auditor stated that the office previously assisted in the external audits, but made the decision to do more risk-based auditing. While the fees for the external audit increased moderately, funds recovered from complaint investigations and the preventative controls these audits promote more than compensate for the increased external audit expense.

*Recommendations*

We recommend the Board ensure that the policies related to Internal Audit require the performance of a risk assessment that is used to develop the annual audit plan. The risk assessment should address all areas of JCPS and be used to determine which areas should be considered for audit. After carefully considering audit requirements and the risks associated with various activities, an audit plan should be submitted to the Board or a designated Board committee for discussion and approval. The audit plan should also determine the activities that will be performed in coordination with the external auditor.

While it is understood that the KDE regulation may limit Internal Audit's ability to reduce the school activity fund audits, we recommend consideration be given as to whether the risk associated with these funds is sufficient to require two audits annually of each activity fund or audit only the high risk activity funds more than once per year. We further recommend that the performance of pupil attendance audits be studied to determine whether a more efficient approach could be followed for these audits, such as using staff from the attendance data departments to validate pupil attendance processes, leveraging the use of attendance audits performed by KDE, or other approaches that may be identified.

**Finding 27: Policies were not developed to investigate, monitor, or report hotline complaints and the oversight responsibility for this process was not assigned.**

JCPS used an outside vendor to receive and record possible fraud, abuse, or other concerns, but it did not develop or document policies or procedures to ensure a thorough investigation and proper monitoring of the complaint process. All complaints are reported to a committee of five staff members; however, none were assigned the responsibility to oversee this process. In addition, the link to this hotline is difficult to locate because it is not on the primary JCPS website page, but on a secondary JCPS Financial Services webpage.

To provide employees and the public an opportunity to easily report complaints, JCPS paid a vendor $17,520 annually to staff a 24-hour, seven day a week, call center that inputs the information received into a web interface making the information available to JCPS. Auditors were also informed that other JCPS departments operated departmental hotlines for complaints. According to JCPS, these departments were encouraged to use the hotline for complaints involving human resources violations, worker's compensation violations, and Ombudsman calls, but the other departments chose not to change their systems because the contact information for these types of issues is already distributed throughout JCPS. In addition, anonymous calls are not permitted in the case of harassment and discrimination. These systems do not use a third party vendor, but are mainly dedicated phone lines with voicemail.

According to JCPS' Director of Accounting Services, an email is automatically generated by the hotline to a committee of five JCPS staff members when a new allegation is reported. This committee is made up of the Director of Accounting Services, Director of Internal Audit, Director of Labor Management and Employee Relations, and both the Director and Coordinator of Security and Investigations. Everyone on the committee can access the hotline system and enter notes, questions, change the status, or enter a synopsis on each complaint report. However, if one of the committee members is named in a complaint such as accused, witness, victim, etc., an email will not be generated to that person and that person will not have access to that complaint report. Likewise, a summary report generated by an individual will not include a complaint filed involving that individual.

Upon receipt of the email notification, the members of the committee do not appear to meet or discuss the assignment of a particular person or department to investigate the complaint. According to committee members, though there is no specific assignment, a committee member will take complaints that pertain to their area. There is no policy or expectation for the committee to meet to review the complaints or monitor the progress in addressing the concern.

The practices discussed above were not formally documented. As a result, JCPS has not provided its employees with adequate policies and procedures regarding the assignment, investigation, monitoring, and reporting of hotline complaints. Therefore, no clear process was available to determine how hotline complaints were investigated and reported.

Along with a lack of documented procedures, JCPS has not maximized the hotline's accessibility to employees and the public. This hotline is only available when opening the Financial Services tab of the JCPS website. According to JCPS, the hotline is called the "Financial Fraud Hotline" to highlight that it is intended for reporting financial issues, while other departments continue to have their own systems for reporting concerns. No written policies or procedures were developed for the other hotline systems either.

The Director of Accounting Services provided a summary report of complaints from July 1, 2010 through October 8, 2013. The system has a report manager function that allows the information from each report to be summarized according to the information fields selected. When we inquired as to the purpose of the summary report, the Director of Accounting Services stated the following:

> We show a copy of the report periodically to others around JCPS and every year to our external auditors so they can evaluate whether we are doing our due diligence and whether the reports have financial statement/internal controls implications.

Out of the 106 complaints received during our review period, 99 were closed by the end of FY 2013 and the remaining seven were closed by August 8, 2013. However, 27 of the 106 closed complaints, 25 percent, did not document the outcome of the investigation. Tables 30 through 32 were developed to illustrate and summarize the information of the 106 complaints received from July 1, 2010 through June 30, 2013.

**Table 30: Breakdown of Complaint Reports by Issue**

| Issue | Totals |
|---|---|
| Other | 31 |
| Misconduct or Inappropriate Behavior | 22 |
| Falsification of Contracts, Reports, or Records | 15 |
| Violation of Policy | 12 |
| Theft | 10 |
| Conflict of Interest | 8 |
| Accounting and Auditing Matters | 5 |
| Embezzlement | 3 |

Source: Auditor of Public Accounts based on information provided by JCPS.

**Table 31: Breakdown of Complaint Reports by Outcome**

| Outcomes | Totals |
|---|---|
| Blank | 27 |
| No Action Taken – Frivolous/Unfounded | 24 |
| Disciplinary Review | 20 |
| Other | 16 |
| No Action Taken – Not Enough Information | 7 |
| Substantiated | 5 |
| Unsubstantiated | 3 |
| Training | 2 |
| Relocated | 1 |
| Terminated | 1 |

Source: Auditor of Public Accounts based on information provided by JCPS.

**Table 32: Breakdown of Complaint Reports by Area of Concern**

| Area of Concern | Totals |
|---|---|
| Administration | 44 |
| Elementary School | 30 |
| High School | 17 |
| Other | 12 |
| Middle School | 3 |

Source: Auditor of Public Accounts based on information provided by JCPS.

While the use of a committee could be effective in determining how to proceed in addressing a concern, responsibility for receiving, monitoring, and supervising this process should be specifically assigned to an appropriate party to ensure all issues are resolved. The Director of Internal Audit, who should be an independent party within the organization, is a more appropriate staff person to be responsible for a fraud and abuse hotline. As the person responsible for the hotline, this position should have access to all reports. The Director of Internal Audit should have the skills to determine how to proceed to ensure the concern is appropriately addressed and reported. In addition, the hotline information would be useful in conducting a risk assessment for determining the reviews to be included in Internal Audit's annual audit plan.

*Recommendations*    We recommend policies be developed and approved by the Board related to the hotline to ensure a consistent process is established that will improve and document the procedures to assign, investigate, monitor, resolve, and report various concerns and complaints, including those involving potential fraud and abuse. Further, we recommend the Director of Internal Audit be assigned the responsibility of managing this hotline with complete access to all complaints and that these responsibilities be established within the policies and procedures approved by the Board. We recommend the following responsibilities be assigned to the Director of Internal Audit:

- determine who to discuss the issue with to gather additional information or input;
- determine how to appropriately proceed in handling the issue;
- determine the assignment of who will investigate the issue;
- determine whether the issue was appropriately investigated in a timely manner;
- determine the method of reporting the issue such as a report, letter, memo, etc.; and
- determine whether the summary report is complete, with no unexplained omitted information.

We also recommend that JCPS ensure that the summary report contains the information needed by those reviewing the data to provide full disclosure. If this report is generated by a committee member that has been mentioned in a complaint, that complaint will not be included in the summary report. This summary report should be periodically provided to the Board or a designated Board committee to ensure their awareness of any significant information provided within these complaints and the subsequent investigation.

We further recommend JCPS update its website to make the hotline more accessible for employees and the public by making the hotline available from the homepage of the JCPS website.

We recommend that JCPS require written procedures for all complaint systems used by its departments to document the expected investigation, monitoring, and reporting activities. Finally, we recommend JCPS also re-evaluate whether these additional systems be discontinued providing a single point of contact for complainants and to maximize the use of the vendor operated hotline.

# Information Technology - Findings and Recommendations

**Introduction to Chapter 7 - Information Technology**

Chapter 7 describes serious Information Technology weaknesses. Findings 28 through 45 address significant issues impacting the organization, management, policies, and procedures surrounding the technology at JCPS. Certain findings involve system security vulnerabilities and describe a situation where students and employees may be potentially exposed to the inadvertent loss or intentional theft of private, confidential data. Cyber security has been identified by the Auditor as a significant public protection concern of the 21st century. Further, recommendations presented address best practices related to the secure, efficient, and effective use of technology by JCPS. Technology is a valuable, essential resource that not only affects business processes, but every aspect of the organization. To achieve the most from technology, an organizational structure must promote a clear vision from top management of the goals and tasks to be performed in support of a district's overall mission. Because of evolving technology and necessary decentralized use of technology resources within the individual schools, it is imperative that JCPS plan strategically to optimize its current resources as well as those procured in the future.

**Finding 28: JCPS did not implement an effective organizational structure related to technology.**

The JCPS Management Information Services (MIS) and Digital Technology Services (DTS) departments are organized and function independent of each other, which could adversely affect the overall mission of JCPS as it relates to technology. Each department is responsible for and uses technology to perform the objectives of the departments. The MIS and DTS departments are organizationally structured within the Operations Services Division. Both departments report separately to the Chief Operations Officer.

MIS is responsible for security-related needs including, but not limited to, software and website development, network and infrastructure security, technical support, database administration, student information system, computer operations, and data recovery. DTS provides telephone, voice and data networks, infrastructure devices, and the internet to all JCPS facilities.

A review of the MIS and DTS organizational structures and responsibilities found that these departments have primarily unique and separate responsibilities. Though the responsibilities of the departments differ, each department was involved with and impacts the use of technology resources to accomplish various school-specific and district-wide objectives. Technology is an essential component of the operations of JCPS that should be coordinated and strategically planned to ensure technology is used in the most efficient and effective manner benefiting all areas of JCPS.

These departments are not organizationally established to:

- Ensure the departments develop a strategic plan to efficiently address initiatives and objectives, as well as identify potential technology resource needs.
- Ensure the promotion of effective and efficient design and operation of all major technology systems and processes.

- Ensure the work of these departments is effectively coordinated to make the best use of available staff and other resources.

Furthermore, a review of the current DTS organizational structure revealed there were no specific sections established. Instead, the Secretary, Network Control Specialist (3 staff), the Manager of Advanced Systems, Voice Specialist, Lead Telecommunications Technician (4 staff), and Warehouse Worker II positions report directly to the Director. The remaining 19 Telecommunications Technician staff either report to the Voice Specialist or the Lead Telecommunications Technicians positions.

Also, the Manager of Advanced Systems job title and description indicates this individual works in a manager position; however, no staff are currently assigned to this individual for supervision. Therefore, it does not appear that this individual can fulfill the job expectations of a managerial position.

A successful organizational structure incorporates the grouping of jobs by function or activities and the linking or coordination among the developed groups to maximize resources across the organization. Under a more functional model, which seems appropriate for this size information technology (IT) department and overall scope of work, the structure would be organized around key functions, such as Telecommunications and Technical Support.

Lastly, it was found that the contact information for the DTS department is not up to date on the JCPS website. We found five individuals listed on the website that were not within the DTS department at the time of our review. Further, there was one individual whose job description was inaccurate and two individuals who were identified as currently being within the DTS department, but were not listed on the website. The contact list on the website was last updated on April 12, 2013; therefore, it is possible that there have been personnel changes during the last school year. Due to the nature of the work performed by these individuals in support of JCPS staff, it is imperative that contact information be kept up to date and made available to all staff.

*Recommendations*     We recommend that JCPS implement the proposed organizational structure presented to the JCPS Superintendent in December 2011 within the study titled 'Organizational Structure and Central Office Staffing, Functions, and Operations for the Jefferson County Public Schools.' Specifically, we recommend consolidating the IT areas related to telecommunications, advanced systems, systems development, customer support, and technical support within a single MIS department under the Chief Operations Officer. This structure would allow direct oversight of the administration of IT resources and ensure the work performed by all IT areas is planned, coordinated, and adheres to the mission of JCPS.

In addition, we recommend JCPS review the job functions of the current MIS and DTS department staff and determine the most effective positioning of staff within the new organization to best utilize their strengths and abilities. For each functional area, a manager or supervisor should be established to coordinate work in that functional area and act as the liaison between the staff and the director.

Also, we recommend JCPS review the job function and work performed by the individual currently in the manager's position having no assigned staff and determine the appropriate position that aligns with the job duties performed by this person and initiate the appropriate action.

Finally, we recommend JCPS review and update the IT contact information on the JCPS website. A process should be implemented to ensure changes to this contact information are updated in a timely manner.

**Finding 29: KDE and its contractor did not properly secure servers housing JCPS student information.**

During the vulnerability assessment review performed of machines housed at JCPS, we identified 17 of 39 servers, or 43.6 percent, housing student data that allowed access through the default administrator credentials. In addition, two of the 39 machines, or 5.1 percent, were identified as network switches installed related to the Kentucky Student Information System (KSIS). Network switches are used to connect multiple devices together. These devices granted access to configuration information at the time of connection. As a result, auditors were able to view and could alter various settings that control the operation of the device. The KSIS vendor remotely manages these devices through the Dell Remote Access Card. These devices contain the front-end web services to the application, training and tests sites, as well as the database server for the application.

Audit staff immediately addressed this issue with JCPS; however, we were informed that JCPS has no managerial control over this hardware. The KSIS vendor was contracted with and overseen by KDE. Therefore, they are jointly responsible for securing and maintaining these devices. Auditors then contacted KDE to address the security vulnerability.

Based on a review of the contract established between KDE and the KSIS vendor, it was determined the vendor is specifically responsible for providing application, server hardware, and server operating system (OS) level support to KDE and all Kentucky school districts. This includes providing security related OS patches and antivirus software with the most current definitions. KDE is responsible for the required network infrastructure and for measuring and monitoring vendor performance based on defined metrics. KDE, JCPS, and the other 172 Kentucky school districts, are responsible for identifying and reporting case issues associated with the application. They will also provide name and contact information of onsite district representatives that can assist KDE and the vendor with technical issues at the state and local levels. Local school districts must ensure vendor servers are physically secured. They are also responsible for managing ongoing configuration and administration of the application, for which the vendor provides training.

Though the servers physically reside onsite and contain JCPS' student personal, demographic, and academic data, JCPS was not given the authority or opportunity to be involved in the monitoring process to ensure the vendor managing their servers housing student data is compliant with established metrics and terms of the contract. KDE meets with the vendor in June every year to discuss defined metrics based on case issues reported by JCPS and other Kentucky school districts. During this meeting, KDE and the vendor agree to any financial reimbursement to be granted to KDE for non-compliance by the vendor.

By the KDE contract not providing JCPS, or other school districts, with the opportunity to monitor the security of the data collected at the district, contract monitoring procedures are weakened and increase the possibility of KDE not identifying significant security vulnerabilities and obtaining an adequate level of service required by the contract. Furthermore, improperly secured services could allow unauthorized access to sensitive or critical system resources.

*Recommendations*    We recommend JCPS work with KDE to implement a process to identify and track incidents or issues with the application and servers associated with student information to ensure the vendor adequately identifies and resolves these in a timely manner. We further recommend JCPS work with KDE to become involved in the monitoring of contract terms and metrics established by KDE and the vendor. JCPS should also be aware of all services running on their critical servers housing student information and ensure the vendor has properly configured these machines to limit vulnerabilities that could be exploited. In addition, we recommend JCPS regularly receive a report detailing the procedures performed by KDE to monitor the vendor's compliance with contract terms, as well as the results of this monitoring process.

**Finding 30: JCPS did not adequately protect sensitive and confidential data.**

Our review revealed weaknesses in the JCPS technology internal controls involving the security of confidential and sensitive data. These control weaknesses resulted in an unnecessary and unacceptable increase in risk that confidential and sensitive data could be exposed to unauthorized users.

Auditors found that data, including personally identifiable information (PII), was not adequately protected from potential internal or external threats that could result in intentional or unintentional access or misuse of information. Further, JCPS did not have a process in place to address this weakness.

Sensitive or confidential data should be protected from unauthorized users or from exposure to the general public. The National Institute of Standards and Technology (NIST) Special Publication 800-111 states, "[m]any threats against end user devices could cause information stored on the devices to be accessed by unauthorized parties. To prevent such disclosures of information, particularly PII and other sensitive data, the information needs to be secured."

Detailed information was intentionally omitted from this report finding to prevent the risk of agency security being compromised. However, auditors provided detailed information concerning this issue to JCPS staff.

*Recommendations*

We recommend JCPS management ensure confidential and sensitive data is sufficiently protected and ensure the security of data remains a top priority. We recommend IT executive management, along with other JCPS executives, work together to develop a plan to identify the necessary steps to ensure sufficient resources are dedicated to address this weakness and to properly secure confidential and sensitive data in a timely manner.

**Finding 31: The JCPS Central Office lacked oversight over the development of Safety and Emergency Procedure Manuals at the schools.**

JCPS Central Office did not exercise sufficient oversight of the development, maintenance, and updates of Safety and Emergency Procedure Manuals (SEPM) for each school, special school site, and administrative building. As a result, procedures established in case of an emergency situation may be outdated or may not exist. The types of emergencies covered by the SEPM include, but are not limited to:

- abduction;
- bomb threat;
- chemical release;
- earthquake;
- flood;
- fire;
- intruder in the building;
- power failure;
- severe weather; and
- terroristic threatening.

JCPS follows the SEPM, which is posted on their website. The SEPM was developed to assist each school in creating an individual plan. It contains a large amount of significant information concerning how to deal with emergency or physical safety threats. The manual has exact information concerning JCPS policies/procedures, but there are also sections of the manual designed for the individual school to provide specific information for their location(s). The policies and procedures to be established specifically for the individual schools include, but are not limited to:

- school and off-site/alternate site evacuation plans;
- designated shelter-in-place/safe areas;
- lockdown implementation plan;
- on-site medication/first-aid providers; and
- emergency supplies and locations.

# Information Technology - Findings and Recommendations

Central Office has provided training for schools and provides assistance as requested related to the SEPM development. However, one official stated, "[i]t is up to the schools to complete the plans and keep them updated." Schools are required to submit their plans to local emergency responders, but the Central Office did not ensure this has occurred. The lack of a current SEPM at each school could increase the risk that an emergency at a local school is impeded by the lack of sufficient information to efficiently and effectively address the issue. SharePoint sites were established for the schools, special schools, and administrative buildings to upload their plans. According to the SEPM instructions, the individual emergency plans "must be uploaded to SharePoint no later than October 1 of each school year." At the time of the review, there were 25 of these facilities that had not uploaded their updated plans for school year 2013-2014. Approximately 11 of these were K-12 schools.

*Recommendations*    We recommend JCPS, at Central Office, ensure all schools, special schools, and administrative buildings have developed SEPMs and uploaded them to the SharePoint site by the required date. Additionally, they should ensure all plans have been provided to local emergency responders, such as police departments, fire departments, and emergency management services, as required. JCPS should require the SEPMs to be updated regularly and maintain copies of the current plans. If facilities do not comply with these requirements, JCPS should follow-up and provide the necessary guidance and assistance to ensure compliance.

**Finding 32: JCPS procedures for sanitizing and disposing of IT equipment were not documented, and Central Office did not track and monitor the sanitization and disposal of all IT equipment.**

Our review revealed the process for sanitization and disposal of IT equipment was not fully documented or consistently applied at Central Office. Further, Central Office did not exercise oversight regarding this process at JCPS schools. If IT equipment is not properly sanitized or disposed of, JCPS runs the risk that sensitive or confidential information housed on this equipment may be unintentionally exposed to the public.

According to JCPS technology management, the hard drives of retired IT equipment assigned to the MIS Department are sent to a third-party for destruction as suggested by the NIST Special Publication 800-88 and in compliance with Department of Defense standards. If the drives are determined to be reusable or recyclable by the third-party, they are returned to MIS after sanitization. In either case, MIS receives a Certificate of Destruction report documenting the hard drives received, their serial numbers, manufacturers, models, descriptions, and the method used to sanitize.

Upon receipt of the Certificate of Destruction, the asset is removed from the Data Center inventory listing as described in the JCPS property disposal guidelines. MIS is only responsible for the sanitization and disposal of equipment assigned to that department. Though JCPS can identify those fixed assets that were retired, the items sent to the vendor were not identified or tracked. Identifying and tracking the items sent to the vendor would allow JCPS to perform a comparison to ensure all items were accounted for and properly sanitized.

The DTS department is responsible for the sanitization and disposal of the equipment assigned to that department, as well as retired teacher laptops provided to DTS for disposition. When questioned regarding how equipment for other JCPS staff is tracked and sanitized or destroyed, a DTS official stated he had "no clue what other departments do" to sanitize and dispose of equipment.

At JCPS schools, if IT equipment is retired, the schools contact JCPS' Supply Services Department for pickup and the equipment is disposed of by the JCPS Surplus Properties Department. No procedures have been created or implemented at Surplus Properties to ensure equipment hard drives were removed or sanitized prior to the item being auctioned to the public. Teacher electronic tablets were sent to the Central Office DTS department, and were to be sanitized by drilling through the hard drive. The remainder of student, teacher, and staff IT equipment was not sanitized prior to being sent to auction. The schools are to complete a Surplus Equipment Pickup form for the items to be picked up and sold at public auction.

It is also possible to distribute surplus technology equipment to the School-to-Career program and low-income students for education purposes. Equipment used for these purposes required the JCPS tag number, serial number, and description to be documented, as well as documenting when equipment items no longer meet the Kentucky Education Technology System standards. Also, documentation must be gathered that demonstrates the student is an at-risk student. The Property Auditor for the school removes the item from the JCPS fixed asset system and maintains the associated documentation.

As described by JCPS technology staff, the process of sanitizing and disposing of equipment is a separate process at Central Office and the schools, with the exception of the teacher tablets, which are sent to Central Office for sanitization. With the exception of the teacher tablets, no procedures were created or implemented at Central Office to ensure the school employees were sanitizing the equipment properly and disposing of these items in an appropriate, secure manner.

To determine whether these informal procedures were adhered to, a sample of 35 servers, laptops, desktops, and teacher tablets was selected for testing. Basic information related to the method for disposing of the items was provided, but no documentation could be provided to support that the hard drives were sanitized or how the equipment disposal process was completed. Therefore, documentation did not exist to demonstrate that the sanitization and disposal of hard drives is consistently performed.

*Recommendations*    We recommend JCPS streamline the process for sanitizing and disposing of IT equipment in Central Office and the JCPS schools. All IT equipment, whether at the schools or in Central Office, should be held to the same policy standards. This process should be documented in a single policy and should be distributed to all appropriate JCPS personnel who are responsible for this function.

In addition, we recommend all IT equipment at the JCPS schools be sanitized prior to being sent for auction or distributed to School-to-Career or low-income students. A report should be developed to communicate sanitizations and disposals by the schools to Central Office for review. Any items that are removed from the JCPS fixed asset listing should be included in the report and should be accounted for.

We further recommend a process be established at JCPS Surplus Properties Department to ensure technology items to be auctioned have had their hard drives removed, destroyed, or sanitized prior to auctioning the items. This should include laptops, servers, desktops, and other IT equipment with hard drives sent by the schools or Central Office.

We recommend, once the consolidated sanitization and disposal policy is developed and approved by management, it should be implemented and consistently followed. All IT equipment should be destroyed or sanitized prior to disposal, and documentation of these actions and the disposal should be developed and retained. This documentation should specify the method of sanitization, which could include being sanitized by a third party or the hard drive being drilled through, and the date of sanitization. The documentation should also specify the method of disposal and whether it is to be auctioned through Surplus Properties, donated to a School-to-Career or low-income student, or transferred to another department. Standardized forms should consistently be used to track this process. The fixed asset listing within MUNIS should be updated to show the sanitization and disposal methods and dates.

**Finding 33: JCPS did not properly secure network data and resources.**

JCPS did not properly secure network data and resources. According to MIS staff, in order to grant Active Directory (AD) and application-level access, a request must be submitted and tracked via the Helpdesk Expert Automation Tool (HEAT) system. However, Payroll personnel confirmed that they do not submit requests for new access or changes to a current employee's access via this system. Therefore, there is not a central repository of documentation authorizing and supporting AD and application-level user access.

Also, when a Personnel Action is submitted requesting termination, AD permissions are automatically disabled when the employee's Employee Master status within MUNIS is set to 'inactive.' Though this may be an effective method to ensure terminated employees' access permissions are disabled, given the overwhelming number of AD accounts managed by JCPS, it could be beneficial to implement a periodic review process, on a sample basis, to ensure the automated process continues to work as intended.

In addition, all JCPS staff was granted Local Administrator rights on their workstations. This is considered unnecessary access for most JCPS employees and could increase potential security related risks or other issues. Granting users local administrator rights to their workstations would allow users the ability to download and install unauthorized software.

Furthermore, JCPS had not renamed the default administrator accounts on applications and network administrator accounts on the Local Area Network (LAN). Default accounts that are clearly identified and not properly secured are enticing to hackers.

Without strong, formal logical security controls, the opportunity increases for unauthorized modification to financial information and staffing reports, as well as the likelihood of errors or losses occurring from incorrect use of data and other resources.

*Recommendations*  We recommend JCPS develop a formal process to request, grant, and change AD and application-level access. Managers and Supervisors should be required by policy to submit documentation to support the request or change of access to the network. This should be tracked centrally as opposed to differing departments to ensure standardized procedures are followed.

We also recommend JCPS implement a standardized periodic review process to ensure terminated employees continue to have their AD access disabled in a timely manner. Personnel Actions should be on file to support any AD terminations processed within the system.

In addition, we recommend JCPS review network access and ensure only technical and support staff be granted local administrator access to prevent the accidental or intentional introduction of viruses or the loss of programs or data.

Further, we recommend JCPS rename all default administrator accounts on applications and all network administrator accounts on the LAN and adhere to a password policy to ensure the passwords assigned to these accounts are strong and changed frequently to prevent unauthorized use.

**Finding 34: JCPS did not document and consistently apply procedures governing access to the Time & Attendance application.**

JCPS had certain informal security access procedures for the Time and Attendance (TA) application; however, no formal, written policy for granting or changing a user's access to this application existed. Further, the informal process used to initiate or change a user's access was not consistently applied to all TA application users. Without a formal and comprehensive security policy that is consistently applied, an increased risk exists for unauthorized access, modification to computer programs and data, destruction of assets, and interruption of services.

To gain access to the TA application, a user must first be granted access to AD, which is automatically initiated after the hiring process is completed in MUNIS. At the beginning of each fiscal year, or as revisions are needed, each JCPS school is to complete a Payroll Location Information Form that identifies the personnel authorized to report and approve payroll. This form is also used to maintain TA application security permissions. The Cost Center Manager is to sign the form to authorize the user's access to this application

To gain access to the TA application, a user must first be granted access to AD, which is automatically initiated after the hiring process is completed in MUNIS. At the beginning of each fiscal year, or as revisions are needed, each JCPS school is to complete a Payroll Location Information Form that identifies the personnel authorized to report and approve payroll. This form is also used to maintain TA application security permissions. The Cost Center Manager is to sign the form to authorize the user's access to this application.

To determine whether these informal security procedures were followed, auditors requested supporting documentation for 33 JCPS Central Office staff having one or more security permissions to the TA application. Testing revealed that no documentation was on file authorizing access for these employees. Discussion with JCPS staff revealed Central Office staff is not required to complete the Payroll Location Information Form. It was further noted that Central Office user's access was to be requested by his/her supervisor; however, no documentation of this informal request process was provided to support the access provided to the 33 Central Office users tested.

In addition, one of the seven security roles available within the TA application was not used or assigned to any JCPS staff member. JCPS IT staff stated that the TransportationUser security role was originally established during implementation; however, staff subsequently determined that this security role was not needed.

*Recommendations*   We recommend JCPS develop a formal written policy detailing the process for all employees, including Central Office staff, to request new access, change access, or remove access to the TA application. All staff requiring access to the application should complete a security form that details the level of access required and should be approved by a supervisor or manager. Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the established policy. The policy should be reviewed and updated on a regular basis. Documentation of a user's security access request should be maintained for audit purposes.

We further recommend JCPS disable the TransportationUser security role since it is not needed or used.

# Information Technology - Findings and Recommendations

**Finding 35: JCPS had no formal documented security policy and did not consistently follow informal procedures to grant access to MUNIS.**

While JCPS developed certain informal procedures to access MUNIS, no formal documented access policy existed. Furthermore, the informal procedures were not consistently followed. Without consistently applying established logical security controls, risk is unnecessarily increased for unauthorized access or modification to computer programs and data, destruction of assets, and interruption of services.

According to JCPS MIS, once an AD account is established, then application-level access can be granted. In order to grant AD and application-level access, a request should be submitted and tracked via the HEAT system. However, JCPS management confirmed that Central Office departments do not submit requests for new access or changes to a current employee's access through the HEAT system. Therefore, the HEAT system is not used to centrally manage application-level access.

Various departments within JCPS maintain their own methods for requesting access to MUNIS. The Director of District Personnel in the Risk Management and Benefits Department maintains a permissions log specifying the role or permissions group each human resources (HR) user should be assigned. The Finance System Technician in the Payroll Department maintains the permissions log specifying the role group of each Financial Services user. Each manager in Accounting, Budget, Grants & Awards, Fiscal Services, and Payroll approves permissions for their department. Other users outside of HR and Payroll must submit a MUNIS HR/Payroll Permissions Request Form (MUNIS Permissions Form) specifying the business reason permissions to HR/Payroll are required.

To determine whether these informal procedures were adhered to, we requested supporting documentation for eight JCPS Central Office staff who were granted access to one or more of the 27 MUNIS security roles that allow more than inquiry access. Testing revealed adequate documentation was not on file for seven of these employees, or 87.5 percent. Discussion with JCPS staff revealed Central Office staff are not required to complete the MUNIS Permissions Form. Instead, Central Office staff was provided access based on their position when requested by their supervisor. Also, while some employees had an email or old security form on file, this documentation was not sufficient to support all access granted to the user. Further, the MUNIS Permissions Form does not identify specific roles or permissions that are allowed. Payroll confirmed that they review each request and assign permissions based on the most restrictive role available which meets the user's needs as described on the form; however, a matrix or other support documentation for this determination was not available. Therefore, the auditor could not ensure the user was granted appropriate access based on the information captured on the MUNIS Permissions Form.

On the MUNIS production server, several user and group accounts existed with system administrator rights. We specifically focused on administrator accounts associated with the MIS and JCPS Server Administrators groups. Of the 53 accounts with access to the MIS group, there were six, or 11.3 percent, that were found to be unnecessary and did not require the granted access. After auditors questioned the employees' access to these accounts, these accounts were disabled.

In addition, a total of 21 out of 108 accounts with access to one or more of the 58 JCPS Server Administrator groups were found to be unnecessary. This represents 19.4 percent of the population. This included third party vendor accounts, test accounts, individual accounts, and system accounts. Again, after auditors questioned the access granted to these accounts, JCPS disabled them.

*Recommendations*    We recommend JCPS develop formal written procedures detailing the process for how all employees, including Central Office staff, initiate a request for access to the MUNIS application and production server. All staff requiring access to the application and production server should complete a security form that details the level of access required, which should be approved by a supervisor or manager. These forms should be maintained by the MUNIS administrator in a format that can be readily accessed for internal or audit purposes. Once developed, staff should be provided a copy of the procedures to ensure all users are aware of the process in place. These procedures should be reviewed and updated on a regular basis.

We also recommend that JCPS develop a matrix of access roles to be granted to specific Central Office positions and for the general roles stated on the access request form for other staff. If additional roles are identified as being needed beyond those documented within the matrix, these variations should be formally documented on the request with an explanation of necessity.

We further recommend JCPS perform a detailed review of the user and group accounts with more than inquiry access to the MUNIS application and production server and ensure these accounts are determined to be necessary for business. If accounts are not required, they should be disabled immediately.

**Finding 36: JCPS increased the risk of unauthorized system access by not properly configuring all agency machines.**

Our FY 2013 security vulnerability assessment on machines owned by JCPS revealed 33 of the 45 scanned machines, or 73.3 percent, could potentially be mis-configured. This testing was performed from within the JCPS network. The reported weaknesses should only be available from within the network. System mis-configurations that allow unnecessary services can negate other security configurations established on the machine, increase potential security vulnerabilities, and provide enticements for intruders to enter the system. Improperly secured services could allow unauthorized access to sensitive or critical system resources. Further, if a machine is allowed to provide excessive information associated with the machine to an anonymous user, an intruder could potentially use this information to attempt to gain access to the machine or network. Where there are known vulnerabilities associated with specific product versions, the risk of misuse increases.

For security purposes, detailed information and the identity of the specific machines contributing to these findings are being intentionally omitted from this finding. However, these issues were thoroughly documented and communicated to the appropriate JCPS personnel.

*Recommendations*   We recommend JCPS ensure that all new infrastructure devices are consistently configured based on internally developed and KDE directed base-line configurations. Any variations from the base-line configurations should be documented or logged showing the reason or justification for and management's authorization of the variation. Broadcasting of the services and associated versions running on infrastructure devices should be restricted unless it cannot be configured otherwise. Further, we recommend JCPS perform periodic reviews of all infrastructure devices to determine whether configuration changes have occurred. Any changes should be noted and validated.

Finally, we recommend JCPS take the necessary actions to ensure the services and open ports on the machines identified within this finding have a specific business purpose. If the service is necessary, it should be reviewed to ensure it is properly authorized, licensed, and configured as well as adequately secured. Any unnecessary services should be disabled or the associated ports should be closed.

**Finding 37: JCPS did not ensure all software is updated to reduce vulnerability.**

Our FY 2013 security vulnerability assessment on machines owned by JCPS revealed 14 out of 45 scanned machines, or 31.1 percent, provided system information related to the product name and the version number of services running on the machine. This testing was performed from within the JCPS network. The reported weaknesses should only be available from within the network. Services are applications or processes running on a user's computer. In addition, the software was found to be outdated for these machines. If machines are not updated with the most current versions of software, then an intruder could potentially use known vulnerabilities to attempt to gain access to a machine or network. Where there are known vulnerabilities associated with specific product versions, the likelihood of misuse increases.

Discussions with JCPS staff indicated that there were procedures in place to review and update software versions as needed. However, as noted above, these procedures did not appear to have been consistently applied. Currently, MIS is responsible for providing updates for the server hardware and OS and DTS is responsible for and manages the Windows Server Update Services (WSUS) workstations. WSUS workstations automatically deploy the latest Microsoft product updates to computers that are running Windows OS. Application versions are controlled by JCPS using the System Center Configuration Manager, whereas the vendors manage their own software version control. The systems development team within MIS uses Microsoft Team Foundation Server as the code repository for all software developed and managed in-house by MIS. Updates to the server hardware and OS are conducted in adherence to the documented maintenance plan.

For security purposes, detailed information that would identify the specific machines contributing to these findings are being intentionally omitted from this comment. However, these issues were thoroughly documented and communicated to the appropriate JCPS personnel.

*Recommendations*

We recommend JCPS ensure procedures are consistently followed in order to update software timely to reduce the risk of known vulnerabilities. If software or hardware is outdated but must be retained due to other system requirements, a process should be established to document these instances, the reasoning behind this determination, and management's approval.

**Finding 38: JCPS did not ensure all agency machines are properly configured to reduce the risk of enticing an unauthorized person.**

Our FY 2013 security vulnerability assessment of machines owned by JCPS revealed 23 out of 45 scanned machines, or 51.1 percent, displayed material on their websites enticing to an unauthorized person. This testing was performed from within the JCPS network. The reported weaknesses should only be available from within the network. These websites displayed a webpage that stated they were under construction, a blank webpage, a webpage with non-printable characters, displayed a default webpage, or displayed a message that would be considered enticing to an unauthorized person.

Machines that provide various types of unnecessary or excessive information that may be of interest to an unauthorized person increase the risk that a system could be scrutinized to determine whether vulnerabilities exist that could be comprised. Not properly configuring a machine and increasing the risk of enticing an intruder to attempt to gain access is of even greater concern when that machine or network on which it resides contains confidential or sensitive data. The proper configuration of a machine to eliminate enticing information is another aspect of an overall security framework that should be designed and implemented to secure JCPS machines, data, and systems.

For security purposes, detailed information and the identity of the specific machines contributing to these findings are being intentionally omitted from this comment. However, these issues were thoroughly documented and communicated to the appropriate JCPS personnel.

*Recommendations*

We recommend the web service be reviewed to determine its necessity. If not required for business purposes, the web service port should be closed. If required, the web page should instead be configured to display the homepage for the primary application or service that this web service provides or secured appropriately to prevent connection to a default or blank page.

**Finding 39: JCPS implemented a weak, inadequate password policy for AD, MUNIS, and the TA and failed to ensure staff compliance.**

JCPS implemented weak, inadequate password policies and did not audit the strength of network passwords on a regular basis. MIS staff confirmed that the password policy for AD, as well as MUNIS and TA applications is a seven-character minimum length, with no complexity, no expiration period, no password history maintained, and no threshold of unsuccessful login attempts that will lockout the user's account. Furthermore, JCPS stated no process is in place to regularly test or monitor passwords to ensure users are in compliance with the established password policy.

According to JCPS IT management staff, the password policy followed by JCPS was established by KDE; however, this policy did not allow for strong passwords to be used when accessing JCPS' systems. Microsoft Office 365 is the electronic messaging application used by KDE and all Kentucky school districts. The AD password criteria are mandated by this application. KDE has documented guidelines associated with Office 365 on their website, which state that the default password complexity requirements would normally be stricter; however, these password requirements were modified at the request of KDE. Further noted, it is possible to have a password that is less than the Office 365 minimum password policy in AD. Since MUNIS and TA applications use AD for authentication, the same password criteria apply to users of these systems.

Strong passwords are a significant feature to guard against unauthorized system access. Weak passwords may not adequately prevent unauthorized access to agency resources and fail to protect confidential or sensitive data. The purpose of a password policy is to establish a control standard to consistently create strong passwords, to protect those passwords, and to ensure passwords are changed within a specified time period. For the Commonwealth of Kentucky, at a minimum, passwords for standard and privileged users must:

- be eight or more characters;
- contain an uppercase letter;
- contain a lowercase letter;
- contain a number; and
- contain a special character.

*Recommendations*  We recommend JCPS work with KDE to develop and formalize a password policy that includes requirements for a minimum length of at least eight characters; complexity that includes a number, capital letters, special characters, or ALT characters; expiration period of not more than 90 days; history of at least six previous passwords that cannot be reused; and the lockout of a user's account after no more than three unsuccessful attempts. This policy should be applied to AD as well as all other applications used by JCPS.

We also recommend JCPS implement a standardized process to ensure regular password audits are performed. The identification of weak passwords should be shared with the user who is requested to create a new and stronger password. Results of these password reviews should be maintained for audit purposes.

**Finding 40: JCPS did not train employees on IT security.**

JCPS had not developed or implemented a security program or policy that identified management and user responsibilities concerning network security. Security awareness is the knowledge and attitude employees possess regarding the protection of the physical and information assets within their workplace. If employees are not aware of their responsibilities or the processes surrounding network security, it is likely that network controls could be circumvented or made ineffective.

According to MIS staff, the Computer Education Support (CES) Department has Internet Safety and Digital Citizenship resources, which are available online. Other information made available through the CES website involves application administration support, instructional and technical resources, and professional development opportunities. These resources did not address IT security responsibilities at the Central Office or school district level. No other resources or training is provided by Central Office to school district employees. Further, JCPS has not established a requirement for staff to use these online resources and do not track whether they are regularly reviewed by staff.

The position description for the Director of MIS states, "[i]n conjunction with the Computer Education Support unit, [the Director] provides leadership in the planning and development of in-service training of school systems personnel who utilize the various automated data processing systems of the District."

*Recommendations*

We recommend JCPS develop and formalize a security program that explains all employees' responsibilities related to network security. Consideration of IT controls, at a minimum, should include acceptable use of network resources, physical and logical access security controls, program change controls, and business recovery. We also recommend JCPS require all Central Office staff, teachers, and administrators to have security awareness training on an annual basis. JCPS should monitor this training to ensure all users are compliant and made aware of their role in securing JCPS student and network information.

# Chapter 7
# Information Technology - Findings and Recommendations

**Finding 41: JCPS IT policies and procedures were outdated.**

Review of the available IT policies and procedures revealed these documents were significantly outdated and, in most cases, no longer relevant. Without current written policies and procedures, users or management may not understand their responsibilities, actions they can and cannot take, or changes in administrative or business processes. The lack of sufficient user direction or understanding could potentially lead to the agency systems, data, or resources being placed at an increased risk for unauthorized access and modification to system applications and data, unauthorized information disclosures, or avoidable security vulnerabilities.

Most policies had not been updated since 2006, with the most recently updated policy being revised in 2009. Three policy appendices included guidelines or specifications with revision dates of 2000 or earlier. The fact that these policies are no longer accurate or relevant was confirmed with JCPS IT management.

The most recent versions of the JCPS IT policies and procedures were found on the JCPS website. Examples of these policies include:

- network, server, email, telephony, and physical security;
- creation of network user groups;
- network configuration;
- incident handling;
- system maintenance;
- data backups;
- hardware and software supported by JCPS;
- the dial-up network;
- cellular phone usage;
- acceptable use;
- system change procedures; and
- school web pages.

The auditors verified with JCPS executive management that no additional IT policies and procedures were available either on the website or maintained internally to the IT departments. Since these policies and procedures are outdated, they cannot be relied upon to reflect current JCPS processes or procedures.

*Recommendations*

We recommend that all JCPS IT policies and procedures be thoroughly reviewed and updated to reflect current processes and procedures. These should be detailed, complete, and approved by management. These documents should be kept current and communicated to staff to ensure all key staff is aware of their responsibilities. Staff should also be trained to ensure they comply with established policies. The updated policies and procedures should replace the outdated ones currently on the JCPS website. We recommend IT management formally assign staff the responsibility to establish a schedule to ensure policies are consistently reviewed in a routine and timely manner. We further recommend that a documented process be developed for recommendations of new or updated policies to be reviewed, finalized, and implemented within a determined period.

**Finding 42:  JCPS did not properly segregate data processing from security administration over the TA and MUNIS applications.**

As of July 1, 2011, the JCPS Payroll Department began administering the access permissions for the HR/Payroll modules within MUNIS and TA applications.  In addition, the Payroll Department was responsible for processing payroll-related transactions within these systems.  To be effectively segregated, the Payroll Department should not have the ability to establish, modify, or delete the security permissions for both the HR/Payroll and TA applications.

Controls are weakened when payroll staff can modify payroll master data and then process payroll.  This creates the potential for inappropriate or fraudulent activity.  Furthermore, an individual with security administration and payroll processing responsibilities could inappropriately modify roles and assign these to an unauthorized or fictitious user.

Employing strong segregation of duty controls limits the ability of an employee or group of employees to access various data or systems and to complete a transaction or other activity without the involvement or approval of another employee or group.  Therefore, implementing these controls decreases the opportunity of making unauthorized changes to data, files, and programs, and decreases the risk of errors or losses.  Failure to implement segregation of duty controls could create several issues including the disruption of business operations, inaccurate reporting, or financial loss.

*Recommendations*

We recommend JCPS review the current job duties of the individual(s) performing the security administrator and data processing functions within MUNIS and TA applications, and determine how these job functions can be redistributed among staff to ensure a proper segregation of duties.  Alternatively, we recommend the security administration duties over MUNIS and TA applications be moved to the central technology group.

**Finding 43:  JCPS did not have a complete written Disaster Recovery Plan or Business Continuity Plan, and Backups are not stored off-site.**

During the Entrance Conference on November 5, 2013, JCPS executive staff stated that JCPS did not have a formal Disaster Recovery Plan (DRP) or Business Continuity Plan (BCP) to ensure data can be recovered and the business can still function if a disaster occurs; however, a draft DRP/BCP has been created.  Without a written, distributed, and practiced DRP/BCP, an incident could potentially cause a significant disruption in services and down time to be much longer than expected.

Review of the draft DRP/BCP revealed that it lacked key process items.  The draft basically listed an inventory of servers and other equipment and listed tools used for backups.  A vendor is used to backup the JCPS virtualized and physical servers, while JCPS backs up files for students and file servers.  Further, it was noted that all backups performed by JCPS are stored on-site at VanHoose Data Center, with the exception of the Global Catalog, which is backed up to the vendor Cloud.  The draft plan did not:

- identify critical JCPS systems to be covered by the DRP;
- specify key personnel involved in the backup or recovery processes;
- provide personnel contact information;
- identify a site to be used in the event of a disaster;
- document system backup or recovery procedures; or
- specify actions to be performed in an emergency situation to contain, remediate, and recover data and operations in a timely manner.

Related to MUNIS, the vendor offers a Disaster Recovery Service, which is available through the Commonwealth of Kentucky's contract with the MUNIS vendor. This service includes the vendor establishing a formal DRP related to MUNIS processes, off-site backup, a recovery server, an alternate processing location, remote access, and coordination of backups. We were provided this agreement between the vendor and JCPS covering January 17, 2013 through January 16, 2014. Although this agreement has been established with the MUNIS vendor, the specifics of this DRP plan have not been incorporated explicitly or by reference within JCPS' draft DRP/BCP.

*Recommendations*    We recommend JCPS continue work to develop and finalize a DRP/BCP for all of JCPS and make this project high priority for relevant IT staff. A DRP/BCP should include the following:

- identify key emergency personnel involved in the DRP/BCP and contact numbers or other information for these personnel;
- identification of critical systems and data;
- designation of recovery time for each critical system (24 hours, 3 days, 1 week, etc.);
- identification of off-site facilities to be used in emergencies, including off-site personnel and contact numbers;
- listing of vendor contacts with whom agreements have been made for obtaining emergency equipment and software replacement;
- procedures to be followed for recovery of critical systems and data;
- alternate business procedures to be followed in case of extended disruption of IT systems and/or the inability to use normal facilities; and
- references to outside DRP or BCP plans, such as the one with the MUNIS vendor.

Backup procedures should include the following:

- procedures to create backup copies and the frequency of backups;
- number of backup versions to be maintained;
- on-site and off-site storage locations and contact personnel and numbers;
- schedule of moving backups off-site;

- retention periods for critical data; and
- key personnel responsible for backup procedures.

We also recommend the DRP/BCP and backup procedures be distributed to key personnel responsible for this process, and those personnel be trained in their specific responsibilities. These plans and procedures should be updated regularly as staff, systems, and data change, and key personnel should be notified of applicable changes.

Further, we recommend DRP and backup procedures be tested regularly to ensure data can be recovered and systems resume functionality in the established timeframe. Documentation of the results of these tests should be retained and available for management review.

**Finding 44: JCPS did not document written change management procedures explaining how to retrieve, test, and implement updates and upgrades to MUNIS.**

While JCPS has informal procedures in place to retrieve, test, and implement updates and upgrades made to MUNIS, no formal documentation detailing how these procedures are performed existed. MUNIS updates are code corrections/enhancements, which correct issues or provide enhanced functionalities. Upgrades are version changes in MUNIS, which may contain several new system functions. Updates and upgrades are made by the vendor and delivered through the MUNIS Internet Update (MIU) utility. These updates and upgrades must be properly tested before implementing in the production environment.

Updates and upgrades, once made available by the vendor, are retrieved via the MIU by the Accounting Services Specialist. After recording the code number and corresponding description, the Accounting Services Specialist will forward the update or upgrade to the appropriate JCPS department. Departmental staff are responsible for testing the update or upgrade and then notifying the Accounting Services Specialist when it is ready to be moved to production.

When asked if written procedures had been documented explaining this process, the Accounting Services Specialist stated that he had "not documented procedures for this because I know what I must do." Though this employee stated he had an understanding of the process to be followed, written procedures documenting the process are essential to ensure the process is consistently and accurately performed by either current or future employees responsible for performing this function.

Without specific and detailed program change control procedures, management increases the risk of developing and implementing ineffective or inaccurate systems and the risk of unauthorized changes being placed into the production environment that have an adverse affect on system processing results.

As a result of a report request made by an auditor during this review, JCPS identified an issue where specific staff was unable to view or produce an accurate vendor report. It was determined that this situation occurred due to a new program code being loaded to MUNIS. This code change included a security permissions change, which was not identified and properly tested prior to implementation to production. JCPS staff stated there are always permission changes with upgrades that require manual action to modify them to work within JCPS' business practices. Furthermore, if issues are identified with an upgrade, JCPS staff is expected to report this through the HEAT ticket system, which was not done in this instance.

*Recommendations*    We recommend JCPS develop written procedures detailing the process by which updates and upgrades to MUNIS are obtained, tested, and implemented in production. Included within these procedures, users should specifically be required to review the upgrade documentation for security permission changes and ensure proper testing is performed to identify any permission modifications necessary to adhere to JCPS business processes. These procedures should explain the process for submitting a HEAT ticket if additional issues are experienced after testing has been completed. These procedures should be reviewed and updated on a regular basis. This documentation should be maintained for internal management and audit purposes.

**Finding 45: JCPS did not maintain a current version of the Request For Purchase Order Maintenance Change Notice/Vendor Change form online.**

JCPS did not maintain a current version of the Request For Purchase Order Maintenance Change Notice/Vendor Change form on their website. Once the formal procurement bid process has been completed and a contract has been established in MUNIS, JCPS staff can request changes to certain items via the Request For Purchase Order Maintenance Change Notice/Vendor Change form. Items that can be changed included the Line Item amount, Unit Price amount, Quantity, Blanket Order amount, and Freight amount.

The original form found on the JCPS website did not require a signature by a supervisor or manager to authorize a requested change. Therefore, staff could submit a Purchase Order (PO) change without providing documentation of prior review or approval of the change by management. Subsequent to discussing this issue with JCPS staff, the form was updated requiring Cost Center Director's approval. While this change was made to the form during the course of audit fieldwork, the new version of the form was not made available to staff on the JCPS website.

*Recommendations*    We recommend the updated Request For Purchase Order Maintenance Change Notice/Vendor Change form, which provides for an authorizing signature, be placed on the JCPS website. Also, affected staff should be made aware of the change to the form to ensure they obtain Cost Center Director approval prior to submitting a PO change. Further, staff entering changes into MUNIS from these forms should ensure the Cost Center Director approval is documented on the form prior to processing.

## Scope and Methodology for the Surveys of Teachers and Principals at JCPS and 12 Other Kentucky School Districts

During this review, auditors attempted to survey all principals and all classroom teachers currently employed at JCPS.  The purpose of the survey was two-fold: 1) to confirm that policies, procedures, and other guidance from the JCPS Central Office were being put into practice in the schools; and 2) to obtain information to assist the Board with its decision-making duties.  The principal survey focused on the availability, age, funding, and future of instructional resources in the schools.  Principals were also asked about teacher stipends, as well as procedures for reimbursement.  The classroom teacher survey also asked questions about instructional resources, but its primary focus was on the contribution of classroom budgets or stipends, personal spending by teachers, and school supply list purchases for the classroom by parents and the perceived reliance there on by JCPS and other surveyed Kentucky districts.  Additionally, certain human resource questions were also asked.

To put JCPS principal and teacher responses into perspective, auditors also surveyed all principals and all classroom teachers at 12 public school districts in Kentucky using a similar set of questions.  While no other Kentucky school districts are seen as peers to JCPS due to its size, auditors selected 12 districts based on student population, percentage of students receiving free lunch, number of districts within the same county, and geographic coverage of the state.  Auditors selected the following districts:

- Fayette County
- Bullitt County
- Fleming County
- Calloway County
- Boone County
- Daviess County
- Somerset Independent
- Johnson County
- Warren County
- Owsley County
- Harlan County
- Christian County

**12 Kentucky School Districts Surveyed**
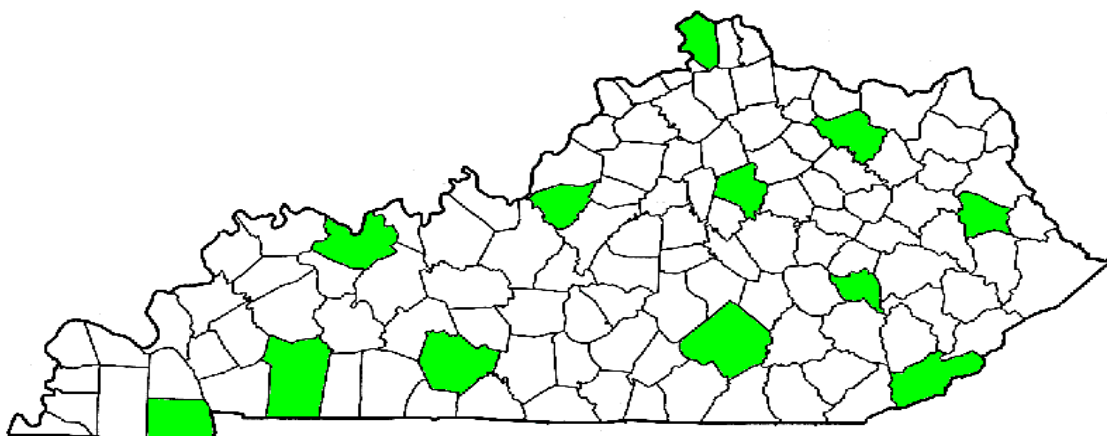
Using survey software, the performance review team developed and administered principal and teacher surveys for the 12 selected districts and for JCPS.  All 13 Superintendents were responsible for sending the links for both surveys to all principals and all classroom teachers working in her or his district.   Estimated coverage through the surveys was 31.5 percent of all public classroom teachers and principals working in the state.

In JCPS, 115 principals and 1,532 classroom teachers responded to the survey; however, not all individuals answered each question on their survey.  The same fact holds true for the 160 principals and 2,908 classroom teachers that responded to our survey in the 12 districts selected.  For example, if an individual taking the classroom teacher survey indicated on the second question that he or she was not assigned to a classroom, then the survey software would automatically skip the majority of questions on the survey because the questions were determined to be not applicable.

A description of the respondents to both surveys, broken out by survey type and survey group follows. Responses to other survey questions are presented as Exhibits 2, 3, 4, and 5.

JCPS Principals and Classroom Teachers
In JCPS, a total of 115 principals responded to the survey.  This total consisted of 70 elementary principals, 22 middle school principals, 15 high school principals, and eight alternative school principals.  The 115 respondents reported their years of experience in the following manner:

Years of experience in current position:
- 0-5 years – 47.83%;
- 6-9 years – 20.00%;
- 10-14 years – 13.91%;
- 15-19 years – 5.22%; and
- 20 or more years – 13.04%

Total years of experience as a principal:
- 0-5 years – 37.39%;
- 6-9 years – 21.74%;
- 10-14 years – 25.22%;
- 15-19 years – 13.91%; and
- 20 or more years – 1.74%

Total years of experience in JCPS:
- 0-5 years – 5.22%;
- 6-9 years – 11.30%;
- 10-14 years – 13.91%;
- 15-19 years – 23.48%; and
- 20 or more years – 46.09%

Total years of experience:
- 0-5 years – 0.87%;
- 6-9 years – 2.61%;
- 10-14 years – 17.39%;
- 15-19 years – 21.74%; and
- 20 or more years – 57.39%

In JCPS, 1,532 individuals responded to the classroom teacher survey; however, 309 of those individuals reported not being assigned to a classroom.  Of the 1,532 respondents, 1,220 individuals reported their years of experience in the following manner:

Years of experience in JCPS:
- 0-5 years – 24.75%;
- 6-9 years – 20.57%;
- 10-14 years – 22.21%;
- 15-19 years – 16.56%; and
- 20 or more years – 15.90%

Years of total experience:
- 0-5 years – 18.28%;
- 6-9 years – 16.64%;
- 10-14 years – 21.07%;
- 15-19 years – 17.70%; and
- 20 or more years – 26.31%

Other Kentucky Principals and Classroom Teachers

In the 12 districts surveyed, 2,908 individuals responded to the classroom teacher survey; however, 487 of those individuals reported not being assigned to a classroom. While respondents were encouraged to select all grade levels currently taught, all grade levels, except for Pre-K, were represented with similar response percentages.

Years of total experience was categorized in the following manner among the 2,404 individuals who answered the question:
- 0-5 years – 21.38%;
- 6-9 years – 19.18%;
- 10-14 years – 20.26%;
- 15-19 years – 16.35%; and
- 20 or more years – 22.84%

In the twelve districts surveyed, 160 individuals responded to the principal survey. This total consisted of 84 elementary principals, 45 middle school principals, 20 high school principals, and 11 alternative school principals.

The 160 respondents reported their years of experience in the following manner:

Years of experience in current position:
- 0-5 years – 51.25%;
- 6-9 years – 25.00%;
- 10-14 years – 12.50%;
- 15-19 years – 3.75%; and
- 20 or more years – 7.50%

Total years of experience as a principal:
- 0-5 years – 58.13%;
- 6-9 years – 19.38%;
- 10-14 years – 13.13%;
- 15-19 years – 7.50%; and
- 20 or more years – 1.88%

Total years of experience:
- 0-5 years – 5.00%;
- 6-9 years – 10.63%;
- 10-14 years – 13.75%;
- 15-19 years – 28.13%; and
- 20 or more years – 42.50%

**Scope and Methodology for Establishing a Core Peer Group for JCPS and Survey of Those Out-of-State Peer Districts**

To provide JCPS with peer group benchmarking data, the auditors identified five public school districts in five different states to serve as peer districts for JCPS. The underlying premise of the selection of these peer districts was based on enrollment, student demographics, a snapshot of recent revenues and expenditures, and socio-economic status. Also, auditors focused on districts considered to be high-performing in their state and across the nation.

Considering these criteria, auditors reviewed data collected by NCES, as well as various state education agencies, and consulted with an expert to formulate a group of peer districts for benchmarking purposes. The five districts selected by the auditors as JCPS peer districts are:

- Austin Independent School District;
- Baltimore County Public Schools;
- Charlotte-Mecklenburg Schools;
- Cobb County School District; and
- Pinellas County Schools.

To assist in completing the objectives of this review, auditors contacted staff at each of these peer districts to gather information pertaining to specific issues involving internal audit/compliance, instructional resources, personnel, warehousing and procurement, and the expense reimbursement process. The team also reviewed data presented by NCES for each of the five school districts named as peers, in addition to JCPS. While some information was not made available by all the peer districts, auditors have presented information obtained, where applicable, throughout this document.

**EXHIBITS**

**Job Title and Number of JCPS' Employees with an Annual Salary Over $100,000**  **Exhibit 1**

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 1 | SUPERINTENDENT | SUPERINTENDENTS OFFICE | 08/01/2011 | 276,000.01 |
| 2 | GENERAL COUNSEL | GENERAL COUNSEL | 12/10/1984 | 175,214.29 |
| 3 | CHIEF DATA MGT PLANNING & PRG | RESEARCH | 03/14/1983 | 170,339.64 |
| 4 | CHIEF FINANCIAL OFFICER | FISCAL SERVICES | 03/04/1991 | 170,130.53 |
| 5 | CHIEF ACADEMIC OFFICER | ACADEMIC SERVICES DIVISION | 03/12/2012 | 163,304.99 |
| 6 | CHIEF OPERATIONS OFFICER | OPERATIONS SERVICES | 03/12/2012 | 160,330.68 |
| 7 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 08/27/1987 | 160,057.57 |
| 8 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 08/23/1988 | 156,173.24 |
| 9 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 01/02/2007 | 156,092.07 |
| 10 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 09/01/1989 | 155,197.67 |
| 11 | ASST SUPT ACADEMIC SUPPORT PRG | ACADEMIC SUPPORT PROGRAM | 09/11/1987 | 154,231.06 |
| 12 | PRINCIPAL HIGH SCHOOL | CENTRAL HIGH MCA | 01/03/1972 | 149,775.50 |
| 13 | PRINCIPAL HIGH SCHOOL | BALLARD HIGH SCHOOL | 08/01/2000 | 149,775.50 |
| 14 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 08/27/1987 | 149,723.75 |
| 15 | ASSISTANT GENERAL COUNSEL | GENERAL COUNSEL | 05/02/2005 | 148,698.88 |
| 16 | ASST SUPT CURRICULUM/INSTRUCTN | CURRICULUM & INSTRUCTION | 05/21/2012 | 147,651.07 |
| 17 | DIR FACILITIES & ENVIRONMENTL | CB YOUNG | 01/18/2000 | 145,398.38 |
| 18 | DIR FINANICAL PLAN/MANAGEMENT | FINANCIAL PLANNING & MGMT | 08/06/2001 | 145,398.38 |
| 19 | DIRECTOR ACCOUNTING | ACCOUNTING SERVICES | 06/25/2001 | 145,398.38 |
| 20 | PRINCIPAL HIGH SCHOOL | BROWN SCHOOL | 08/25/1980 | 145,398.38 |
| 21 | PRINCIPAL HIGH SCHOOL | SAFE & DRUG FREE SCHOOLS | 08/25/1983 | 145,398.38 |
| 22 | PRINCIPAL JEFF CO HIGH SCHOOL | JEFFERSON CO HIGH SCHOOL | 08/28/1972 | 145,398.38 |
| 23 | DIRECTOR LIB/MEDIA SV | LIBRARY MEDIA | 07/01/1996 | 144,063.23 |
| 24 | PRINCIPAL HIGH SCHOOL | DUPONT MANUAL HIGH | 07/17/1995 | 143,845.69 |
| 25 | PRINCIPAL HIGH SCHOOL | SOUTHERN HIGH MCA | 08/14/1995 | 143,845.69 |
| 26 | PRINCIPAL HIGH SCHOOL | VALLEY HIGH SCHOOL | 08/27/1992 | 143,385.60 |
| 27 | PRINCIPAL HIGH SCHOOL | DOSS HIGH MCA | 08/24/1995 | 143,385.60 |
| 28 | PRINCIPAL HIGH SCHOOL | EASTERN HIGH | 09/11/1995 | 143,385.60 |
| 29 | PRINCIPAL HIGH SCHOOL | MOORE TRADITIONAL HIGH | 07/01/2008 | 141,854.39 |
| 30 | DIRECTOR MANAGEMENT INF SERVICE | MIS | 12/30/2005 | 141,405.75 |
| 31 | ASST SUPT ACADEMIC AHIEVE K-12 | ACADEMIC SERVICES DIVISION | 07/02/2007 | 140,723.24 |
| 32 | PRINCIPAL HIGH SCHOOL | FAIRDALE HIGH MCA | 08/14/1995 | 140,694.53 |
| 33 | PRINCIPAL HIGH SCHOOL | LOUISVILLE MALE HIGH | 01/23/1995 | 140,694.53 |
| 34 | AUDITOR | INTERNAL AUDIT | 07/01/2002 | 139,853.07 |
| 35 | DIRECTOR EARLY CHILDHOOD | HEAD START | 08/22/1991 | 139,853.07 |
| 36 | DIRECTOR SCH/COM NUTRITION SVC | FOOD SERVICES | 02/15/1994 | 139,853.07 |
| 37 | DIRECTOR TRANSPORTATION SERVICE | TRANSPORTATION | 08/05/1996 | 139,853.07 |
| 38 | PRINCIPAL SAC | JCPS/SAC | 08/25/1994 | 139,853.07 |
| 39 | PRINCIPAL TRANSITION | BRECKINRIDGE METRO HIGH SCHL | 08/27/1987 | 139,853.07 |
| 40 | PRINCIPAL TRANSITION | LIBERTY HIGH | 04/08/1993 | 139,853.07 |
| 41 | PRINCIPAL HIGH SCHOOL | PHOENIX SCHOOL OF DISCOVERY | 08/21/1986 | 139,298.52 |
| 42 | COORDINATOR VI | OPTIONS/MAGNET | 09/06/1976 | 138,522.17 |
| 43 | DIRECTOR ACT/ATHLETICS | ACTIVITIES AND ATHLETICS | 08/24/1989 | 137,917.05 |
| 44 | DIRECTOR III | RESEARCH | 06/21/1999 | 137,830.05 |
| 45 | DIRECTOR III | PERSONNEL DEPARTMENT | 11/25/1985 | 137,830.05 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 46 | DIRECTOR OF EXCEPTNL CHILD ED | EXCEPT CHILD INST PROGRAM | 08/24/2009 | 137,370.17 |
| 47 | DIRECTOR DISTRICT PERSONNEL | PERSONNEL DEPARTMENT | 11/12/2007 | 136,707.36 |
| 48 | EVALUATION & TRANSITION COORD | ACADEMIC SERVICES DIVISION | 08/27/1992 | 136,707.36 |
| 49 | DIRECTOR III | CAREER & TECHNICAL EDUCATION | 07/14/1994 | 136,180.33 |
| 50 | DIRECTOR PUPIL PERSONNEL | PUPIL PERSONNEL | 11/03/2005 | 136,180.33 |
| 51 | PRINCIPAL HIGH SCHOOL | JEFFERSONTOWN HIGH MCA | 08/05/1997 | 135,646.01 |
| 52 | PRINCIPAL BUECHEL | BUECHEL METRO | 08/24/1993 | 135,328.60 |
| 53 | EX DIR COMMUNICATNS & COMMUNTY | COMMUNICATION & COMMUNITY SERV | 05/21/2012 | 135,195.00 |
| 54 | ASST SUPERINTENDENT EQUIT/POV | DIVERSITY EQUITY & POVERTY PRG | 08/05/1997 | 135,173.47 |
| 55 | ASST DIR SYSTEMS DEVELOPMENT | MIS | 07/30/1984 | 134,529.55 |
| 56 | COORDINATOR JCPS GHEENS INST | ACADEMIC SERVICES DIVISION | 10/28/1976 | 134,529.55 |
| 57 | DIRECTOR SAFETY/ENVIRON SVCS | SAFETY/ENVIRONMENTAL SERVICES | 11/26/1984 | 134,529.55 |
| 58 | DIRECTOR SECURITY/INVESTIGATIO | SECURITY | 01/06/2003 | 134,529.55 |
| 59 | EVALUATION & TRANSITION COORD | ACADEMIC SERVICES DIVISION | 09/14/1987 | 134,529.55 |
| 60 | EVALUATION & TRANSITION COORD | ACADEMIC SERVICES DIVISION | 09/15/1983 | 134,529.55 |
| 61 | DIR COMPLIANCE & INVESTIGATION | COMPL & INVEST | 07/01/2004 | 134,217.48 |
| 62 | PRINCIPAL HIGH SCHOOL | SHAWNEE HIGH MCA | 08/03/2001 | 132,954.97 |
| 63 | EVALUATION & TRANSITION COORD | ACADEMIC SERVICES DIVISION | 08/22/1991 | 132,667.21 |
| 64 | PRINCIPAL SPECIAL SCHOOL | CHURCHILL PARK | 08/24/1993 | 132,667.21 |
| 65 | LEAD PSYCHOLOGIST | ECE ASSESSMENT | 02/24/1992 | 131,410.37 |
| 66 | DIRECTOR IV | TITLE 1 | 09/30/2013 | 131,354.78 |
| 67 | DIR MECHANICAL/ELECTRONIC MAIN | MECHANICAL MAINTENANCE | 03/28/2005 | 130,869.63 |
| 68 | PRINCIPAL HIGH SCHOOL | ATHERTON HIGH SCHOOL | 07/01/2007 | 130,216.76 |
| 69 | DEMOGRAPHICS ANALYST | DEMOGRAPHICS | 04/29/1985 | 129,316.94 |
| 70 | DIRECTOR II | SAFE & DRUG FREE SCHOOLS | 07/15/1992 | 129,316.94 |
| 71 | MANAGER GRANTS/AWARDS ACCT | GRANTS AND AWARDS | 03/24/2003 | 129,316.94 |
| 72 | MANAGER PAYROLL/CASH MANAGEMENT | PAYROLL DEPARTMENT | 08/28/2003 | 129,316.94 |
| 73 | DIR DIGITAL TECHNOLOGY | DIGITAL TECHNOLOGY | 12/27/2005 | 129,095.14 |
| 74 | DIRECTOR COMPUTER ED | JAEGER EDUCATION CENTER | 08/25/1994 | 128,889.50 |
| 75 | DIRECTOR FRYSC | ACADEMIC SUPPORT PROGRAM | 11/19/1984 | 128,068.92 |
| 76 | SPECIALIST III | RESEARCH | 12/01/1999 | 127,626.65 |
| 77 | DIR FACILITY PLANNING | CB YOUNG | 08/17/1998 | 126,987.91 |
| 78 | EVALUATION & TRANSITION COORD | ACADEMIC SERVICES DIVISION | 08/06/1996 | 126,442.44 |
| 79 | PRINCIPAL HIGH SCHOOL | FERN CREEK TRADITIONAL HIGH | 08/04/2003 | 125,957.32 |
| 80 | PRINCIPAL HIGH SCHOOL | BUTLER TRADITIONAL HIGH | 08/09/1999 | 125,889.96 |
| 81 | COORDINATOR ECE | ECE PLACEMENT | 09/23/2004 | 125,213.39 |
| 82 | DIRECTOR OF DISTRICT PERSONNEL | BUSINESS AFFAIRS | 03/19/1990 | 125,180.82 |
| 83 | PRINCIPAL HIGH SCHOOL | IROQUOIS HIGH MCA | 08/09/1999 | 124,545.57 |
| 84 | ACADEMIC PROGRAM CONSULT III | ESL | 02/01/1993 | 124,326.15 |
| 85 | ASST DIRECTOR PP COURT LIAISON | PUPIL PERSONNEL | 08/20/1974 | 124,326.15 |
| 86 | ASST DIRECTOR STU RELATIONS | SAFE & DRUG FREE SCHOOLS | 01/06/1975 | 124,326.15 |
| 87 | ASST DIRECTOR STU RELATIONS | SAFE & DRUG FREE SCHOOLS | 08/23/1990 | 124,326.15 |
| 88 | COORD HEALTH PROMOTIONS | HEALTH SERVICES OT/PT | 07/01/2000 | 124,326.15 |
| 89 | COORDINATOR III | PREKINDERGARTEN | 01/10/1989 | 124,326.15 |
| 90 | GE SCIENCE SPECIALIST | CURRICULUM & INSTRUCTION | 08/23/1990 | 124,326.15 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 91 | MANAGER ADVANCE SYSTEMS | DIGITAL TECHNOLOGY | 11/26/2003 | 124,326.15 |
| 92 | DIRECTOR RECRUITMNT & DEVELPMT | PERSONNEL DEPARTMENT | 09/08/1997 | 123,677.12 |
| 93 | DIRECTOR PURCHASING | PURCHASING | 05/20/1996 | 123,217.08 |
| 94 | DIRECTOR RESOURCE DEVELOPMENT | BUSINESS PARTNERSHP/RESOURCE D | 08/18/2008 | 123,217.08 |
| 95 | PRINCIPAL HIGH SCHOOL | MAYME S WAGGENER HIGH SCHOOL | 08/04/2000 | 123,202.57 |
| 96 | SPECIALIST II | PERSONNEL DEPARTMENT | 08/24/1989 | 123,156.37 |
| 97 | T1 COMPONENT SPEC | TITLE 1 | 07/08/2002 | 123,156.37 |
| 98 | SPECIALIST II | RESEARCH | 03/10/2003 | 122,857.69 |
| 99 | PRINCIPAL ELEMENTARY SCHOOL | TULLY ELEMENTARY | 08/27/1987 | 121,433.00 |
| 100 | SPECIALIST II | COMMUNICATION & COMMUNITY SERV | 07/09/2001 | 120,985.71 |
| 101 | SPECIALIST III | RESEARCH | 09/26/1994 | 120,304.01 |
| 102 | SPECIALIST II | RESEARCH | 08/27/1992 | 120,027.48 |
| 103 | PRINCIPAL ELEMENTARY SCHOOL | FARMER ELEMENTARY | 08/27/1992 | 119,792.16 |
| 104 | PRINCIPAL ELEMENTARY SCHOOL | WILT ELEMENTARY | 08/25/1994 | 119,792.16 |
| 105 | PRINCIPAL ELEMENTARY SCHOOL | JEFFERSONTOWN ELEMENTARY | 07/02/2007 | 119,792.16 |
| 106 | COOR BUS PARTNERSHIPS | COMMUNICATION & COMMUNITY SERV | 08/27/1987 | 119,557.18 |
| 107 | COUNSELOR ASSESSMENT | PUPIL PERSONNEL | 08/22/1985 | 119,557.18 |
| 108 | DATABASE ADMINISTRATOR | MIS | 08/13/2009 | 119,557.18 |
| 109 | ELECTRICAL ENGINEER | CB YOUNG | 02/01/1993 | 119,557.18 |
| 110 | ENTERPRISE SOLUTIONS ARCHITECT | MIS | 12/11/2006 | 119,557.18 |
| 111 | MANAGER DIVERSITY / EQUITY | DIVERSITY EQUITY & POVERTY PRG GENERAL | 03/19/2001 | 119,557.18 |
| 112 | MGR MAINT SCHED QUAL CON/CUS S | MAINTENANCE/RENOVATION | 07/06/1998 | 119,557.18 |
| 113 | PLACEMENT SPECIALIST | ECE PLACEMENT | 08/27/1987 | 119,557.18 |
| 114 | PLACEMENT SPECIALIST | ECE PLACEMENT | 01/15/1980 | 119,557.18 |
| 115 | SPECIALIST II | EXCEPT CHILD INST PROGRAM | 08/14/1986 | 119,557.18 |
| 116 | SPECIALIST II | EMPLOYEE RELATIONS | 08/14/1996 | 119,557.18 |
| 117 | SPECIALIST II | PERSONNEL DEPARTMENT | 08/24/1989 | 119,557.18 |
| 118 | SPECIALIST II | JAEGER EDUCATION CENTER | 08/23/1984 | 119,557.18 |
| 119 | SPECIALIST II | PERSONNEL DEPARTMENT | 07/02/1984 | 119,557.18 |
| 120 | SPECIALIST II | PERSONNEL DEPARTMENT | 10/29/1991 | 119,557.18 |
| 121 | SPECIALIST II | DIVERSITY EQUITY & POVERTY PRG | 10/04/1999 | 119,557.18 |
| 122 | SPECIALIST NETWORK CONTROL | DIGITAL TECHNOLOGY | 06/01/1998 | 119,557.18 |
| 123 | SPECIALIST PT/OT SVCS | ECE PROGRAMS | 11/21/1983 | 119,557.18 |
| 124 | SYSTEMS ARCHITECT | MIS | 09/03/1985 | 119,557.18 |
| 125 | UNIT MANAGER-OPERATIONS | HEAD START | 08/13/2001 | 119,557.18 |
| 126 | DIRECTOR VEHICLE MAINTENANCE | NICHOLS GARAGE | 03/16/2009 | 119,446.26 |
| 127 | SPECIALIST II | PERSONNEL DEPARTMENT | 08/14/1995 | 119,279.84 |
| 128 | SPECIALIST II | CURRICULUM & INSTRUCTION | 08/14/1995 | 119,279.84 |
| 129 | PLACEMENT SPECIALIST | ECE PLACEMENT | 08/22/1985 | 118,891.74 |
| 130 | COUNSELOR ASSESSMENT | PUPIL PERSONNEL | 07/01/2003 | 117,902.10 |
| 131 | PLACEMENT SPECIALIST | ECE PLACEMENT | 09/10/1990 | 117,902.10 |
| 132 | PLACEMENT SPECIALIST | ECE PLACEMENT | 09/10/1990 | 117,902.10 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 133 | SPECIALIST II | EXCEPT CHILD INST PROGRAM | 08/07/1990 | 117,902.10 |
| 134 | PRINCIPAL ELEMENTARY SCHOOL | BLUE LICK ELEMENTARY | 09/10/1984 | 117,883.81 |
| 135 | PRINCIPAL ELEMENTARY SCHOOL | HARTSTERN ELEMENTARY | 08/21/1986 | 117,883.81 |
| 136 | PRINCIPAL ELEMENTARY SCHOOL | LUHR ELEMENTARY | 08/27/1987 | 117,883.81 |
| 137 | PRINCIPAL ELEMENTARY SCHOOL | KING ELEMENTARY | 08/27/1973 | 117,883.81 |
| 138 | PRINCIPAL ELEMENTARY SCHOOL | GILMORE LANE ELEMENTARY | 08/21/1986 | 117,883.81 |
| 139 | PRINCIPAL ELEMENTARY SCHOOL | HAZELWOOD ELEMENTARY | 07/01/1998 | 117,883.81 |
| 140 | PRINCIPAL ELEMENTARY SCHOOL | HITE ELEMENTARY | 08/22/1985 | 117,883.81 |
| 141 | PRINCIPAL ELEMENTARY SCHOOL | MIDDLETOWN ELEMENTARY | 08/22/1985 | 117,883.81 |
| 142 | PRINCIPAL ELEMENTARY SCHOOL | CHENOWETH ELEMENTARY | 12/09/1985 | 117,883.81 |
| 143 | PRINCIPAL ELEMENTARY SCHOOL | FERN CREEK ELEMENTARY | 08/27/1987 | 117,883.81 |
| 144 | PRINCIPAL ELEMENTARY SCHOOL | WILDER ELEMENTARY | 08/25/1994 | 117,883.81 |
| 145 | PRINCIPAL ELEMENTARY SCHOOL | YOUNG ELEMENTARY | 08/21/1986 | 117,883.81 |
| 146 | PRINCIPAL ELEMENTARY SCHOOL | GOLDSMITH ELEMENTARY | 07/10/1997 | 117,883.81 |
| 147 | PRINCIPAL ELEMENTARY SCHOOL | ENGELHARD ELEMENTARY | 09/19/1988 | 117,883.81 |
| 148 | PRINCIPAL ELEMENTARY SCHOOL | SCHAFFNER TRADITIONAL ELEM | 08/23/1984 | 117,883.81 |
| 149 | PRINCIPAL ELEMENTARY SCHOOL | COLERIDGE-TAYLOR MONTESSORI | 07/12/2007 | 117,883.81 |
| 150 | PRINCIPAL MIDDLE SCHOOL | JOHNSON TRADITIONAL MIDDLE | 09/08/1981 | 117,883.81 |
| 151 | PRINCIPAL MIDDLE SCHOOL | CARRITHERS MIDDLE | 09/10/1986 | 117,883.81 |
| 152 | SPECIALIST III | CURRICULUM & INSTRUCTION | 07/29/2003 | 117,835.68 |
| 153 | PRINCIPAL ELEMENTARY SCHOOL | STOPHER ELEMENTARY | 07/19/2000 | 117,610.35 |
| 154 | PRINCIPAL ELEMENTARY SCHOOL | OKOLONA ELEMENTARY | 10/09/1995 | 117,610.35 |
| 155 | PRINCIPAL MIDDLE SCHOOL | WESTPORT MIDDLE SCHOOL | 07/02/2001 | 117,610.35 |
| 156 | DIRECTOR SUPPLY SERVICES | SUPPLY SERVICES | 04/16/1979 | 117,339.05 |
| 157 | SPECIALIST II | ECE PLACEMENT | 08/25/1983 | 116,673.60 |
| 158 | PRINCIPAL ELEMENTARY SCHOOL | MEDORA ELEMENTARY | 08/03/2001 | 116,491.14 |
| 159 | DIRECTOR LABOR MGT & EMP RELAT | EMPLOYEE RELATIONS | 04/11/2011 | 116,263.26 |
| 160 | PRINCIPAL ELEMENTARY SCHOOL | FRAYSER ELEMENTARY | 09/10/1990 | 116,251.92 |
| 161 | PRINCIPAL ELEMENTARY SCHOOL | CAMP TAYLOR ELEMENTARY | 09/10/1990 | 116,251.92 |
| 162 | PRINCIPAL ELEMENTARY SCHOOL | JOHNSONTOWN ROAD ELEMENTARY | 08/14/1995 | 116,251.92 |
| 163 | PRINCIPAL ELEMENTARY SCHOOL | SLAUGHTER ELEMENTARY | 09/11/1990 | 116,251.92 |
| 164 | PRINCIPAL ELEMENTARY SCHOOL | SANDERS ELEMENTARY | 08/25/1988 | 116,251.92 |
| 165 | PRINCIPAL ELEMENTARY SCHOOL | BYCK ELEMENTARY | 08/27/1992 | 116,251.92 |
| 166 | PRINCIPAL ELEMENTARY SCHOOL | KENNEDY MONTESSORI ELEMENTARY | 01/03/1989 | 116,251.92 |
| 167 | PRINCIPAL ELEMENTARY SCHOOL | LINCOLN ELEMENTARY | 08/23/1990 | 116,251.92 |
| 168 | PRINCIPAL ELEMENTARY SCHOOL | ROOSE/PERRY ELEMENTARY | 08/23/1990 | 116,251.92 |
| 169 | PRINCIPAL ELEMENTARY SCHOOL | WATTERSON ELEMENTARY | 08/27/1992 | 116,251.92 |
| 170 | PRINCIPAL ELEMENTARY SCHOOL | EISENHOWER ELEMENTARY | 08/24/1989 | 116,251.92 |
| 171 | PRINCIPAL ELEMENTARY SCHOOL | KERRICK ELEMENTARY | 10/02/1990 | 116,251.92 |
| 172 | PRINCIPAL ELEMENTARY SCHOOL | PORTLAND ELEMENTARY | 09/12/1990 | 116,251.92 |
| 173 | PRINCIPAL ELEMENTARY SCHOOL | BLOOM ELEMENTARY | 09/07/1993 | 116,251.92 |
| 174 | PRINCIPAL MIDDLE SCHOOL | NOE MIDDLE | 08/25/1989 | 116,251.92 |
| 175 | PRINCIPAL MIDDLE SCHOOL | BARRET TRADITIONAL MIDDLE | 09/08/1992 | 116,251.92 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 176 | PRINCIPAL MIDDLE SCHOOL | HIGHLAND MIDDLE SCHOOL | 08/27/1992 | 116,251.92 |
| 177 | PRINCIPAL MIDDLE SCHOOL | RAMSEY MIDDLE SCHOOL | 08/25/1988 | 116,251.92 |
| 178 | FISCAL MGR FACIL/TRANS | CB YOUNG | 04/17/2006 | 116,119.08 |
| 179 | SPECIALIST NETWORK CONTROL | DIGITAL TECHNOLOGY | 05/23/2005 | 116,119.08 |
| 180 | DATA WAREHOUSE MODELER | MIS | 02/20/2008 | 116,092.38 |
| 181 | T1 COMPONENT SPEC | TITLE 1 | 09/30/1991 | 115,824.05 |
| 182 | COORDINATOR II | ACTIVITIES AND ATHLETICS | 08/05/1997 | 115,689.32 |
| 183 | PLACEMENT SPECIALIST | ECE PLACEMENT | 08/24/1993 | 115,689.32 |
| 184 | PRINCIPAL ELEMENTARY SCHOOL | COCHRANE ELEMENTARY | 07/01/2008 | 115,145.62 |
| 185 | BUSINESS REQUIREMNTS ANALYST | MIS | 11/14/1988 | 114,899.09 |
| 186 | BUSINESS REQUIREMNTS ANALYST | MIS | 05/03/1999 | 114,899.09 |
| 187 | COORD ARCHIVES/RETRIEVAL SYS | LIBRARY MEDIA | 10/01/2002 | 114,899.09 |
| 188 | COORDINATOR OF PAYROLL | PAYROLL DEPARTMENT | 07/26/1999 | 114,899.09 |
| 189 | MANAGER GROUNDS | BUILDINGS AND GROUNDS | 08/12/1985 | 114,899.09 |
| 190 | SENIOR MICRO SOFTWARE ANALYST | JAEGER EDUCATION CENTER | 10/15/1990 | 114,899.09 |
| 191 | SPECIALIST I | STUDENT ASSIGNMENT COMMUNICATION & COMMUNITY | 01/13/1995 | 114,899.09 |
| 192 | SPECIALIST I | SERV | 06/22/1993 | 114,899.09 |
| 193 | SPECIALIST I | PERSONNEL DEPARTMENT | 06/01/2001 | 114,899.09 |
| 194 | SPECIALIST I | ACCOUNTING SERVICES | 06/15/2005 | 114,899.09 |
| 195 | PRINCIPAL ELEMENTARY SCHOOL | DUNN ELEMENTARY | 01/02/1990 | 114,518.36 |
| 196 | COORDINATOR II | ACADEMIC SUPPORT PROGRAM | 08/03/2001 | 114,402.22 |
| 197 | SPECIALIST II | EXCEPT CHILD INST PROGRAM | 07/08/2013 | 114,402.22 |
| 198 | T1 COMPONENT SPEC | TITLE 1 | 09/05/1989 | 114,402.22 |
| 199 | PRINCIPAL ELEMENTARY SCHOOL | MILL CREEK ELEMENTARY | 08/24/1993 | 114,070.09 |
| 200 | PRINCIPAL ELEMENTARY SCHOOL | GREATHOUSE/SHRYOCK ELEMENTARY | 10/08/1993 | 114,070.09 |
| 201 | PRINCIPAL ELEMENTARY SCHOOL | CHANCEY ELEMENTARY | 08/24/1993 | 114,070.09 |
| 202 | PRINCIPAL ELEMENTARY SCHOOL | ZACHARY TAYLOR ELEMENTARY | 07/01/2002 | 114,070.09 |
| 203 | PRINCIPAL ELEMENTARY SCHOOL | SHELBY TRADITIONAL ACADEMY | 08/14/1995 | 114,070.09 |
| 204 | PRINCIPAL MIDDLE SCHOOL | OLMSTED ACADEMY NORTH | 09/27/1993 | 114,070.09 |
| 205 | PRINCIPAL MIDDLE SCHOOL | THOMAS JEFFERSON MIDDLE | 08/10/1998 | 114,070.09 |
| 206 | DIRECTOR I | ADULT EDUCATION | 02/11/2002 | 113,790.05 |
| 207 | COORDINATOR LIBR MEDIA SRVCS | LIBRARY MEDIA | 10/15/1996 | 113,750.87 |
| 208 | SPECIALIST II | EXCEPT CHILD INST PROGRAM | 01/04/1993 | 113,650.26 |
| 209 | PRINCIPAL ELEMENTARY SCHOOL | GUTERMUTH ELEMENTARY | 08/25/1988 | 113,396.56 |
| 210 | PRINCIPAL ELEMENTARY SCHOOL | STONESTREET ELEMENTARY | 08/29/1994 | 112,984.56 |
| 211 | PRINCIPAL KENNEDY METRO MS | KENNEDY METRO MIDDLE SCHOOL | 08/04/1994 | 112,984.56 |
| 212 | PRINCIPAL MIDDLE SCHOOL | MYERS MIDDLE | 07/02/2007 | 112,984.56 |
| 213 | PRINCIPAL ELEMENTARY SCHOOL | PRICE ELEMENTARY | 08/04/2000 | 112,933.06 |
| 214 | PRINCIPAL ELEMENTARY SCHOOL | CORAL RIDGE ELEMENTARY | 07/27/2010 | 112,933.06 |
| 215 | PRINCIPAL ELEMENTARY SCHOOL | WILKERSON TRADITIONAL ELEM | 07/01/2010 | 112,933.06 |
| 216 | PRINCIPAL MIDDLE SCHOOL | STUART MIDDLE | 08/27/1992 | 112,933.06 |
| 217 | ACADEMIC PROGRAM CONSULT II | EARLY CHILD INST PRG | 08/06/1996 | 112,899.05 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 218 | PRINCIPAL ELEMENTARY SCHOOL | BATES ELEMENTARY | 08/22/1991 | 111,826.77 |
| 219 | PRINCIPAL MIDDLE SCHOOL | LASSITER MIDDLE SCHOOL | 08/08/2011 | 111,826.77 |
| 220 | COORDINATOR INTERNAL SECURITY | SECURITY | 08/04/2003 | 111,682.81 |
| 221 | MANAGER HOUSEKEEPING SERVICES | SAFETY/ENVIRONMENTAL SERVICES | 08/19/1974 | 111,682.81 |
| 222 | SPECIALIST II | PROFESSIONAL DEVELOPMENT | 01/03/1994 | 111,260.72 |
| 223 | SPECIALIST II | EXCEPT CHILD INST PROGRAM | 08/25/1988 | 111,260.72 |
| 224 | MANAGER PLATFORM SERVICES | MIS | 12/16/2010 | 111,017.37 |
| 225 | ASST PRINCIPAL HIGH SCHOOL | JEFFERSONTOWN HIGH MCA | 08/27/1973 | 110,819.36 |
| 226 | ASST PRINCIPAL HIGH SCHOOL | BUTLER TRADITIONAL HIGH | 08/23/1984 | 110,819.36 |
| 227 | ASST PRINCIPAL HIGH SCHOOL | JEFFERSON CO HIGH SCHOOL | 08/14/1995 | 110,819.36 |
| 228 | ASST PRINCIPAL HIGH SCHOOL | LIBERTY HIGH | 08/21/1986 | 110,819.36 |
| 229 | ASST PRINCIPAL HIGH SCHOOL | PHOENIX SCHOOL OF DISCOVERY | 09/20/1993 | 110,819.36 |
| 230 | ASST PRINCIPAL HIGH SCHOOL | JEFFERSON CO HIGH SCHOOL | 08/06/1996 | 110,819.36 |
| 231 | ASST PRINCIPAL HIGH SCHOOL | CENTRAL HIGH MCA | 10/04/1993 | 110,819.36 |
| 232 | ASST PRINCIPAL TAPP | SOUTH PARK TAPP | 11/13/1981 | 110,819.36 |
| 233 | PRINCIPAL ELEMENTARY SCHOOL | FAIRDALE ELEMENTARY | 10/09/1995 | 110,813.52 |
| 234 | PRINCIPAL HIGH SCHOOL | WESTERN HIGH SCHOOL | 08/01/2006 | 110,779.73 |
| 235 | PRINCIPAL ELEMENTARY SCHOOL | BOWEN ELEMENTARY | 08/25/1988 | 110,523.84 |
| 236 | DIRECTOR CURRICULUM MGMT | CURRICULUM & INSTRUCTION | 08/09/1999 | 110,316.90 |
| 237 | PRINCIPAL SPECIAL PROG TAPP | WESTPORT TAPP | 08/05/1997 | 109,976.92 |
| 238 | COORDINATOR III | DUVALLE EDUCATION CENTER | 08/04/2000 | 109,946.12 |
| 239 | PRINCIPAL ELEMENTARY SCHOOL | BLAKE ELEMENTARY | 08/14/1995 | 109,727.99 |
| 240 | PRINCIPAL ELEMENTARY SCHOOL | ST MATTHEWS ELEMENTARY | 03/01/2011 | 109,727.99 |
| 241 | PRINCIPAL MIDDLE SCHOOL | CONWAY MIDDLE | 08/30/1995 | 109,727.99 |
| 242 | COORD LOU PARTNERSHIP | LOUISVILLE PARTNERSHIP | 01/03/1995 | 109,559.44 |
| 243 | RESOURCE LIBRARIAN | LIBRARY MEDIA | 08/17/1993 | 109,371.16 |
| 244 | ASST PRINCIPAL HIGH SCHOOL | EASTERN HIGH | 08/27/1992 | 109,285.25 |
| 245 | ASST PRINCIPAL HIGH SCHOOL | LOUISVILLE MALE HIGH | 07/01/1996 | 109,285.25 |
| 246 | ASST PRINCIPAL HIGH SCHOOL | MOORE TRADITIONAL HIGH | 09/09/1991 | 109,285.25 |
| 247 | ASST PRINCIPAL HIGH SCHOOL | LOUISVILLE MALE HIGH | 08/05/2002 | 109,285.25 |
| 248 | ASST PRINCIPAL HIGH SCHOOL | ATHERTON HIGH SCHOOL | 10/16/1989 | 109,285.25 |
| 249 | ASST PRINCIPAL HIGH SCHOOL | JEFFERSONTOWN HIGH MCA | 09/03/1992 | 109,285.25 |
| 250 | ASST PRINCIPAL HIGH SCHOOL | ATHERTON HIGH SCHOOL | 09/03/1992 | 109,285.25 |
| 251 | ASST PRINCIPAL HIGH SCHOOL | PLEASURE RIDGE PARK HIGH MCA | 07/01/2005 | 109,285.25 |
| 252 | ASST PRINCIPAL HIGH SCHOOL | VALLEY HIGH SCHOOL | 07/01/2006 | 109,285.25 |
| 253 | COORDINATOR EARLY CHILD CTR | DAWSON ORMAN PREK | 07/01/2011 | 108,813.83 |
| 254 | PRINCIPAL ELEMENTARY SCHOOL | SHACKLETTE ELEMENTARY | 10/05/2009 | 108,688.58 |
| 255 | PRINCIPAL ELEMENTARY SCHOOL | INDIAN TRAIL ELEMENTARY | 09/11/1995 | 108,642.49 |
| 256 | ASST PRINCIPAL HIGH SCHOOL | SOUTHERN HIGH MCA | 09/05/1991 | 108,294.21 |
| 257 | ASST PRINCIPAL HIGH SCHOOL | JEFFERSON CO HIGH SCHOOL | 08/25/1994 | 108,294.21 |
| 258 | PLACEMENT SPECIALIST | ECE PLACEMENT | 08/05/1997 | 107,938.53 |
| 259 | COORDINATOR ECE | EXCEPT CHILD INST PROGRAM | 08/04/2000 | 107,884.48 |
| 260 | ASST PRINCIPAL HIGH SCHOOL | DUPONT MANUAL HIGH | 08/04/2003 | 107,482.91 |
| 261 | DIRECTOR STUDENT ASSIGNMENT | STUDENT ASSIGNMENT | 01/12/2010 | 107,468.37 |
| 262 | ASST PRINCIPAL HIGH SCHOOL | MOORE TRADITIONAL HIGH | 01/22/2002 | 107,393.25 |
| 263 | SPECIALIST II | ACADEMIC SUPPORT PROGRAM | 01/03/1994 | 107,383.80 |
| 264 | SITE ADMINISTRATOR | MCFERRAN EL CH | 01/07/2008 | 107,271.75 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 265 | ASST PRINCIPAL HIGH SCHOOL | DUPONT MANUAL HIGH | 01/18/1995 | 107,234.17 |
| 266 | ASST PRINCIPAL HIGH SCHOOL | PLEASURE RIDGE PARK HIGH MCA | 08/28/1995 | 107,234.17 |
| 267 | ASST PRINCIPAL HIGH SCHOOL | BALLARD HIGH SCHOOL | 08/25/1995 | 107,234.17 |
| 268 | ASST PRINCIPAL MIDDLE SCHOOL | LASSITER MIDDLE SCHOOL | 08/22/1985 | 106,525.45 |
| 269 | ASST PRINCIPAL MIDDLE SCHOOL | STUART MIDDLE | 08/24/1993 | 106,525.45 |
| 270 | ASST PRINCIPAL MIDDLE SCHOOL | STUART MIDDLE | 09/09/1991 | 106,525.45 |
| 271 | ASST PRINCIPAL MIDDLE SCHOOL | JOHNSON TRADITIONAL MIDDLE | 08/10/1998 | 106,525.45 |
| 272 | ASST PRINCIPAL MIDDLE SCHOOL | NEWBURG MIDDLE | 08/24/1989 | 106,525.45 |
| 273 | ASST PRINCIPAL MIDDLE SCHOOL | FARNSLEY MIDDLE | 08/22/1985 | 106,525.45 |
| 274 | ASST PRINCIPAL MIDDLE SCHOOL | CROSBY MIDDLE | 08/23/1979 | 106,525.45 |
| 275 | PRINCIPAL ELEMENTARY SCHOOL | KENWOOD ELEMENTARY | 08/05/1997 | 106,427.77 |
| 276 | PRINCIPAL ELEMENTARY SCHOOL | DIVERSITY EQUITY & POVERTY PRG | 08/05/1997 | 106,427.77 |
| 277 | PRINCIPAL ELEMENTARY SCHOOL | CARTER TRADITIONAL ELEMENTARY | 08/05/1997 | 106,427.77 |
| 278 | ASST PRINCIPAL HIGH SCHOOL | YOUTH PERFORMING ARTS | 02/28/1995 | 106,261.73 |
| 279 | ASST PRINCIPAL HIGH SCHOOL | DUPONT MANUAL HIGH | 01/05/2009 | 106,261.73 |
| 280 | COORD SYSTEMS RESEARCH | RESEARCH | 02/14/2005 | 106,026.58 |
| 281 | MANAGER CUSTOMER SUPPORT | MIS | 01/30/1995 | 106,026.58 |
| 282 | MANAGER OPERATIONS TRANSPORT | TRANSPORTATION | 12/16/1991 | 106,026.58 |
| 283 | MANAGER OPERATIONS TRANSPORT | TRANSPORTATION | 08/13/1999 | 106,026.58 |
| 284 | SPECIALIST NETWORK CONTROL | DIGITAL TECHNOLOGY | 08/28/2000 | 106,026.58 |
| 285 | UNIT MANAGER-OPERATIONS | HEAD START | 07/20/2009 | 106,026.58 |
| 286 | SPECIALIST II | RESEARCH | 04/28/2008 | 105,999.90 |
| 287 | PRINCIPAL ELEMENTARY SCHOOL | AUBURNDALE ELEMENTARY | 08/03/1999 | 105,880.81 |
| 288 | SITE ADMINISTRATOR | PREKINDERGARTEN | 08/24/1989 | 105,845.56 |
| 289 | ASST PRINCIPAL ELEMENTARY | FAIRDALE ELEMENTARY | 09/14/1988 | 105,650.44 |
| 290 | PRINCIPAL ELEMENTARY SCHOOL | CANE RUN ELEMENTARY | 08/09/1999 | 105,619.23 |
| 291 | ASST PRINCIPAL HIGH SCHOOL | WESTERN HIGH SCHOOL | 01/03/2011 | 105,591.36 |
| 292 | JCTA PRESIDENT | MOA | 08/22/1991 | 105,520.29 |
| 293 | PRINCIPAL ELEMENTARY SCHOOL | LAUKHUF ELEMENTARY | 08/05/1997 | 105,414.98 |
| 294 | ASST PRINCIPAL ELEMENTARY | MAUPIN ELEMENTARY | 08/16/1993 | 105,050.78 |
| 295 | ASST PRINCIPAL MIDDLE SCHOOL | LIBERTY HIGH | 08/22/1991 | 105,050.78 |
| 296 | ASST PRINCIPAL MIDDLE SCHOOL | THOMAS JEFFERSON MIDDLE | 08/27/1992 | 105,050.78 |
| 297 | ASST PRINCIPAL MIDDLE SCHOOL | CONWAY MIDDLE | 09/07/1989 | 105,050.78 |
| 298 | ASST PRINCIPAL MIDDLE SCHOOL | CROSBY MIDDLE | 08/25/1994 | 105,050.78 |
| 299 | ASST PRINCIPAL MIDDLE SCHOOL | CARRITHERS MIDDLE | 01/16/1990 | 105,050.78 |
| 300 | ASST PRINCIPAL MIDDLE SCHOOL | JOHNSON TRADITIONAL MIDDLE | 01/25/1988 | 105,050.78 |
| 301 | ASST PRINCIPAL HIGH SCHOOL | VALLEY HIGH SCHOOL | 08/04/2003 | 104,600.32 |
| 302 | ASST PRINCIPAL HIGH SCHOOL | SENECA HIGH MCA | 08/19/2013 | 104,600.32 |
| 303 | PRINCIPAL ELEMENTARY SCHOOL | COCHRAN ELEMENTARY | 10/01/1997 | 104,402.19 |
| 304 | PRINCIPAL ELEMENTARY SCHOOL | RUTHERFORD ELEMENTARY | 08/04/2000 | 104,248.91 |
| 305 | PRINCIPAL MIDDLE SCHOOL | MEYZEEK MIDDLE | 08/04/2000 | 104,248.91 |
| 306 | PRINCIPAL MIDDLE SCHOOL | KAMMERER MIDDLE | 01/05/1998 | 104,248.91 |
| 307 | ASST PRINCIPAL ELEMENTARY | DIXIE ELEMENTARY | 07/01/2008 | 104,239.93 |
| 308 | ASST PRINCIPAL MIDDLE SCHOOL | NEWBURG MIDDLE | 08/27/1992 | 104,239.93 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 309 | ASST PRINCIPAL MIDDLE SCHOOL | MYERS MIDDLE | 08/03/2001 | 104,239.93 |
| 310 | ASST PRINCIPAL BUECHEL | BUECHEL METRO | 08/06/1996 | 104,157.57 |
| 311 | ASST PRINCIPAL HIGH SCHOOL | CENTRAL HIGH MCA | 01/02/1996 | 104,157.57 |
| 312 | ASST PRINCIPAL HIGH SCHOOL | BALLARD HIGH SCHOOL | 07/15/1991 | 103,900.47 |
| 313 | ASST PRINCIPAL HIGH SCHOOL | SENECA HIGH MCA | 09/14/1992 | 103,900.47 |
| 314 | ASST PRINCIPAL HIGH SCHOOL | PLEASURE RIDGE PARK HIGH MCA | 08/24/1993 | 103,609.62 |
| 315 | ASST PRINCIPAL HIGH SCHOOL | PHOENIX SCHOOL OF DISCOVERY | 08/26/1994 | 103,609.62 |
| 316 | ASST PRINCIPAL HIGH SCHOOL | FAIRDALE HIGH MCA | 08/14/1995 | 103,609.62 |
| 317 | ASST PRINCIPAL HIGH SCHOOL | BALLARD HIGH SCHOOL | 01/02/2001 | 103,609.62 |
| 318 | COUNSELOR MIDDLE SCHOOL | MYERS MIDDLE | 08/09/1999 | 103,515.91 |
| 319 | ASST PRINCIPAL ELEMENTARY | SCHAFFNER TRADITIONAL ELEM | 10/01/1990 | 103,429.08 |
| 320 | ASST PRINCIPAL ELEMENTARY | STOPHER ELEMENTARY | 09/16/1985 | 103,145.13 |
| 321 | ASST PRINCIPAL ELEMENTARY | LAUKHUF ELEMENTARY | 08/27/1987 | 103,145.13 |
| 322 | ASST PRINCIPAL MIDDLE SCHOOL | KAMMERER MIDDLE | 12/05/1988 | 103,145.13 |
| 323 | ASST PRINCIPAL ELEMENTARY | BRECKINRIDGE/FRANKLIN ELEM | 07/02/2007 | 103,079.19 |
| 324 | ASST PRINCIPAL MIDDLE SCHOOL | WESTPORT MIDDLE SCHOOL | 08/25/1994 | 103,079.19 |
| 325 | ASST PRINCIPAL MIDDLE SCHOOL | OLMSTED ACADEMY SOUTH | 08/14/1995 | 103,079.19 |
| 326 | ASST PRINCIPAL MIDDLE SCHOOL | HIGHLAND MIDDLE SCHOOL | 08/04/2000 | 103,079.19 |
| 327 | ASST PRINCIPAL MIDDLE SCHOOL | MOORE TRADITIONAL HIGH | 01/03/1994 | 103,079.19 |
| 328 | ASST PRINCIPAL MIDDLE SCHOOL | OLMSTED ACADEMY SOUTH | 09/12/1994 | 103,079.19 |
| 329 | ASST PRINCIPAL MIDDLE SCHOOL | CROSBY MIDDLE | 01/13/1993 | 103,079.19 |
| 330 | ASST PRINCIPAL MIDDLE SCHOOL | MEYZEEK MIDDLE | 07/03/2000 | 103,079.19 |
| 331 | ASST PRINCIPAL MIDDLE SCHOOL | MEYZEEK MIDDLE | 08/16/1995 | 103,079.19 |
| 332 | ASST PRINCIPAL MIDDLE SCHOOL | BARRET TRADITIONAL MIDDLE | 08/05/1997 | 103,079.19 |
| 333 | ASST PRINCIPAL MIDDLE SCHOOL | FARNSLEY MIDDLE | 07/02/2007 | 103,079.19 |
| 334 | SPECIALIST I | CURRICULUM & INSTRUCTION | 08/04/2003 | 102,790.57 |
| 335 | BUDGET & MGT OPERATIONS SPECLT | HEAD START | 11/19/2007 | 102,699.40 |
| 336 | SPECIALIST COMMUNITY SUPPORT | COMMUNITY SUPPORT SERVICES | 09/29/2003 | 102,699.40 |
| 337 | SPECIALIST II | CAREER & TECHNICAL EDUCATION | 11/01/2010 | 102,699.40 |
| 338 | ASST PRINCIPAL ELEMENTARY | BATES ELEMENTARY | 07/02/2007 | 102,528.13 |
| 339 | ASST PRINCIPAL MIDDLE SCHOOL | MYERS MIDDLE | 06/11/2001 | 102,528.13 |
| 340 | SITE ADMINISTRATOR | GEORGE UNSELD EARLY CHILDHOOD | 08/14/1995 | 102,421.30 |
| 341 | ASSISTANT TO PRINCIPAL | YOUTH PERFORMING ARTS | 09/08/1981 | 102,414.26 |
| 342 | ASST PRINCIPAL MIDDLE SCHOOL | NOE MIDDLE | 08/04/2003 | 102,283.56 |
| 343 | ASST PRINCIPAL MIDDLE SCHOOL | THOMAS JEFFERSON MIDDLE | 09/08/1995 | 102,283.56 |
| 344 | PRINCIPAL ELEMENTARY SCHOOL | CRUMS LANE ELEMENTARY | 09/09/2002 | 102,264.80 |
| 345 | PRINCIPAL ELEMENTARY SCHOOL | RANGELAND ELEMENTARY | 08/13/1999 | 102,067.06 |
| 346 | EDUCATIONAL RECOVERY SPECIALST | KNIGHT MIDDLE | 08/24/1993 | 101,982.96 |
| 347 | BUSINESS REQUIREMNTS ANALYST | MIS | 10/10/1989 | 101,923.06 |
| 348 | LEAD APPLICATION SUP ANALYST | MIS | 02/27/2006 | 101,923.06 |
| 349 | ASST PRINCIPAL ELEMENTARY | COCHRAN ELEMENTARY | 09/13/1989 | 101,717.27 |
| 350 | ASST PRINCIPAL HIGH SCHOOL | BUTLER TRADITIONAL HIGH | 07/01/2002 | 101,592.34 |
| 351 | ASST PRINCIPAL MIDDLE SCHOOL | NOE MIDDLE | 08/02/2005 | 101,487.91 |
| 352 | SPECIALIST II | COMMUNICATION & COMMUNITY SERV | 03/05/2001 | 101,445.56 |
| 353 | PRINCIPAL MIDDLE SCHOOL | FARNSLEY MIDDLE | 09/29/1997 | 101,363.81 |
| 354 | ASST PRINCIPAL HIGH SCHOOL | FERN CREEK TRADITIONAL HIGH | 08/10/1998 | 101,335.26 |

| # | Job Class Description | Location Description | Original Hire Date | Annual Salary |
|---|---|---|---|---|
| 355 | PRINCIPAL MIDDLE SCHOOL | OLMSTED ACADEMY SOUTH | 01/05/1998 | 101,272.73 |
| 356 | COORDINATOR I | BUSINESS PARTNERSHP/RESOURCE D | 12/01/2000 | 101,252.07 |
| 357 | COORDINATOR I | BUSINESS PARTNERSHP/RESOURCE D | 04/17/1992 | 101,252.07 |
| 358 | PRINCIPAL MIDDLE SCHOOL | CROSBY MIDDLE | 08/31/2004 | 101,095.76 |
| 359 | ASST PRINCIPAL ELEMENTARY | CRUMS LANE ELEMENTARY | 09/03/1997 | 100,996.51 |
| 360 | ASST PRINCIPAL ELEMENTARY | MINORS LANE ELEMENTARY | 07/17/2013 | 100,996.51 |
| 361 | PRINCIPAL MIDDLE SCHOOL | WESTERN MIDDLE SCHOOL | 02/25/2013 | 100,842.87 |
| 362 | PRINCIPAL MIDDLE SCHOOL | NEWBURG MIDDLE | 07/01/2013 | 100,842.87 |
| 363 | PRINCIPAL SPECIAL SCHOOL | WALLER/WILLIAMS ENVIRONMENTAL | 07/01/2000 | 100,280.69 |
| 364 | PRINCIPAL ELEMENTARY SCHOOL | TRUNNELL ELEMENTARY | 08/09/1999 | 100,124.46 |
| 365 | PRINCIPAL MIDDLE SCHOOL | JEFFERSON CO TRADITIONL MIDDLE | 01/03/2000 | 100,124.46 |
| 366 | ASST PRINCIPAL MIDDLE SCHOOL | KAMMERER MIDDLE | 02/12/1996 | 100,121.78 |
| 367 | ASST PRINCIPAL HIGH SCHOOL | LOUISVILLE MALE HIGH | 08/10/1998 | 100,049.86 |
| 368 | ASST PRINCIPAL HIGH SCHOOL | DOSS HIGH MCA | 08/01/2007 | 100,049.86 |
| 369 | COUNSELOR ELEMENTARY | WILDER ELEMENTARY | 12/14/1972 | 100,017.85 |

JCPS Classroom Teacher Survey

## Q1 Name of person completing survey (optional):

Answered: 314    Skipped: 1,218

JCPS Classroom Teacher Survey

## Q2 Are you assigned to a classroom?

Answered: 1,532    Skipped: 0
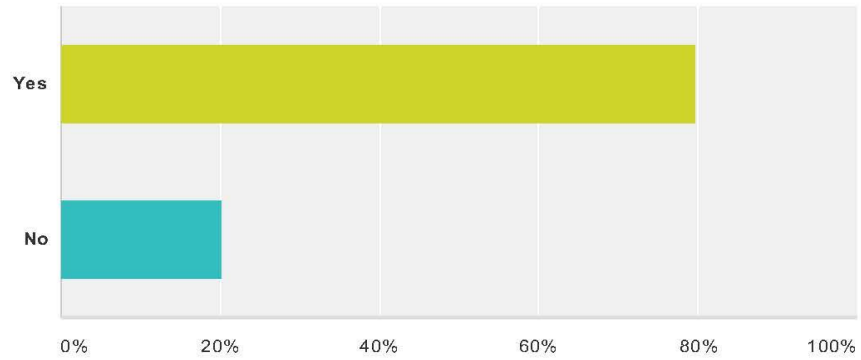


| Answer Choices | Responses | |
|---|---|---|
| Yes | 79.83% | 1,223 |
| No | 20.17% | 309 |
| Total | | 1,532 |

JCPS Classroom Teacher Survey

## Q3 Grade level currently taught (Choose all that apply):

Answered: 1,220   Skipped: 312
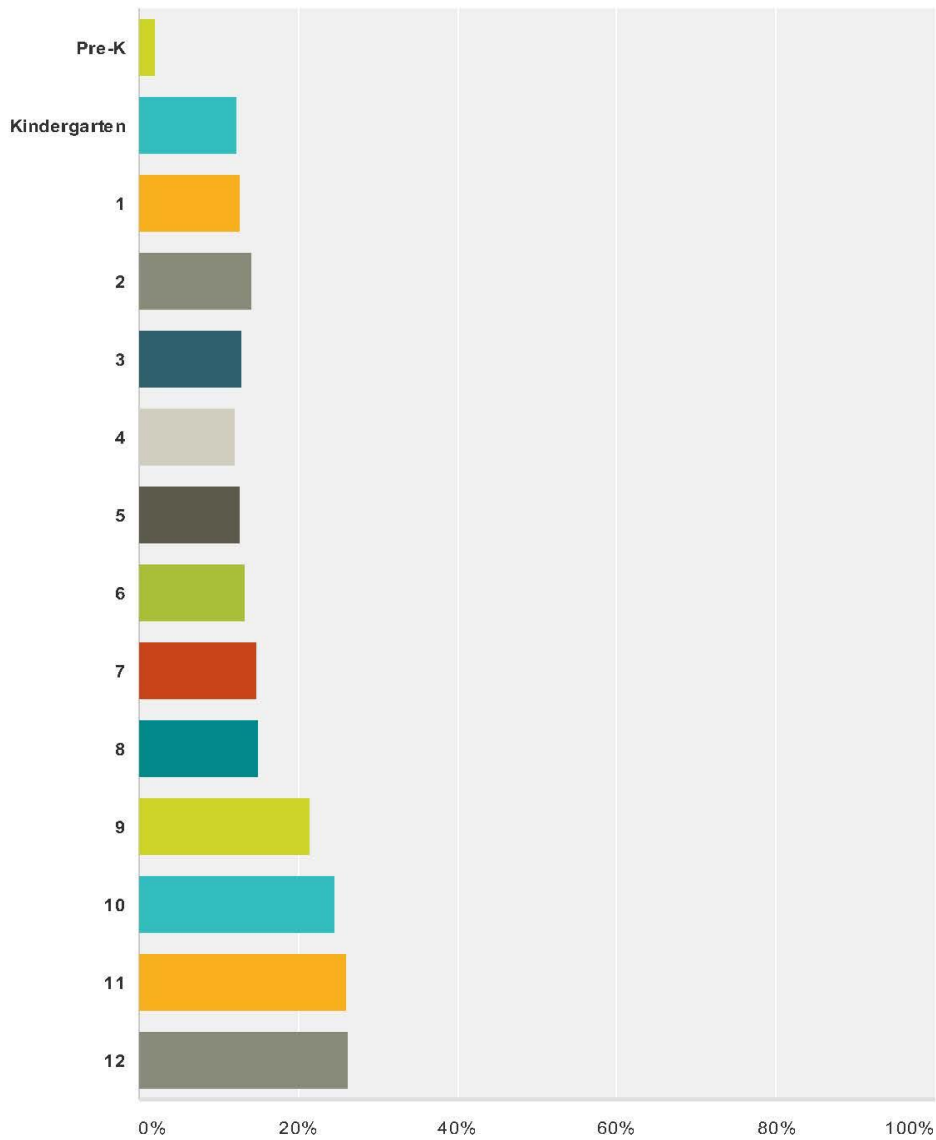


| Answer Choices | Responses | |
|---|---|---|
| Pre-K | 2.13% | 26 |
| Kindergarten | 12.38% | 151 |
| 1 | 12.70% | 155 |
| 2 | 14.26% | 174 |

### JCPS Classroom Teacher Survey

| 3 | 12.87% | 157 |
|---|---|---|
| 4 | 12.13% | 148 |
| 5 | 12.79% | 156 |
| 6 | 13.44% | 164 |
| 7 | 14.75% | 180 |
| 8 | 15% | 183 |
| 9 | 21.56% | 263 |
| 10 | 24.59% | 300 |
| 11 | 26.15% | 319 |
| 12 | 26.39% | 322 |
| **Total Respondents: 1,220** | | |

JCPS Classroom Teacher Survey

## Q4 Years of experience in JCPS:

Answered: 1,220   Skipped: 312
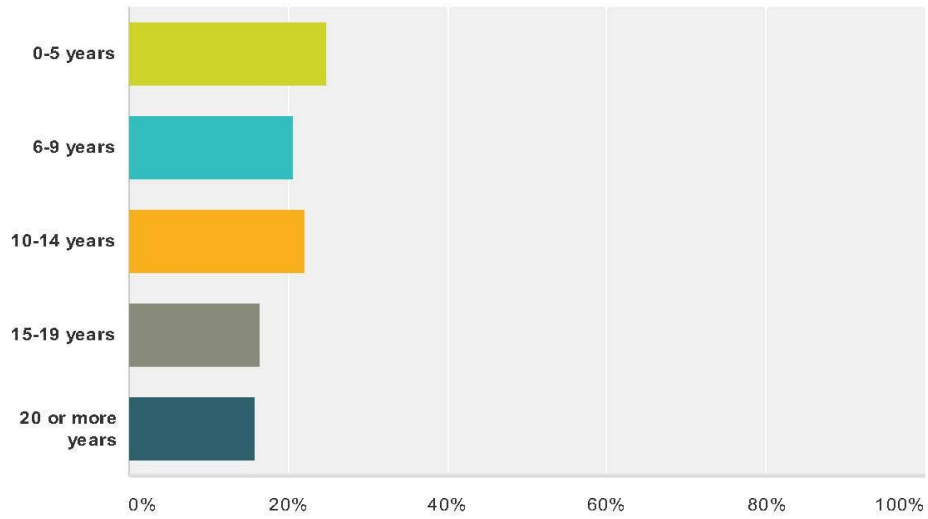


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | **24.75%** | 302 |
| 6-9 years | **20.57%** | 251 |
| 10-14 years | **22.21%** | 271 |
| 15-19 years | **16.56%** | 202 |
| 20 or more years | **15.90%** | 194 |
| Total | | **1,220** |

JCPS Classroom Teacher Survey

## Q5 Total years of experience:

Answered: 1,220  Skipped: 312
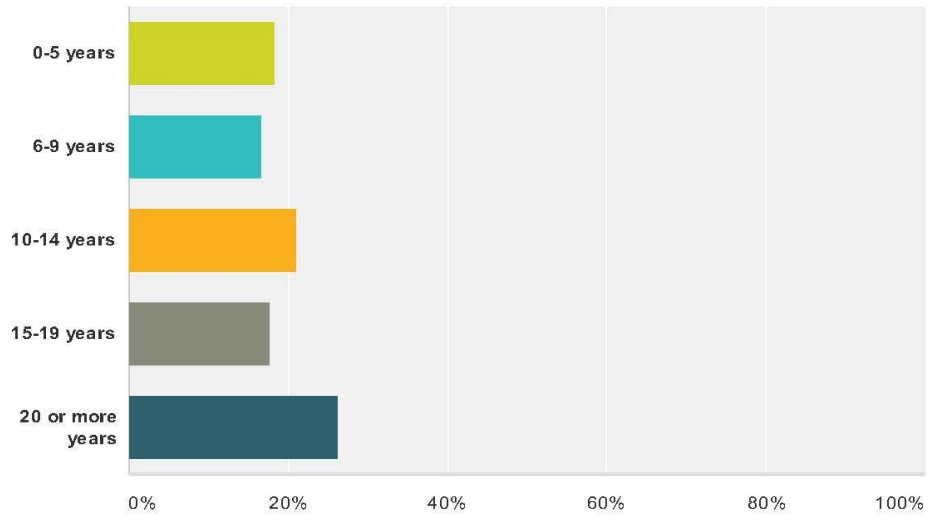


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | **18.28%** | 223 |
| 6-9 years | **16.64%** | 203 |
| 10-14 years | **21.07%** | 257 |
| 15-19 years | **17.70%** | 216 |
| 20 or more years | **26.31%** | 321 |
| Total | | 1,220 |

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JCPS Classroom Teacher Survey

## Q6 What form(s) of instructional resources is your school currently providing its student population? (Mark all that apply.)

Answered: 1,139    Skipped: 393
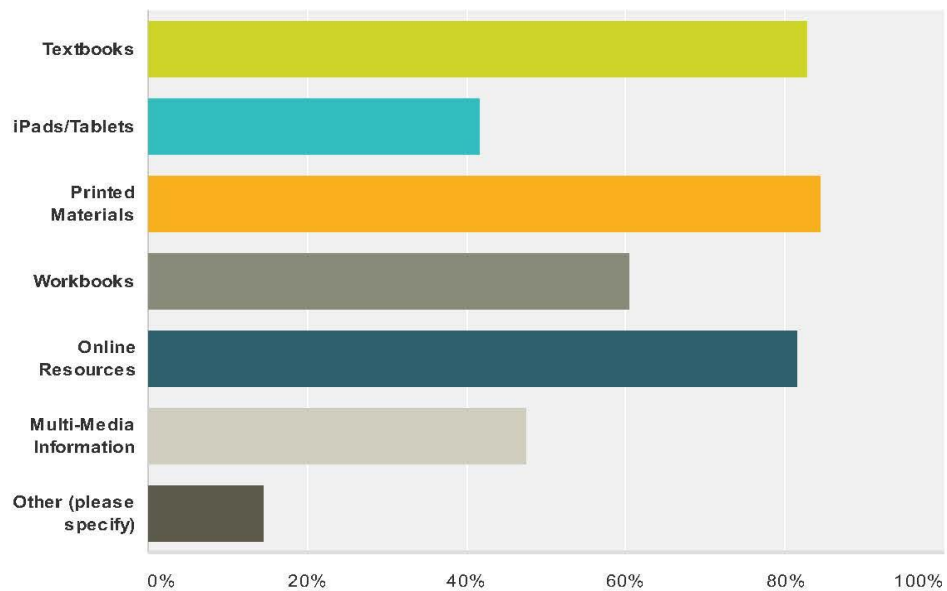


| Answer Choices | Responses | |
|---|---|---|
| Textbooks | 82.97% | 945 |
| iPads/Tablets | 41.70% | 475 |
| Printed Materials | 84.55% | 963 |
| Workbooks | 60.58% | 690 |
| Online Resources | 81.56% | 929 |
| Multi-Media Information | 47.59% | 542 |
| Other (please specify) | 14.66% | 167 |
| Total Respondents: 1,139 | | |

JCPS Classroom Teacher Survey

**Q7 Are these instructional resources available for use only in the school or are these resources, as applicable, available for students to take home? (Mark all that apply.)**

Answered: 1,139    Skipped: 393



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## JCPS Classroom Teacher Survey



Legend: Only in school | Both in school and at home | N/A
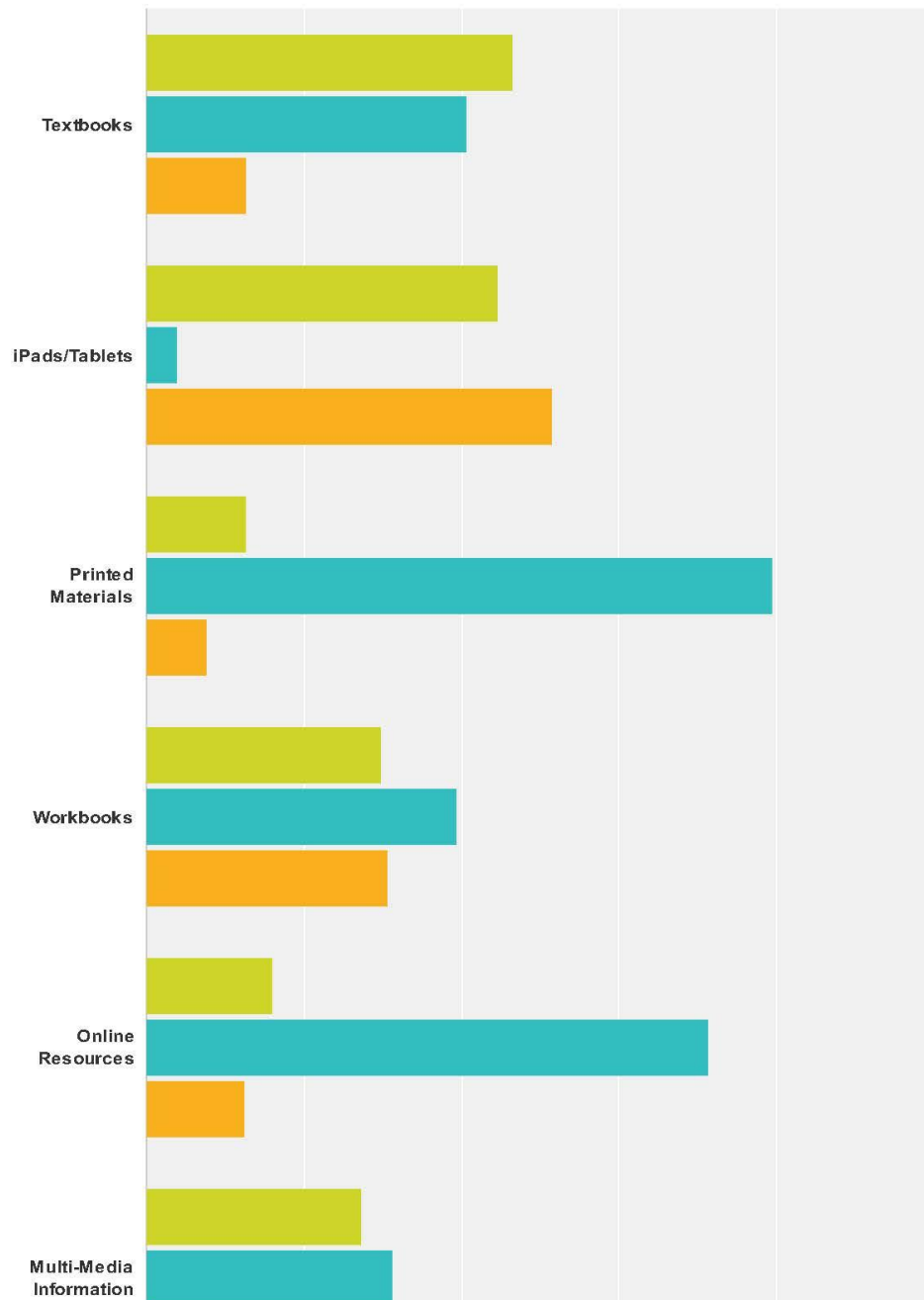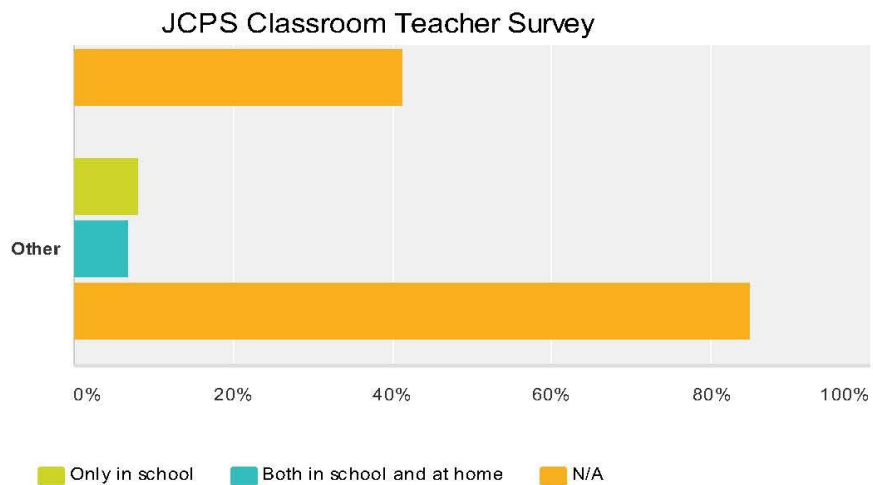
| | Only in school | Both in school and at home | N/A | Total |
|---|---|---|---|---|
| Textbooks | **46.53%** 530 | **40.74%** 464 | **12.73%** 145 | 1,139 |
| iPads/Tablets | **44.60%** 508 | **3.86%** 44 | **51.54%** 587 | 1,139 |
| Printed Materials | **12.82%** 146 | **79.46%** 905 | **7.73%** 88 | 1,139 |
| Workbooks | **29.76%** 339 | **39.51%** 450 | **30.73%** 350 | 1,139 |
| Online Resources | **15.98%** 182 | **71.47%** 814 | **12.55%** 143 | 1,139 |
| Multi-Media Information | **27.30%** 311 | **31.26%** 356 | **41.44%** 472 | 1,139 |
| Other | **8.17%** 93 | **6.94%** 79 | **84.90%** 967 | 1,139 |

JCPS Classroom Teacher Survey

## Q8 Please rate how strongly you agree or disagree with the following statements about instructional resources in your school:

Answered: 1,139    Skipped: 393
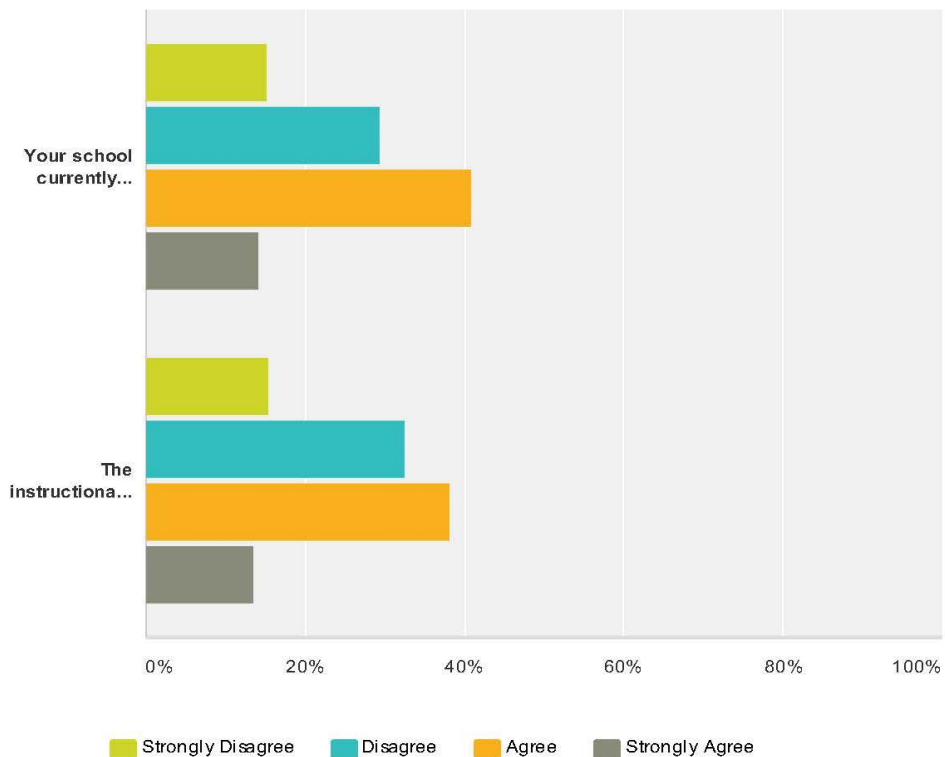


| | Strongly Disagree | Disagree | Agree | Strongly Agree | Total |
|---|---|---|---|---|---|
| Your school currently provides a sufficient number of instructional resources to all students. | **15.28%** 174 | **29.50%** 336 | **41.00%** 467 | **14.22%** 162 | 1,139 |
| The instructional resources provided by your school are adequate for the educational needs of the students. | **15.54%** 177 | **32.66%** 372 | **38.28%** 436 | **13.52%** 154 | 1,139 |

JCPS Classroom Teacher Survey

## Q9 For the 2013-2014 school year, did you receive a stipend or classroom budget to make discretionary purchases of instructional resources?

Answered: 1,139    Skipped: 393
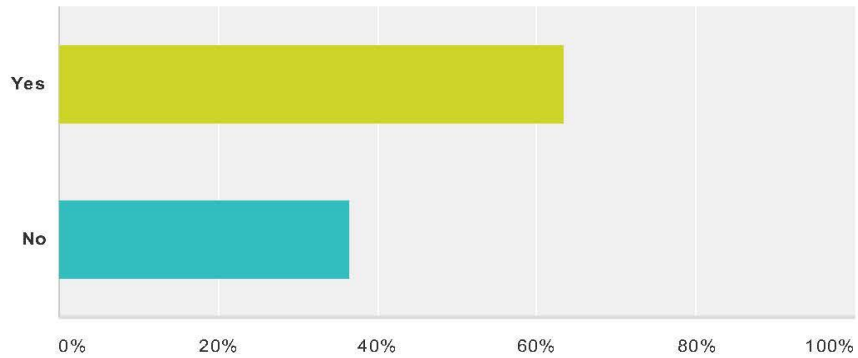


| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 63.56% | 724 |
| No | 36.44% | 415 |
| Total | | 1,139 |

JCPS Classroom Teacher Survey

## Q10 Please indicate the stipend or budget amount you received based on the following ranges:

Answered: 721    Skipped: 811
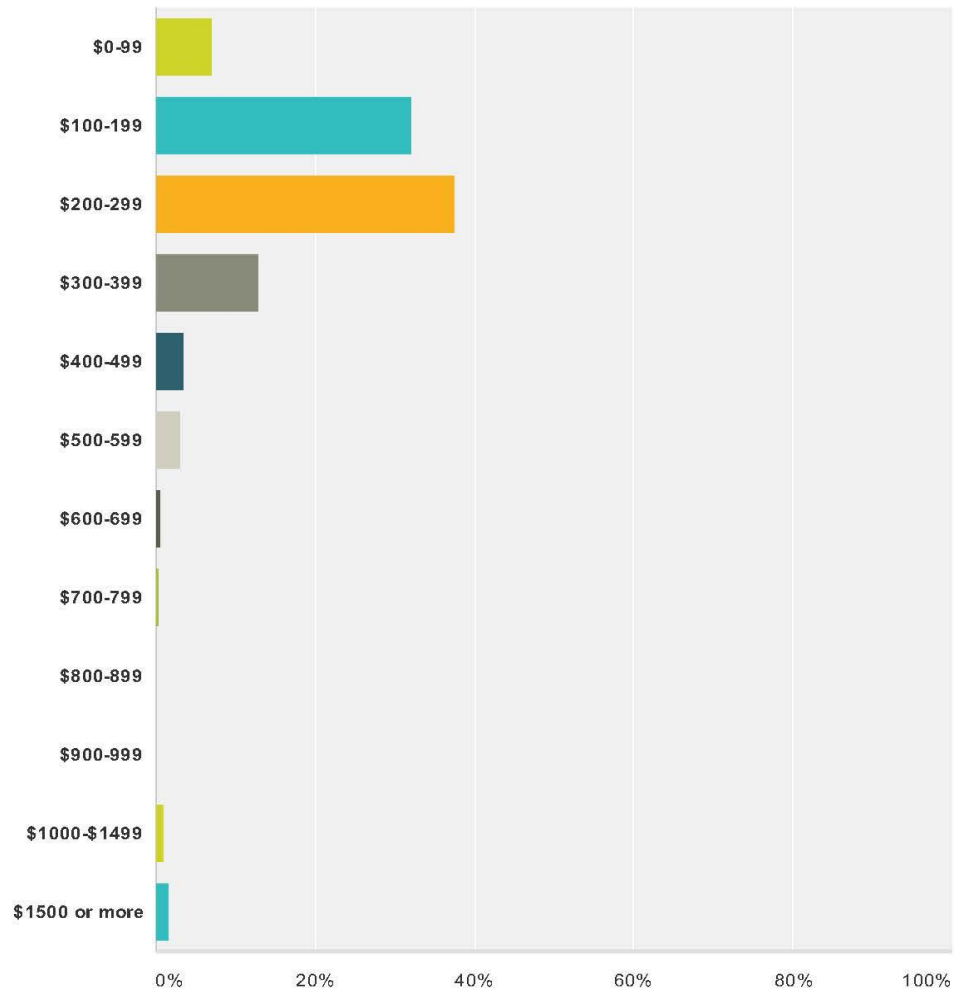


| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 7.07% | 51 |
| $100-199 | 32.18% | 232 |
| $200-299 | 37.59% | 271 |
| $300-399 | 12.90% | 93 |
| $400-499 | 3.61% | 26 |
| $500-599 | 3.05% | 22 |

### JCPS Classroom Teacher Survey

| | | |
|---|---|---|
| $600-699 | **0.55%** | 4 |
| $700-799 | **0.42%** | 3 |
| $800-899 | **0%** | 0 |
| $900-999 | **0%** | 0 |
| $1000-$1499 | **0.97%** | 7 |
| $1500 or more | **1.66%** | 12 |
| **Total** | | **721** |

JCPS Classroom Teacher Survey

## Q11 Compared with previous stipends/budgets received, did the amount provided for the 2013-2014 school year:

Answered: 721    Skipped: 811
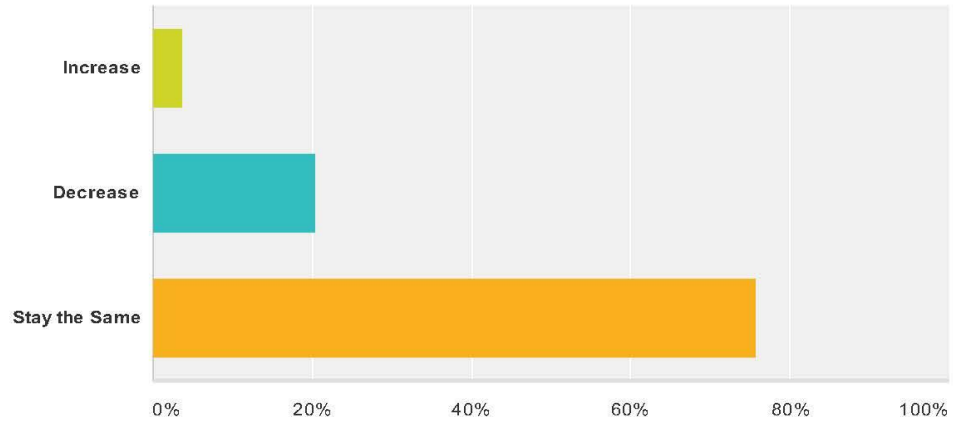
| Answer Choices | Responses | |
|---|---|---|
| Increase | 3.74% | 27 |
| Decrease | 20.53% | 148 |
| Stay the Same | 75.73% | 546 |
| Total | | 721 |

JCPS Classroom Teacher Survey

## Q12 Do you spend personal resources to supplement the instructional or other resources available for your classroom?

Answered: 1,135   Skipped: 397
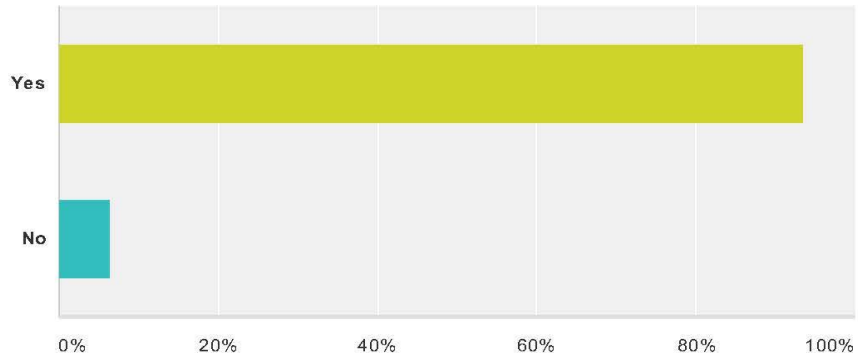


| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 93.48% | 1,061 |
| No | 6.52% | 74 |
| Total | | 1,135 |

JCPS Classroom Teacher Survey

## Q13 Please indicate the amount of personal resources you spent during the previous school year (2012-2013):

Answered: 1,037    Skipped: 495
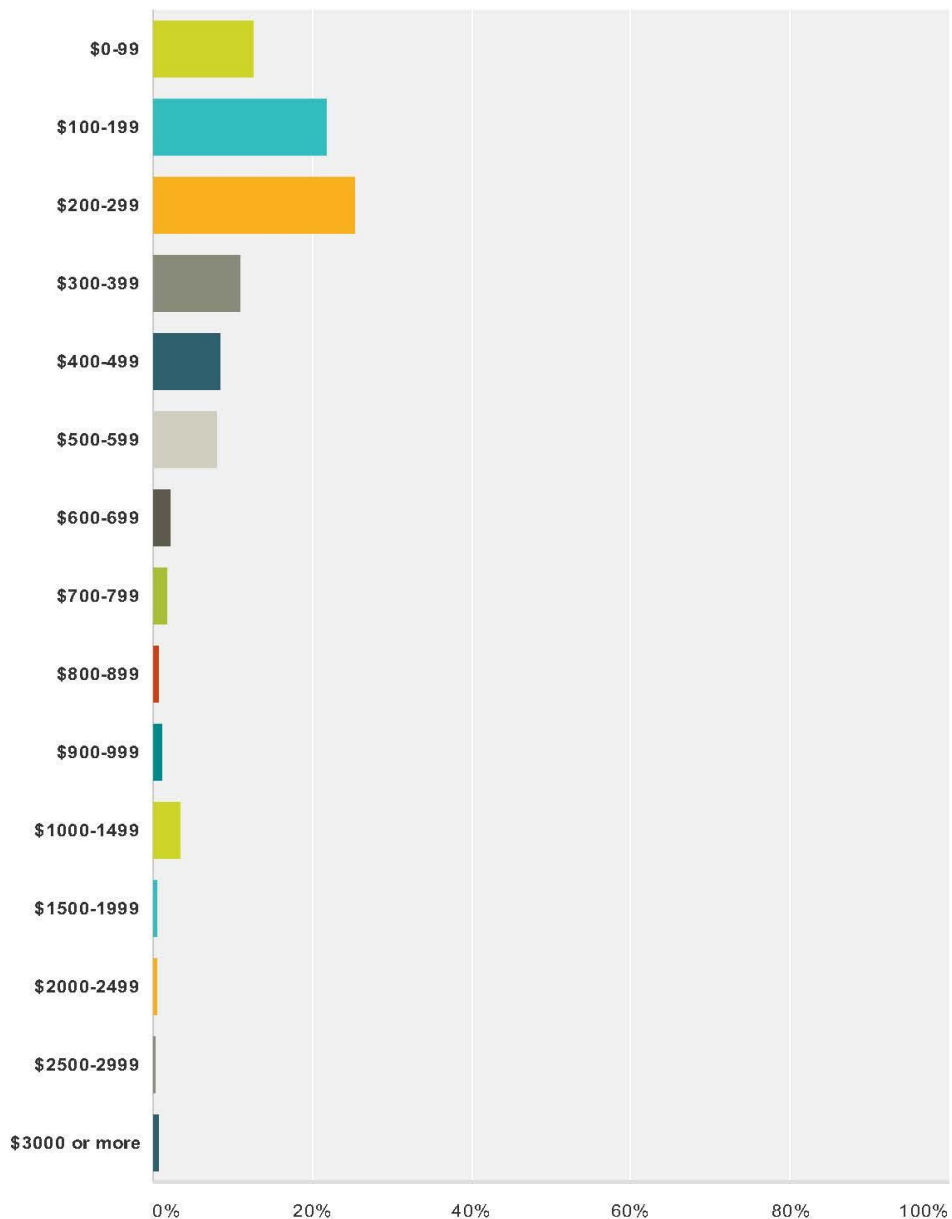


| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 12.73% | 132 |

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## JCPS Classroom Teacher Survey

| | | |
|---|---|---|
| $100-199 | **21.89%** | 227 |
| $200-299 | **25.46%** | 264 |
| $300-399 | **11.09%** | 115 |
| $400-499 | **8.49%** | 88 |
| $500-599 | **8.10%** | 84 |
| $600-699 | **2.22%** | 23 |
| $700-799 | **1.83%** | 19 |
| $800-899 | **0.87%** | 9 |
| $900-999 | **1.25%** | 13 |
| $1000-1499 | **3.57%** | 37 |
| $1500-1999 | **0.68%** | 7 |
| $2000-2499 | **0.58%** | 6 |
| $2500-2999 | **0.48%** | 5 |
| $3000 or more | **0.77%** | 8 |
| **Total** | | **1,037** |

JCPS Classroom Teacher Survey

## Q14 Do you anticipate the amount of personal resources spent during the current school year (2013-2014), compared with previous school years, will:

Answered: 1,037    Skipped: 495
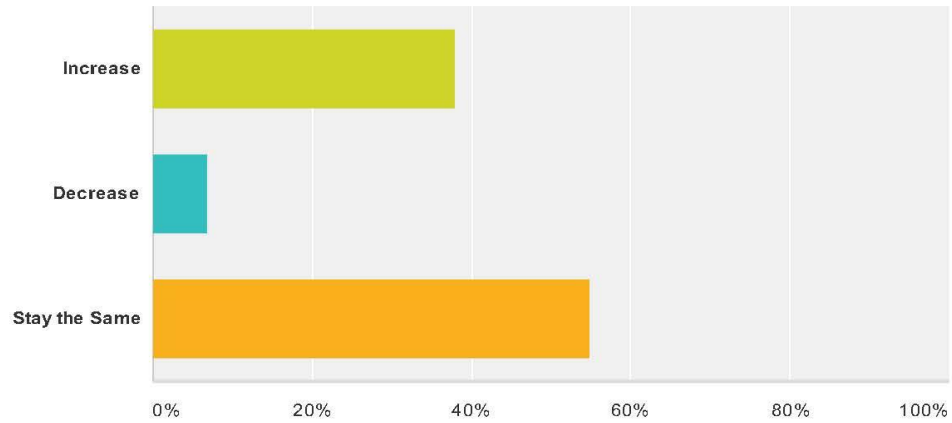


| Answer Choices | Responses | |
|---|---|---|
| Increase | 38.09% | 395 |
| Decrease | 6.94% | 72 |
| Stay the Same | 54.97% | 570 |
| Total | | 1,037 |

JCPS Classroom Teacher Survey

## Q15 What was the primary reason you felt it was necessary to use personal resources?

Answered: 1,037    Skipped: 495
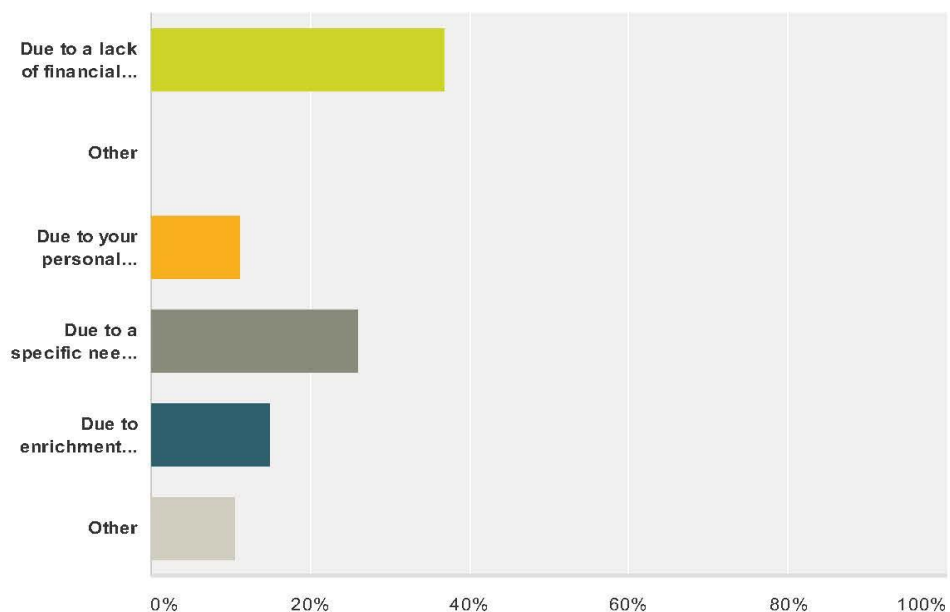


| Answer Choices | Responses | |
|---|---|---|
| Due to a lack of financial resources allocated to the classroom | 36.93% | 383 |
| Other | 0% | 0 |
| Due to your personal preference | 11.28% | 117 |
| Due to a specific need of your student population | 26.13% | 271 |
| Due to enrichment activities you initiated | 15.04% | 156 |
| Other | 10.61% | 110 |
| Total | | 1,037 |

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JCPS Classroom Teacher Survey

## Q16 Please provide examples of the type of instructional resources or other items purchased by you to be used in your classroom.

Answered: 1,037    Skipped: 495

JCPS Classroom Teacher Survey

## Q17 Were school supply lists developed by you or your school for the 2013-2014 school year?

Answered: 1,107    Skipped: 425
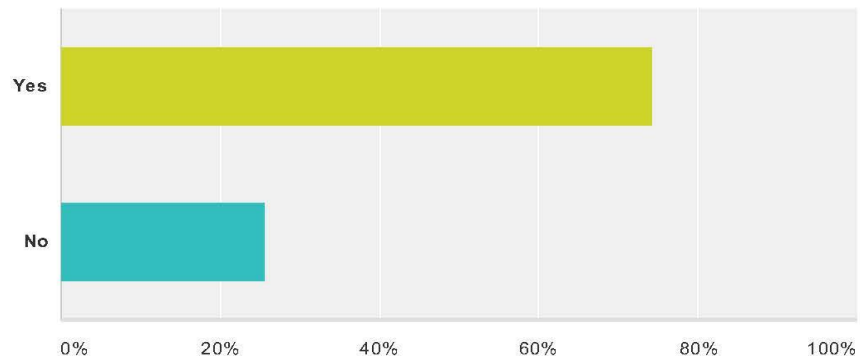


| Answer Choices | Responses | |
|---|---|---|
| Yes | **74.25%** | 822 |
| No | **25.75%** | 285 |
| Total | | 1,107 |

JCPS Classroom Teacher Survey

## Q18 How has the number of items on the student school supply lists changed during the last three years?

Answered: 802    Skipped: 730
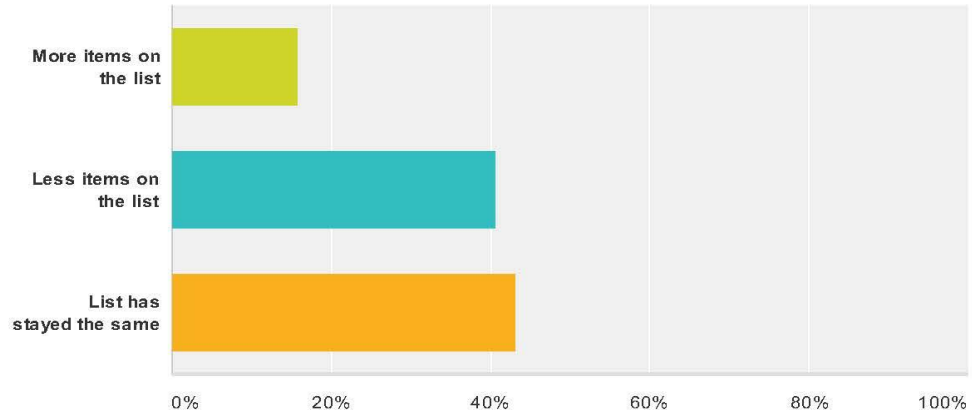


| Answer Choices | Responses | |
|---|---|---|
| More items on the list | **15.96%** | 128 |
| Less items on the list | **40.77%** | 327 |
| List has stayed the same | **43.27%** | 347 |
| **Total** | | **802** |

JCPS Classroom Teacher Survey

**Q19 For those items on the supply list considered necessary and/or required, what percentage of students in your classroom this year provided all of the items listed?**

Answered: 802    Skipped: 730
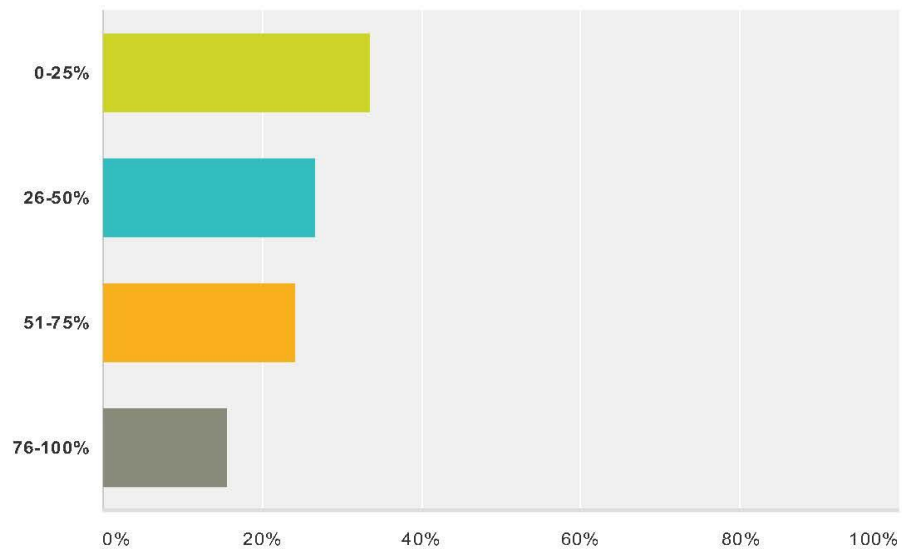


| Answer Choices | Responses | |
|---|---|---|
| 0-25% | **33.54%** | 269 |
| 26-50% | **26.68%** | 214 |
| 51-75% | **24.19%** | 194 |
| 76-100% | **15.59%** | 125 |
| Total | | **802** |

JCPS Classroom Teacher Survey

### Q20 How has the percentage of students in your classroom able to provide all of the items listed as necessary and/or required changed in the last three years?

Answered: 802   Skipped: 730
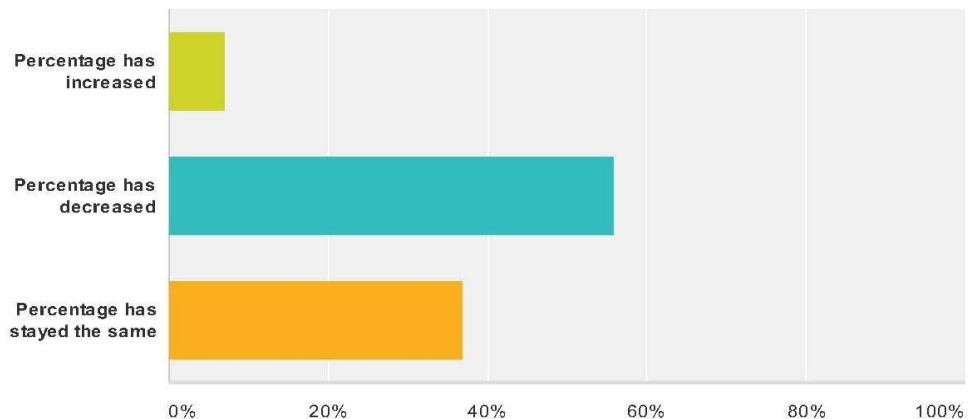


| Answer Choices | Responses | |
|---|---|---|
| Percentage has increased | 7.11% | 57 |
| Percentage has decreased | 55.99% | 449 |
| Percentage has stayed the same | 36.91% | 296 |
| Total | | 802 |

JCPS Classroom Teacher Survey

## Q21 Please provide examples of the necessary and/or required items included on the supply list.

Answered: 802    Skipped: 730

JCPS Classroom Teacher Survey

### Q22 Were there any items on the supply list that were intended to be shared with other students and not strictly for an individual student?

Answered: 802    Skipped: 730
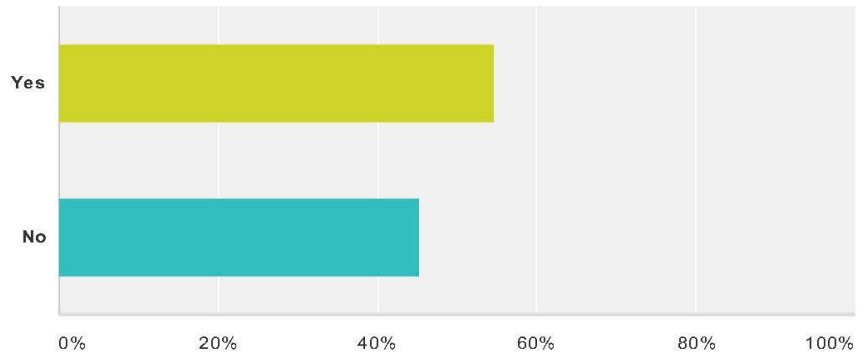


| Answer Choices | Responses | |
|---|---|---|
| Yes | **54.61%** | 438 |
| No | **45.39%** | 364 |
| Total | | 802 |

JCPS Classroom Teacher Survey

## Q23 How has the number of items on the supply list intended to be shared with all students changed during the last three years?

Answered: 437    Skipped: 1,095
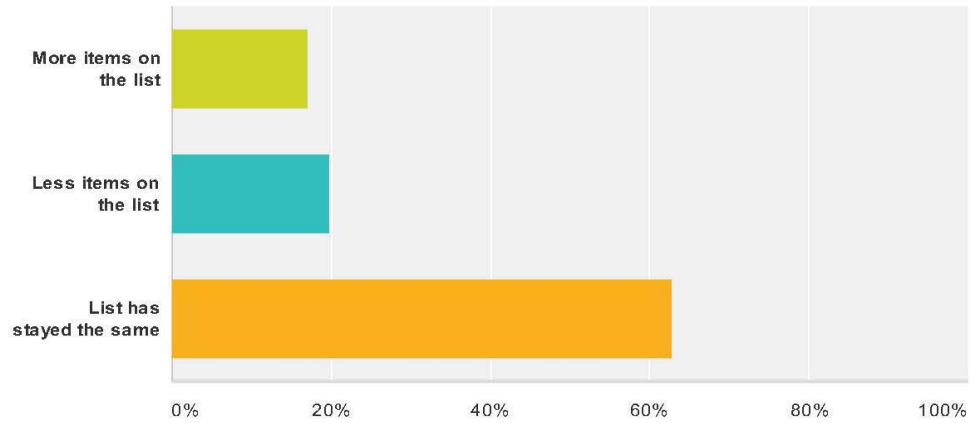


| Answer Choices | Responses | |
|----------------|-----------|------|
| More items on the list | 17.16% | 75 |
| Less items on the list | 19.91% | 87 |
| List has stayed the same | 62.93% | 275 |
| Total | | 437 |

JCPS Classroom Teacher Survey

## Q24 Are parents provided a list of requested optional supplies or a "wish list" for the classroom?

Answered: 800    Skipped: 732
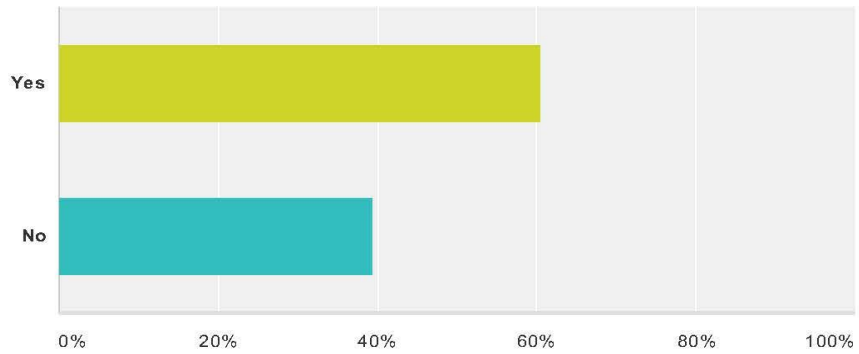


| Answer Choices | Responses | |
|---|---|---|
| Yes | 60.50% | 484 |
| No | 39.50% | 316 |
| Total | | 800 |

JCPS Classroom Teacher Survey

## Q25 What percentage of students in your classroom this year provided one or more optional items?

Answered: 482   Skipped: 1,050
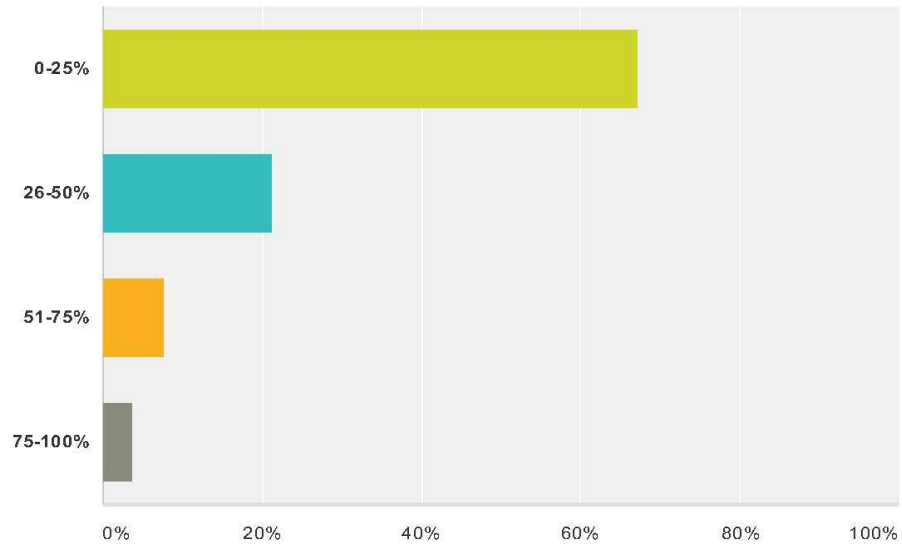


| Answer Choices | Responses | |
| --- | --- | --- |
| 0-25% | 67.22% | 324 |
| 26-50% | 21.37% | 103 |
| 51-75% | 7.68% | 37 |
| 75-100% | 3.73% | 18 |
| Total | | 482 |

JCPS Classroom Teacher Survey

## Q26 How has the percentage of students in your classroom able to provide items listed as optional changed in the last three years?

Answered: 482    Skipped: 1,050
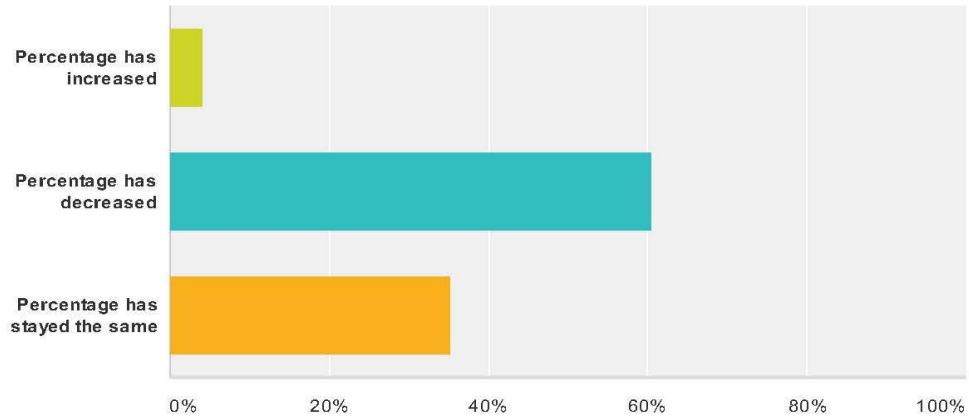


| Answer Choices | Responses | |
|---|---|---|
| Percentage has increased | 4.15% | 20 |
| Percentage has decreased | 60.58% | 292 |
| Percentage has stayed the same | 35.27% | 170 |
| Total | | 482 |

JCPS Classroom Teacher Survey

## Q27 Please provide examples of optional supplies or classroom "wish list" items included on the supply list.

Answered: 482    Skipped: 1,050

JCPS Classroom Teacher Survey

## Q28 If you only work a partial school day due to sickness or other reasons, are you required to use accrued leave to account for the missed hours of that school day?

Answered: 1,058   Skipped: 474
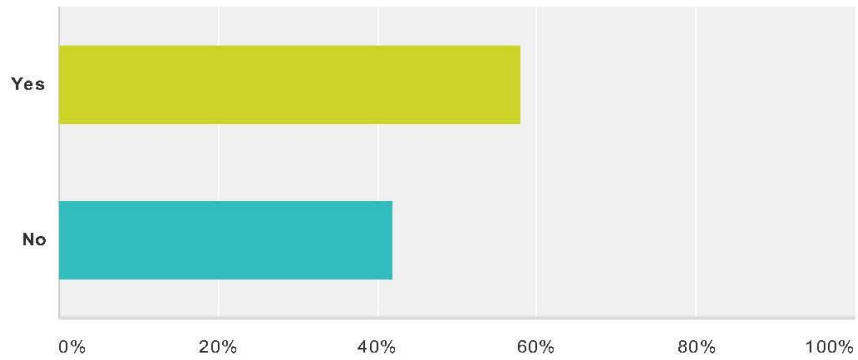


| Answer Choices | Responses | |
|---|---|---|
| Yes | 58.03% | 614 |
| No | 41.97% | 444 |
| Total | | 1,058 |

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JCPS Classroom Teacher Survey

**Q29** If you have traveled and incurred costs on behalf of the District, were you provided with a copy of policies, procedures, or guidelines related to what is and is not allowed to be reimbursed or paid with District funds?

Answered: 1,058   Skipped: 474
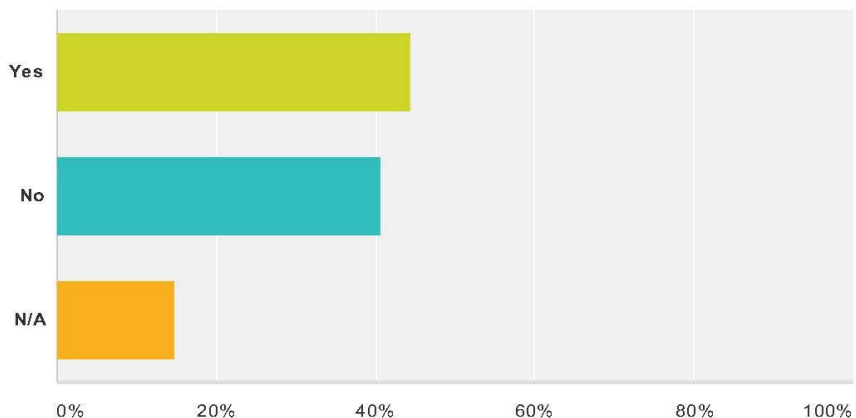


| Answer Choices | Responses | |
|---|---|---|
| Yes | 44.52% | 471 |
| No | 40.64% | 430 |
| N/A | 14.84% | 157 |
| Total | | 1,058 |

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JCPS Classroom Teacher Survey

## Q30 Are you notified by District Human Resources when your certification is due to be renewed?

Answered: 1,058    Skipped: 474
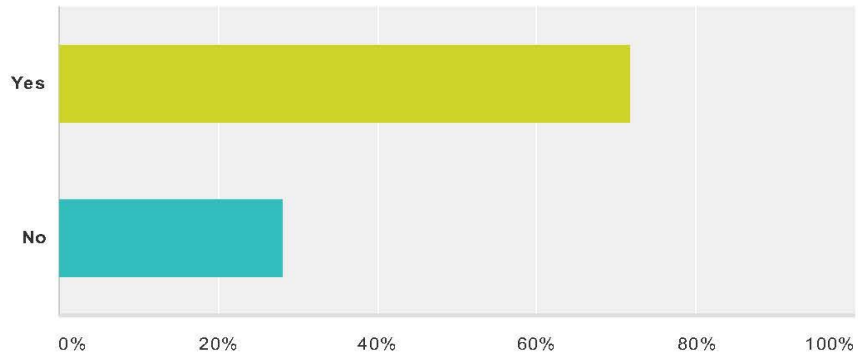


| Answer Choices | Responses | |
|---|---|---|
| Yes | 71.74% | 759 |
| No | 28.26% | 299 |
| Total | | 1,058 |

JCPS Classroom Teacher Survey

**Q31 What improvements would you suggest for the allocation of instructional resources by JCPS for the classroom? (Optional)**

Answered: 491   Skipped: 1,041

JCPS Classroom Teacher Survey

## Q32 Any additional comments? (Optional)

Answered: 220  Skipped: 1,312

JCPS Principal Survey

## Q1 What type of school do you oversee?

Answered: 115    Skipped: 0
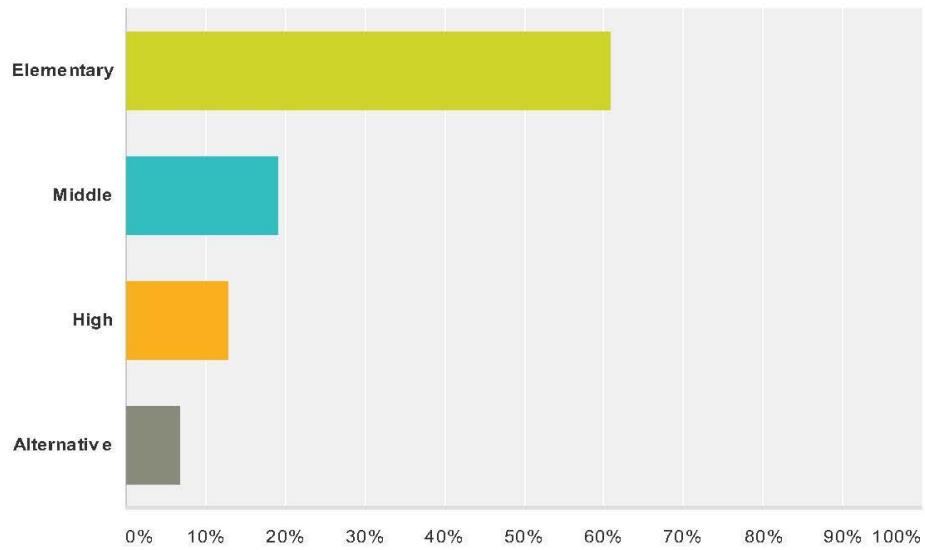


| Answer Choices | Responses | |
|---|---|---|
| Elementary | **60.87%** | 70 |
| Middle | **19.13%** | 22 |
| High | **13.04%** | 15 |
| Alternative | **6.96%** | 8 |
| Total | | 115 |

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JCPS Principal Survey

## Q2 Name of person completing survey (optional):

Answered: 43    Skipped: 72

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JCPS Principal Survey

## Q3 Years of experience in current position:

Answered: 115    Skipped: 0
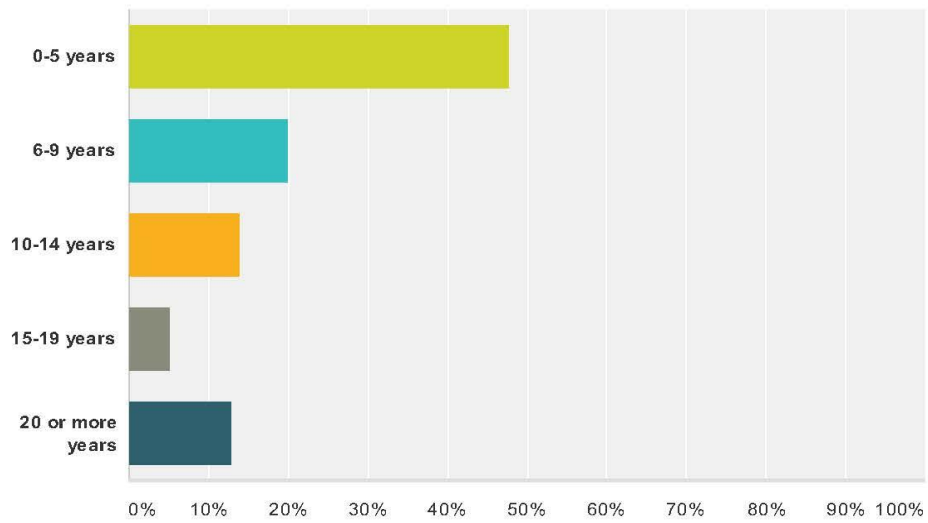
| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | 47.83% | 55 |
| 6-9 years | 20.00% | 23 |
| 10-14 years | 13.91% | 16 |
| 15-19 years | 5.22% | 6 |
| 20 or more years | 13.04% | 15 |
| Total | | 115 |

JCPS Principal Survey

## Q4 Total years of experience as a principal:

Answered: 115    Skipped: 0
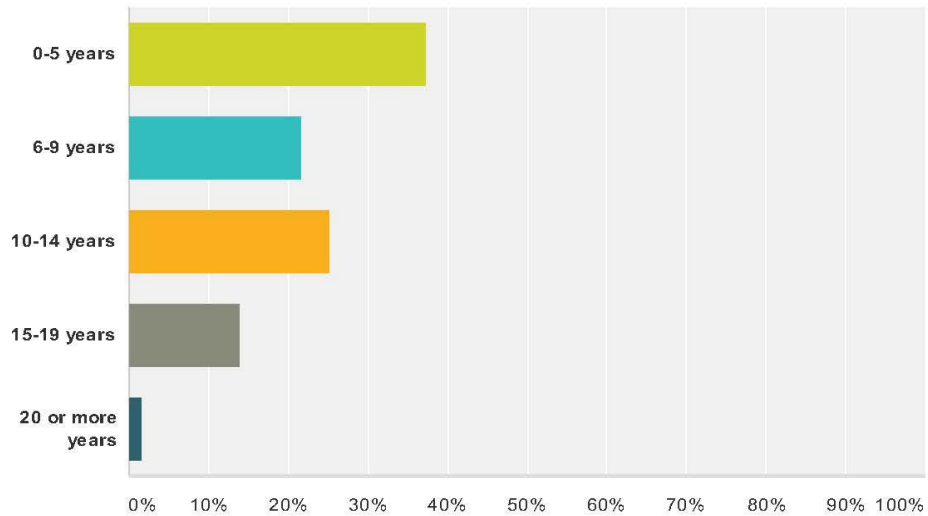


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | 37.39% | 43 |
| 6-9 years | 21.74% | 25 |
| 10-14 years | 25.22% | 29 |
| 15-19 years | 13.91% | 16 |
| 20 or more years | 1.74% | 2 |
| Total | | 115 |

JCPS Principal Survey

## Q5 Years of experience in JCPS:

Answered: 115   Skipped: 0
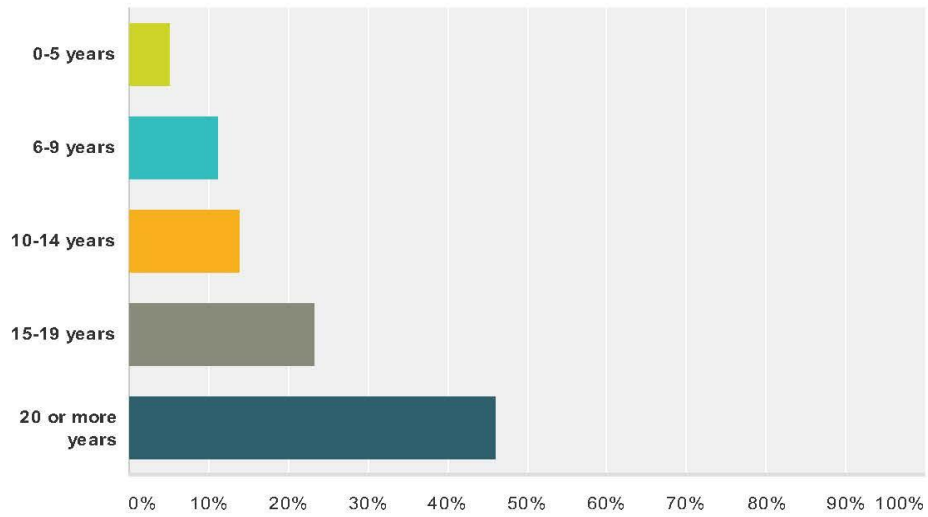


| Answer Choices | Responses | |
| --- | --- | --- |
| 0-5 years | **5.22%** | 6 |
| 6-9 years | **11.30%** | 13 |
| 10-14 years | **13.91%** | 16 |
| 15-19 years | **23.48%** | 27 |
| 20 or more years | **46.09%** | 53 |
| **Total** | | **115** |

JCPS Principal Survey

## Q6 **Total years of experience:**

Answered: 115   Skipped: 0
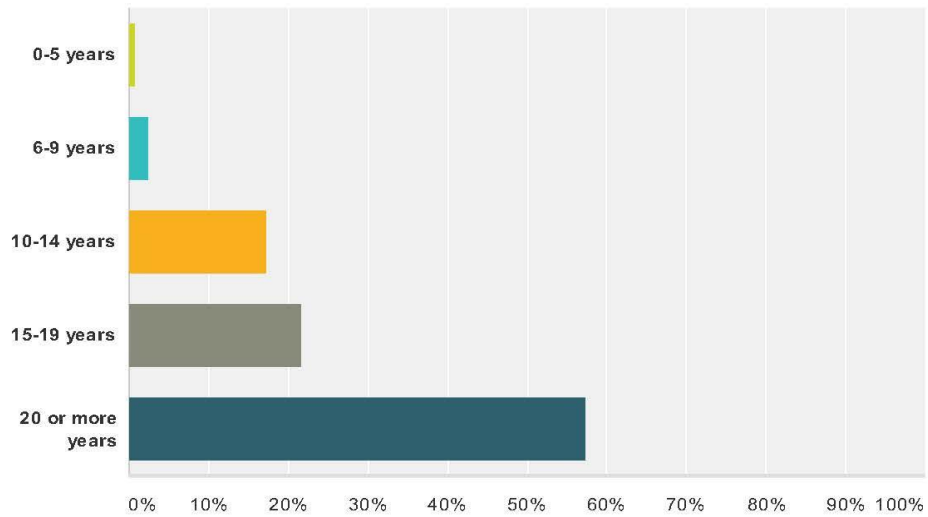


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | **0.87%** | 1 |
| 6-9 years | **2.61%** | 3 |
| 10-14 years | **17.39%** | 20 |
| 15-19 years | **21.74%** | 25 |
| 20 or more years | **57.39%** | 66 |
| **Total** | | **115** |

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JCPS Principal Survey

**Q7 Please rate how strongly you agree or disagree with the following statements about instructional resources in your school. (i.e.: Textbooks, iPads/Tablets, Printed Materials, Workbooks, Online Resources, Multi-Media Information, etc.).**

Answered: 76    Skipped: 39
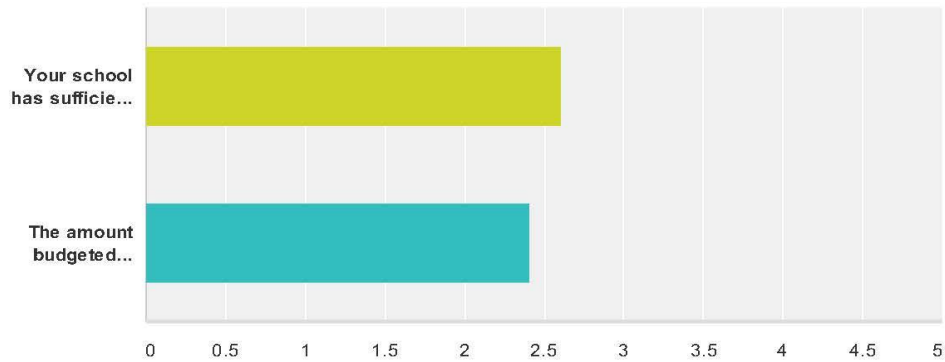


| | Strongly Disagree | Disagree | Agree | Strongly Agree | Total | Average Rating |
|---|---|---|---|---|---|---|
| Your school has sufficient instructional resources. | 5.26%<br>4 | 40.79%<br>31 | 42.11%<br>32 | 11.84%<br>9 | 76 | 2.61 |
| The amount budgeted annually is sufficient to meet the school's needs for instructional resources. | 9.21%<br>7 | 51.32%<br>39 | 28.95%<br>22 | 10.53%<br>8 | 76 | 2.41 |

JCPS Principal Survey

**Q8** For the previous two school years
(2011-2012 and 2012-2013), please identify
the school's budgeted amount for
instructional resources. (Whole numbers
only. No commas, decimals, or dollar
symbols. Ex. 110000)

Answered: 76   Skipped: 39

| Answer Choices | Responses | |
|---|---|---|
| 2011-2012 School Year Amount | **100.00%** | 76 |
| 2012-2013 School Year Amount | **100.00%** | 76 |

JCPS Principal Survey

**Q9** For the previous two school years
(2011-2012 and 2012-2013), please identify
the actual amount expended by the school
for instructional resources. (Whole
numbers only. No commas, decimals, or
dollar symbols. Ex. 110000)

Answered: 76    Skipped: 39

| Answer Choices | Responses | |
|---|---|---|
| 2011-2012 School Year Amount | **100.00%** | 76 |
| 2012-2013 School Year Amount | **100.00%** | 76 |

JCPS Principal Survey

**Q10 If the total amount budgeted was not spent in one or both of the previous two school years, did the school carry over these funds into the next budget year for a specific purpose?**

Answered: 76    Skipped: 39
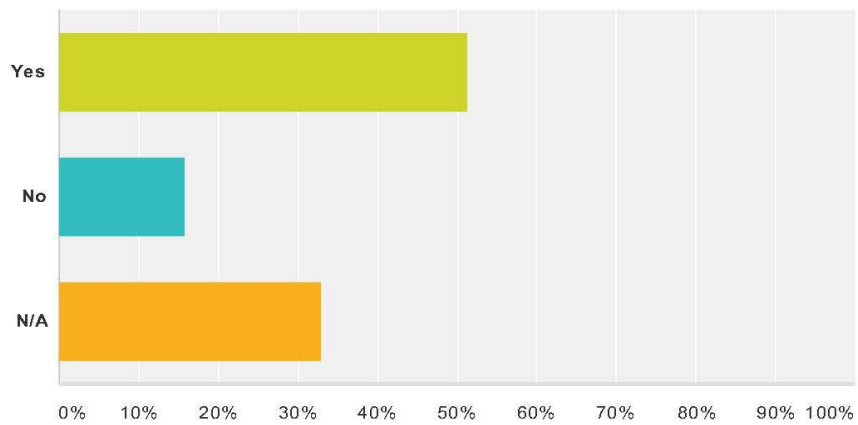


| Answer Choices | Responses | |
|---|---|---|
| Yes | 51.32% | 39 |
| No | 15.79% | 12 |
| N/A | 32.89% | 25 |
| Total | | 76 |

JCPS Principal Survey

**Q11 What was the specific purpose of the carryover amounts from the instructional resources budget?**

Answered: 40   Skipped: 75

JCPS Principal Survey

## Q12 What form(s) of instructional resources is the school currently providing its student population? (Mark all that apply.)

Answered: 71    Skipped: 44
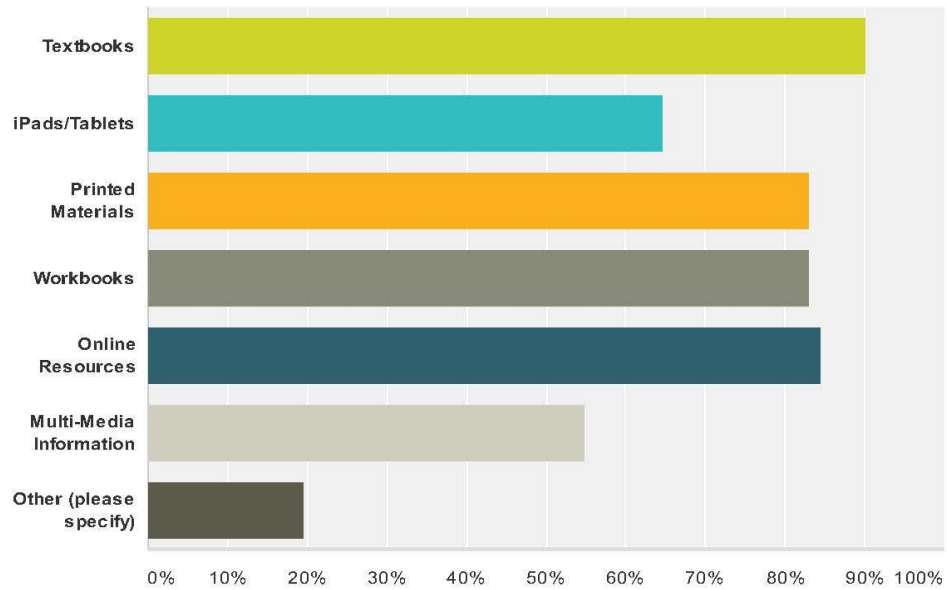


| Answer Choices | Responses | |
|---|---|---|
| Textbooks | **90.14%** | 64 |
| iPads/Tablets | **64.79%** | 46 |
| Printed Materials | **83.10%** | 59 |
| Workbooks | **83.10%** | 59 |
| Online Resources | **84.51%** | 60 |
| Multi-Media Information | **54.93%** | 39 |
| Other (please specify) | **19.72%** | 14 |
| **Total Respondents: 71** | | |

JCPS Principal Survey

## Q13 Are these instructional resources available for use only in the school or are these resources, as applicable, available for students to take home?

Answered: 71　Skipped: 44



**Textbooks**

**iPads/Tablets**

**Printed Materials**

**Workbooks**

**Online Resources**

**Multi-Media Information**
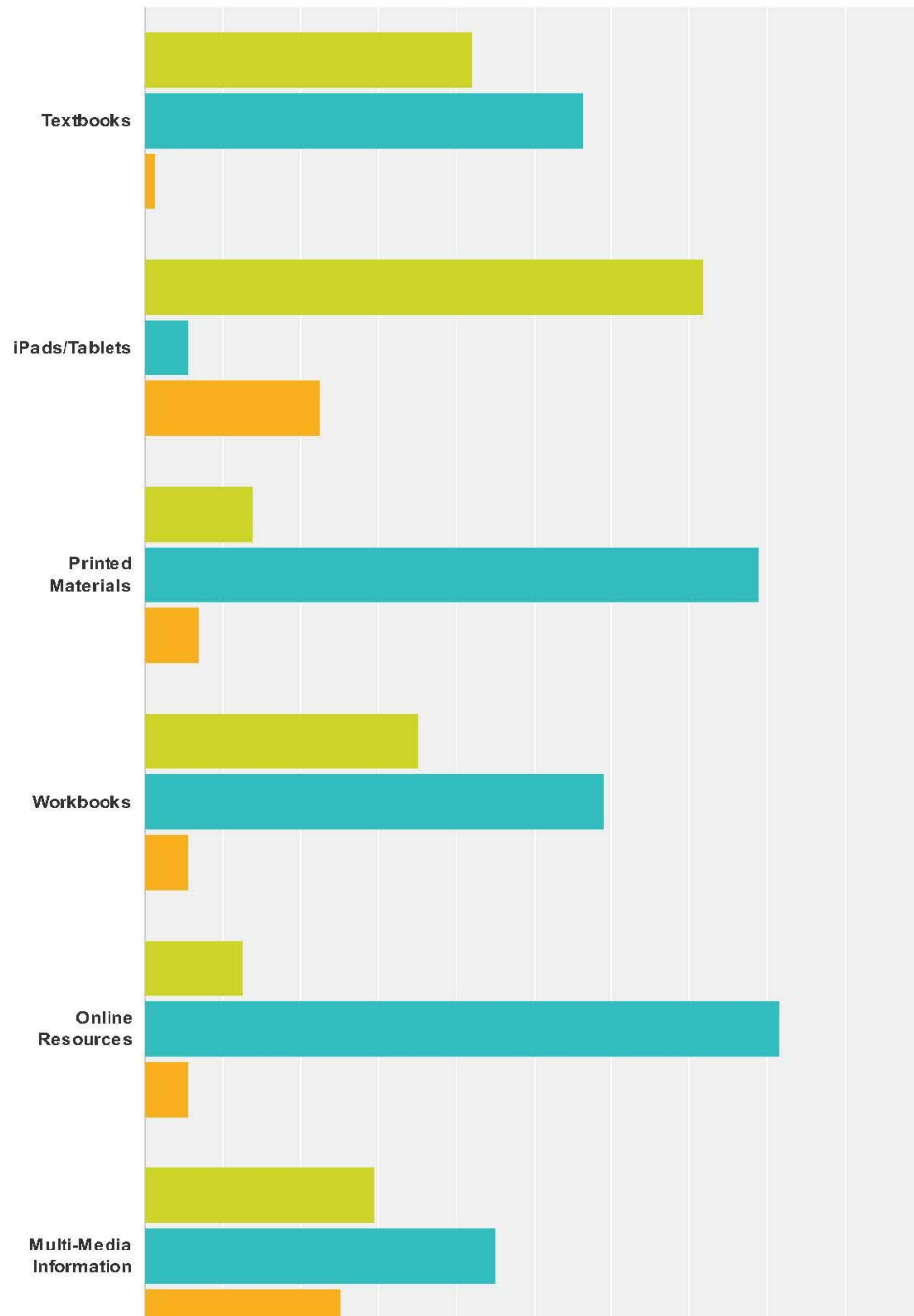
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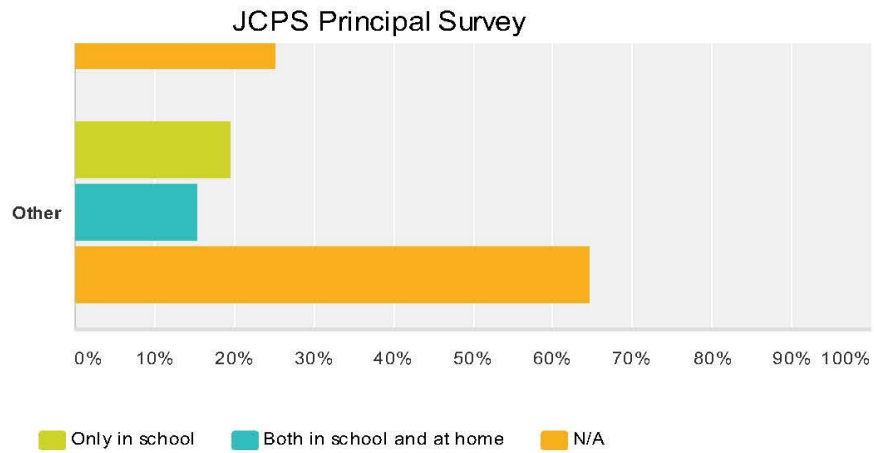
| | Only in school | Both in school and at home | N/A | Total |
|---|---|---|---|---|
| Textbooks | **42.25%** 30 | **56.34%** 40 | **1.41%** 1 | 71 |
| iPads/Tablets | **71.83%** 51 | **5.63%** 4 | **22.54%** 16 | 71 |
| Printed Materials | **14.08%** 10 | **78.87%** 56 | **7.04%** 5 | 71 |
| Workbooks | **35.21%** 25 | **59.15%** 42 | **5.63%** 4 | 71 |
| Online Resources | **12.68%** 9 | **81.69%** 58 | **5.63%** 4 | 71 |
| Multi-Media Information | **29.58%** 21 | **45.07%** 32 | **25.35%** 18 | 71 |
| Other | **19.72%** 14 | **15.49%** 11 | **64.79%** 46 | 71 |

JCPS Principal Survey

## Q14 What is the average age (in years) of the following instructional resources currently being provided:

Answered: 71 Skipped: 44



Textbooks

iPads/Tablets
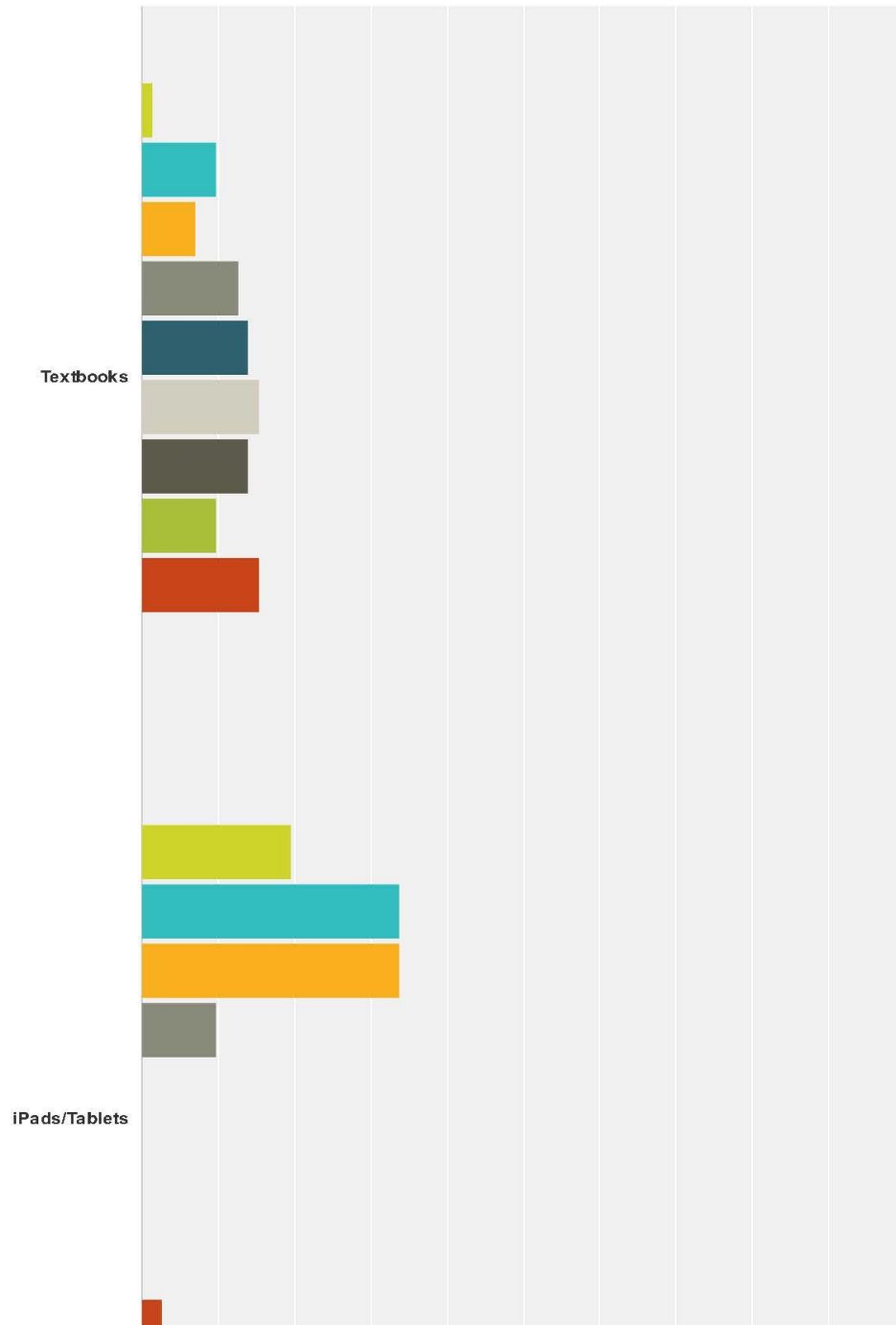
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JCPS Principal Survey

Printed Materials

Workbooks
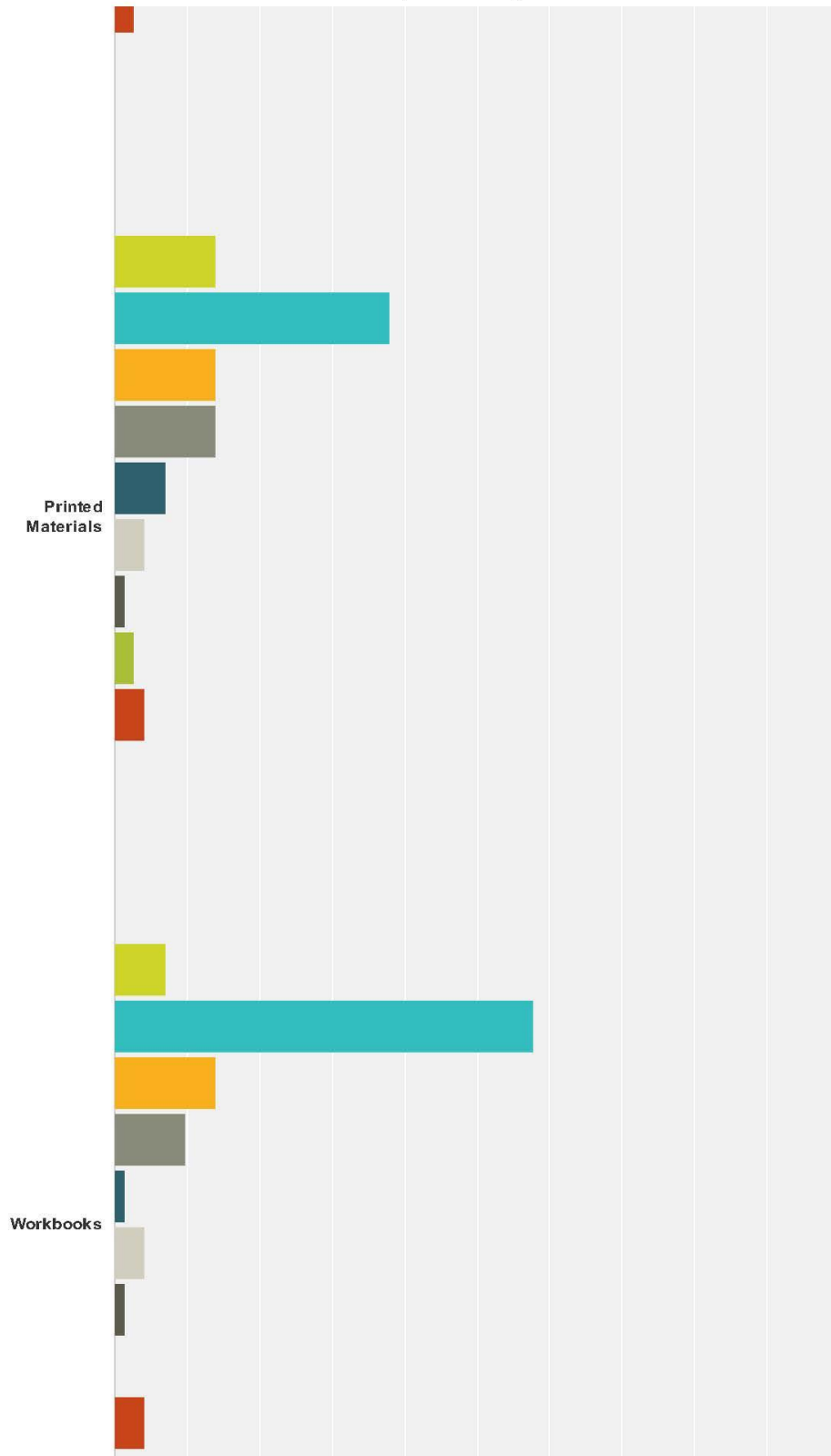
JCPS Principal Survey

## JCPS Principal Survey



| | N/A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 plus | N/A | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Textbooks | 1.41%<br>1 | 9.86%<br>7 | 7.04%<br>5 | 12.68%<br>9 | 14.08%<br>10 | 15.49%<br>11 | 14.08%<br>10 | 9.86%<br>7 | 15.49%<br>11 | 0.00%<br>0 | 71 |
| iPads/Tablets | 19.72%<br>14 | 33.80%<br>24 | 33.80%<br>24 | 9.86%<br>7 | 0.00%<br>0 | 0.00%<br>0 | 0.00%<br>0 | 0.00%<br>0 | 2.82%<br>2 | 0.00%<br>0 | 71 |
| Printed Materials | 14.08%<br>10 | 38.03%<br>27 | 14.08%<br>10 | 14.08%<br>10 | 7.04%<br>5 | 4.23%<br>3 | 1.41%<br>1 | 2.82%<br>2 | 4.23%<br>3 | 0.00%<br>0 | 71 |
| Workbooks | 7.04%<br>5 | 57.75%<br>41 | 14.08%<br>10 | 9.86%<br>7 | 1.41%<br>1 | 4.23%<br>3 | 1.41%<br>1 | 0.00%<br>0 | 4.23%<br>3 | 0.00%<br>0 | 71 |
| Multi-Media Information | 26.76%<br>19 | 36.62%<br>26 | 14.08%<br>10 | 5.63%<br>4 | 4.23%<br>3 | 2.82%<br>2 | 0.00%<br>0 | 1.41%<br>1 | 8.45%<br>6 | 0.00%<br>0 | 71 |
| Other | 69.01%<br>49 | 8.45%<br>6 | 1.41%<br>1 | 4.23%<br>3 | 1.41%<br>1 | 1.41%<br>1 | 0.00%<br>0 | 0.00%<br>0 | 14.08%<br>10 | 0.00%<br>0 | 71 |

JCPS Principal Survey

## Q15 What is your school's target replacement age for the following instructional resources?

Answered: 71   Skipped: 44

Textbooks

iPads/Tablets

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JCPS Principal Survey

Printed Materials

Workbooks

20 / 32

JCPS Principal Survey

Multi-Media
Information

Other

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## JCPS Principal Survey



| | N/A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 plus | N/A | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Textbooks | 14.08% 10 | 1.41% 1 | 5.63% 4 | 9.86% 7 | 15.49% 11 | 28.17% 20 | 8.45% 6 | 7.04% 5 | 9.86% 7 | 0.00% 0 | 71 |
| iPads/Tablets | 35.21% 25 | 4.23% 3 | 4.23% 3 | 18.31% 13 | 14.08% 10 | 16.90% 12 | 0.00% 0 | 1.41% 1 | 5.63% 4 | 0.00% 0 | 71 |
| Printed Materials | 23.94% 17 | 43.66% 31 | 12.68% 9 | 7.04% 5 | 4.23% 3 | 5.63% 4 | 1.41% 1 | 0.00% 0 | 1.41% 1 | 0.00% 0 | 71 |
| Workbooks | 11.27% 8 | 63.38% 45 | 7.04% 5 | 8.45% 6 | 4.23% 3 | 2.82% 2 | 1.41% 1 | 0.00% 0 | 1.41% 1 | 0.00% 0 | 71 |
| Multi-Media Information | 33.80% 24 | 28.17% 20 | 14.08% 10 | 2.82% 2 | 7.04% 5 | 7.04% 5 | 0.00% 0 | 1.41% 1 | 5.63% 4 | 0.00% 0 | 71 |
| Other | 69.01% 49 | 8.45% 6 | 1.41% 1 | 2.82% 2 | 4.23% 3 | 2.82% 2 | 0.00% 0 | 0.00% 0 | 11.27% 8 | 0.00% 0 | 71 |

JCPS Principal Survey

## Q16 Please indicate all forms of instructional resources that your school currently plans to provide for its student population in the next three years? (Mark all the apply.)

Answered: 71    Skipped: 44
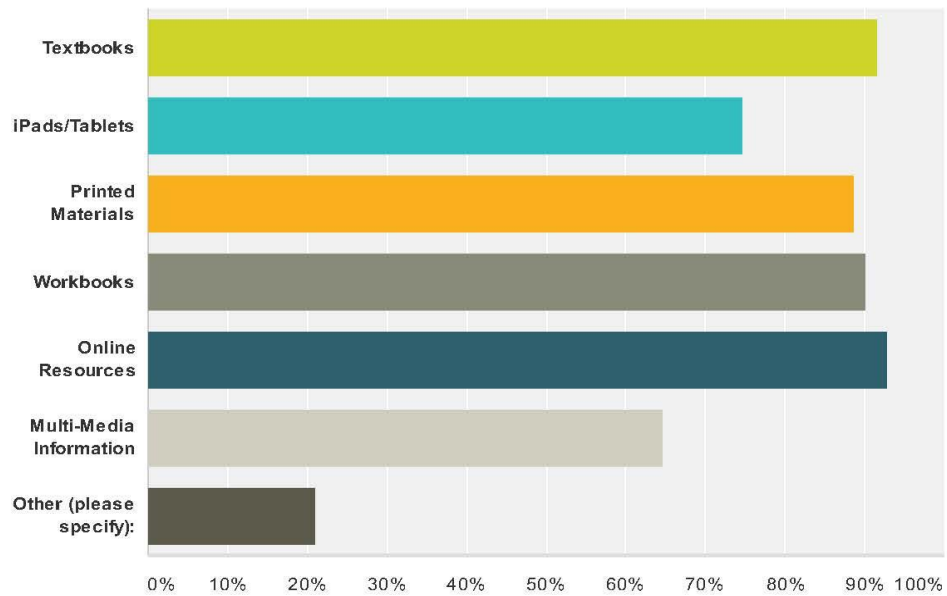


| Answer Choices | Responses | |
|---|---|---|
| Textbooks | **91.55%** | 65 |
| iPads/Tablets | **74.65%** | 53 |
| Printed Materials | **88.73%** | 63 |
| Workbooks | **90.14%** | 64 |
| Online Resources | **92.96%** | 66 |
| Multi-Media Information | **64.79%** | 46 |
| Other (please specify): | **21.13%** | 15 |
| **Total Respondents: 71** | | |

JCPS Principal Survey

**Q17 Does the District Central Office provide guidance as to how Instructional Resource expenses should be classified?**

Answered: 71    Skipped: 44
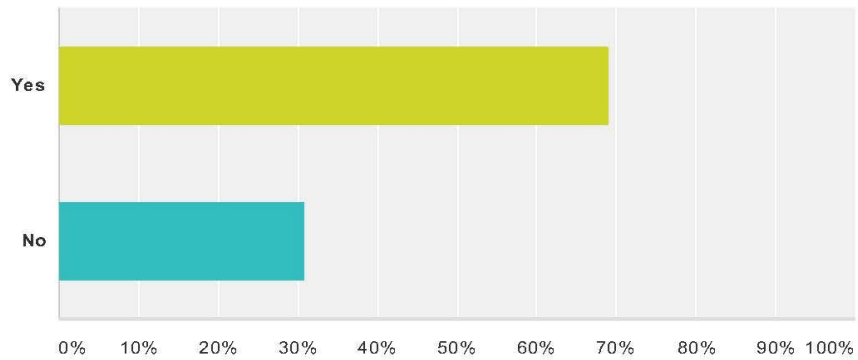
| Answer Choices | Responses | |
|---|---|---|
| Yes | **69.01%** | 49 |
| No | **30.99%** | 22 |
| Total | | 71 |

JCPS Principal Survey

## Q18 Are costs associated with materials downloaded to electronic devices coded as Technology expenses or Instructional Resource expenses?

Answered: 71   Skipped: 44
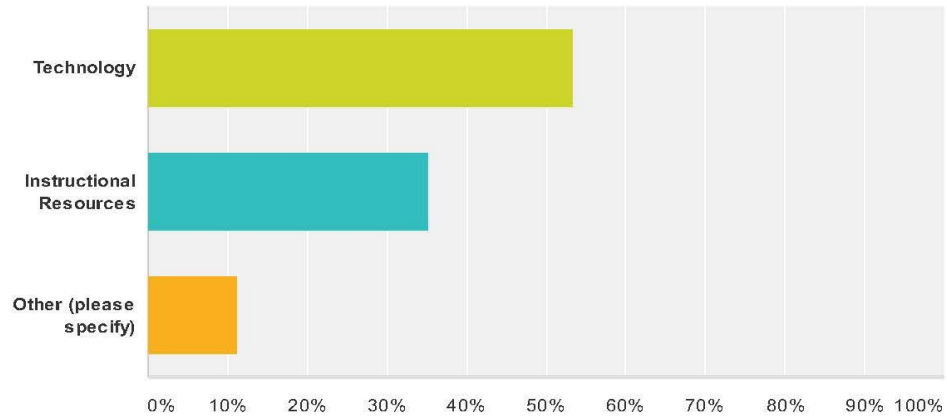


| Answer Choices | Responses | |
|---|---|---|
| Technology | 53.52% | 38 |
| Instructional Resources | 35.21% | 25 |
| Other (please specify) | 11.27% | 8 |
| **Total** | | **71** |

JCPS Principal Survey

**Q19 Does the District monitor the individual school's use of budgeted instructional resource funds?**

Answered: 71   Skipped: 44
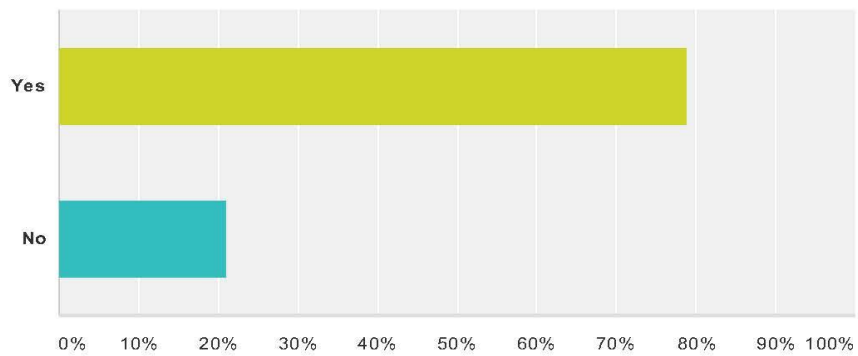


| Answer Choices | Responses | |
|---|---|---|
| Yes | 78.87% | 56 |
| No | 21.13% | 15 |
| Total | | 71 |

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## JCPS Principal Survey

### Q20 How does the District monitor the individual school's use of budgeted instructional resource funds? (Mark all that apply.)

Answered: 56    Skipped: 59
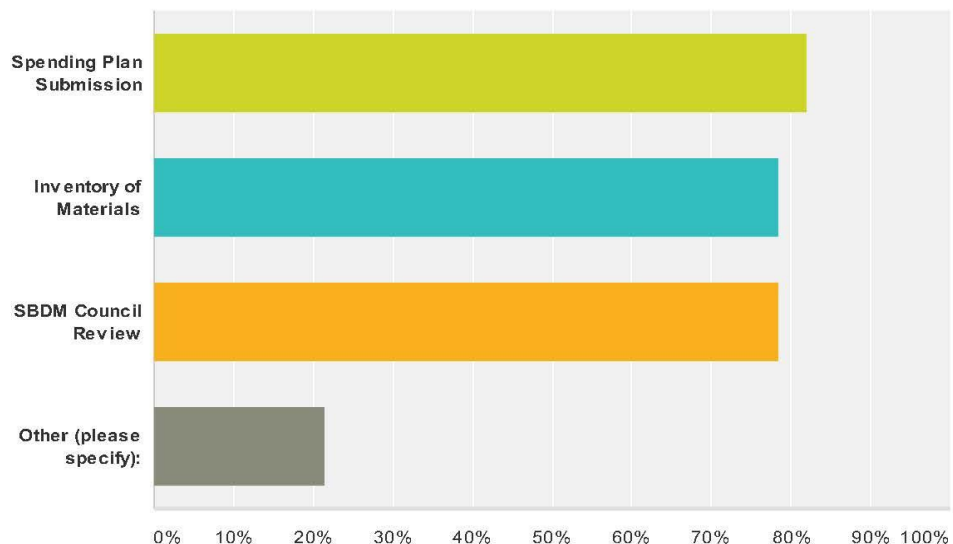


| Answer Choices | Responses | |
| --- | --- | --- |
| Spending Plan Submission | 82.14% | 46 |
| Inventory of Materials | 78.57% | 44 |
| SBDM Council Review | 78.57% | 44 |
| Other (please specify): | 21.43% | 12 |
| Total Respondents: 56 | | |

JCPS Principal Survey

**Q21 Are classroom teachers annually provided a stipend or classroom budget to make discretionary purchases of instructional resources?**

Answered: 71   Skipped: 44
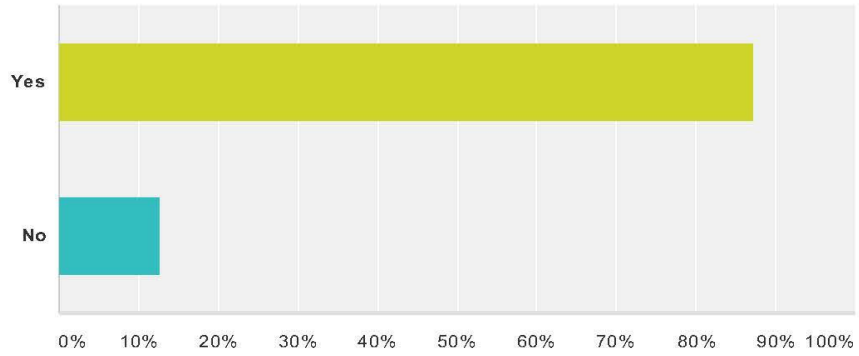
| Answer Choices | Responses | |
|---|---|---|
| Yes | 87.32% | 62 |
| No | 12.68% | 9 |
| Total | | 71 |

JCPS Principal Survey

## Q22 Please indicate the stipend or budget amount teachers received for the current school year (2013-2014) based on the following ranges:

Answered: 62    Skipped: 53
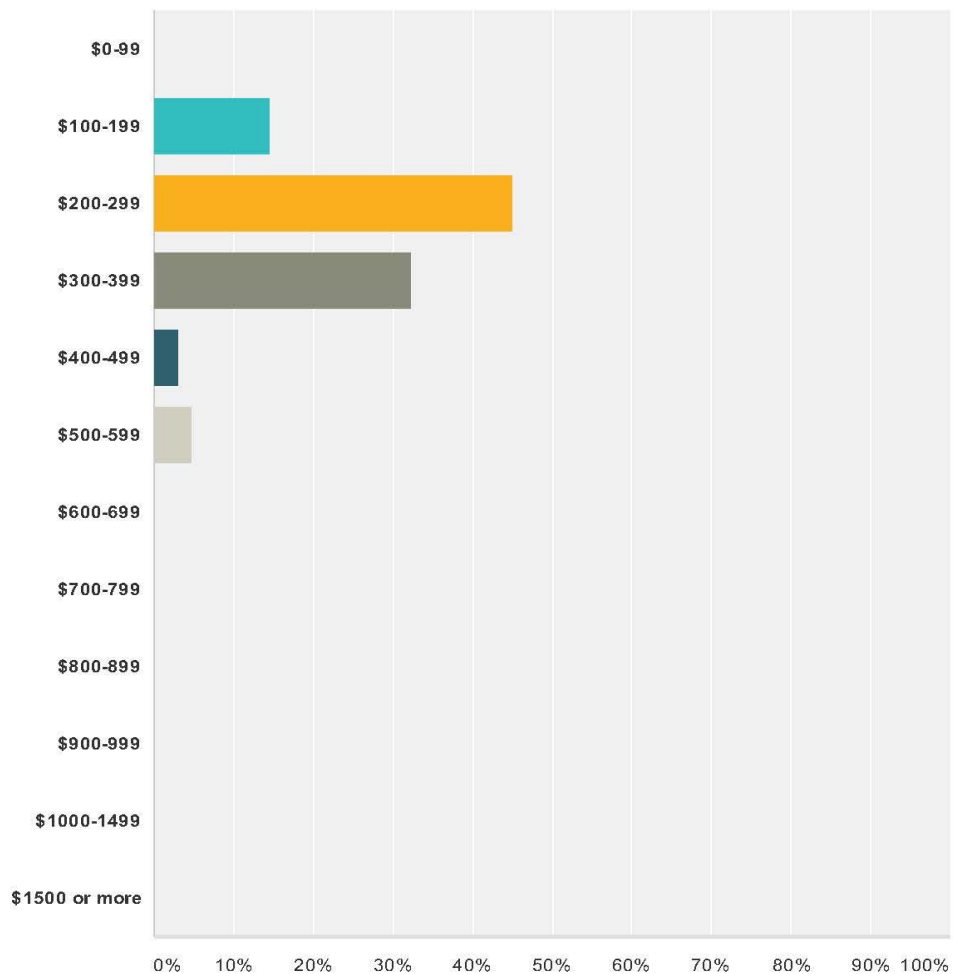
| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 0.00% | 0 |
| $100-199 | 14.52% | 9 |
| $200-299 | 45.16% | 28 |
| $300-399 | 32.26% | 20 |
| $400-499 | 3.23% | 2 |

## JCPS Principal Survey

| | | |
|---|---|---|
| $500-599 | **4.84%** | 3 |
| $600-699 | **0.00%** | 0 |
| $700-799 | **0.00%** | 0 |
| $800-899 | **0.00%** | 0 |
| $900-999 | **0.00%** | 0 |
| $1000-1499 | **0.00%** | 0 |
| $1500 or more | **0.00%** | 0 |
| **Total** | | **62** |

JCPS Principal Survey

## Q23 Compared with previous stipends/budgets received, did the amount provided for the 2013-2014 school year:

Answered: 62    Skipped: 53
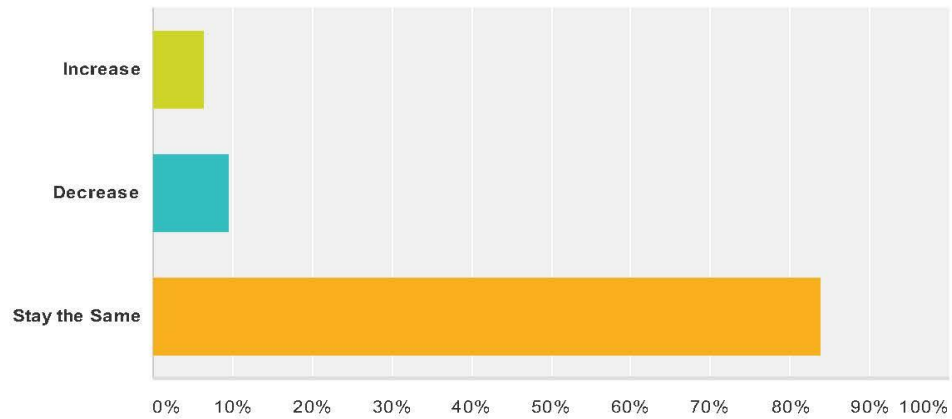


| Answer Choices | Responses | |
|---|---|---|
| Increase | **6.45%** | 4 |
| Decrease | **9.68%** | 6 |
| Stay the Same | **83.87%** | 52 |
| Total | | **62** |

JCPS Principal Survey

**Q24 Any additional comments (Optional):**

Answered: 23    Skipped: 92

Kentucky Classroom Teacher Survey

## Q1 Are you assigned to a classroom?

Answered: 2,908    Skipped: 0
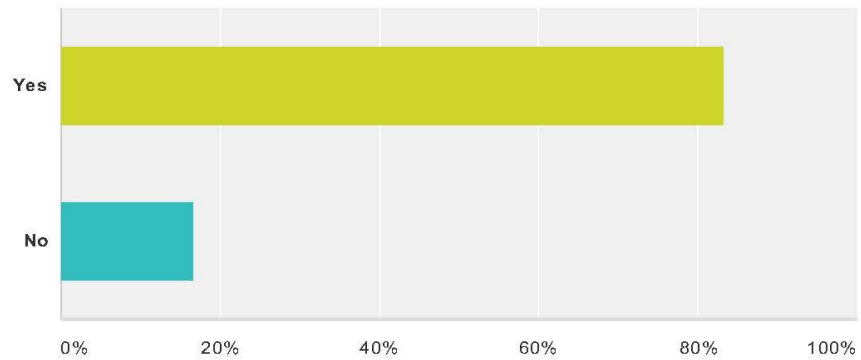


| Answer Choices | Responses | |
|---|---|---|
| Yes | **83.25%** | 2,421 |
| No | **16.75%** | 487 |
| Total | | **2,908** |

Kentucky Classroom Teacher Survey

## Q2 Grade level currently taught (Choose all that apply):

Answered: 2,404   Skipped: 504
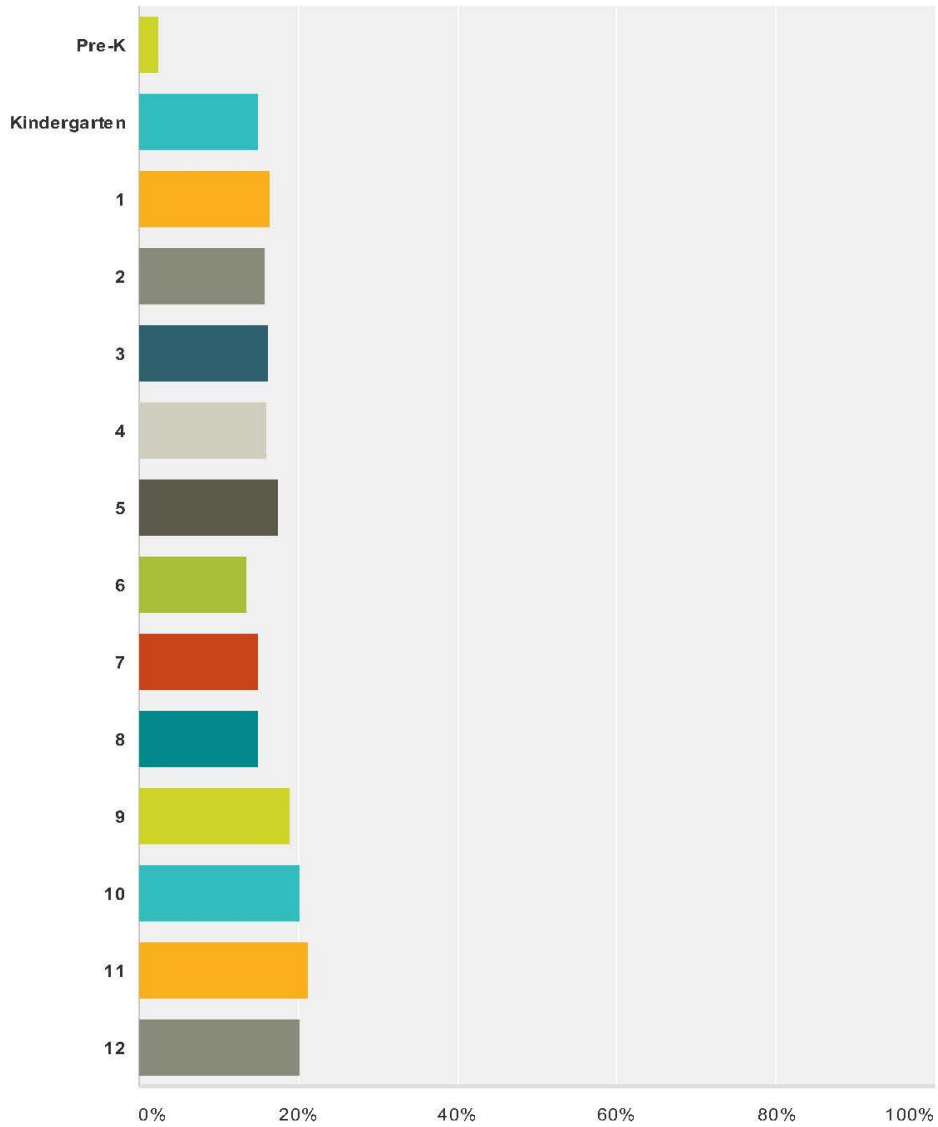


| Answer Choices | Responses | |
|---|---|---|
| Pre-K | **2.58%** | 62 |
| Kindergarten | **15.10%** | 363 |
| 1 | **16.39%** | 394 |
| 2 | **15.89%** | 382 |

## Kentucky Classroom Teacher Survey

| | | |
|---|---|---|
| 3 | **16.22%** | 390 |
| 4 | **16.01%** | 385 |
| 5 | **17.60%** | 423 |
| 6 | **13.64%** | 328 |
| 7 | **14.98%** | 360 |
| 8 | **15.02%** | 361 |
| 9 | **19.05%** | 458 |
| 10 | **20.34%** | 489 |
| 11 | **21.30%** | 512 |
| 12 | **20.30%** | 488 |
| **Total Respondents: 2,404** | | |

Kentucky Classroom Teacher Survey

## Q3 Total years of experience:

Answered: 2,404  Skipped: 504
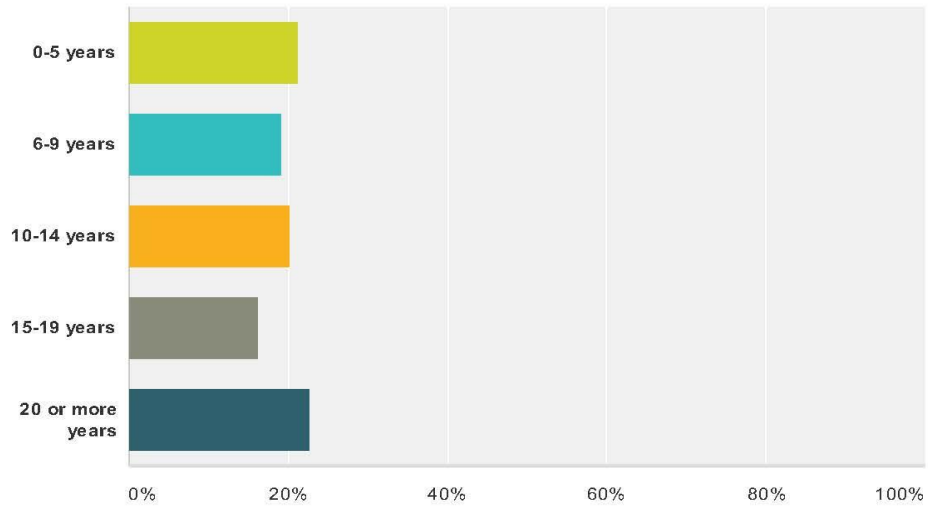


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | 21.38% | 514 |
| 6-9 years | 19.18% | 461 |
| 10-14 years | 20.26% | 487 |
| 15-19 years | 16.35% | 393 |
| 20 or more years | 22.84% | 549 |
| Total | | 2,404 |

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Kentucky Classroom Teacher Survey

## Q4 What form(s) of instructional resources is your school currently providing its student population? (Mark all that apply.)

Answered: 2,246   Skipped: 662
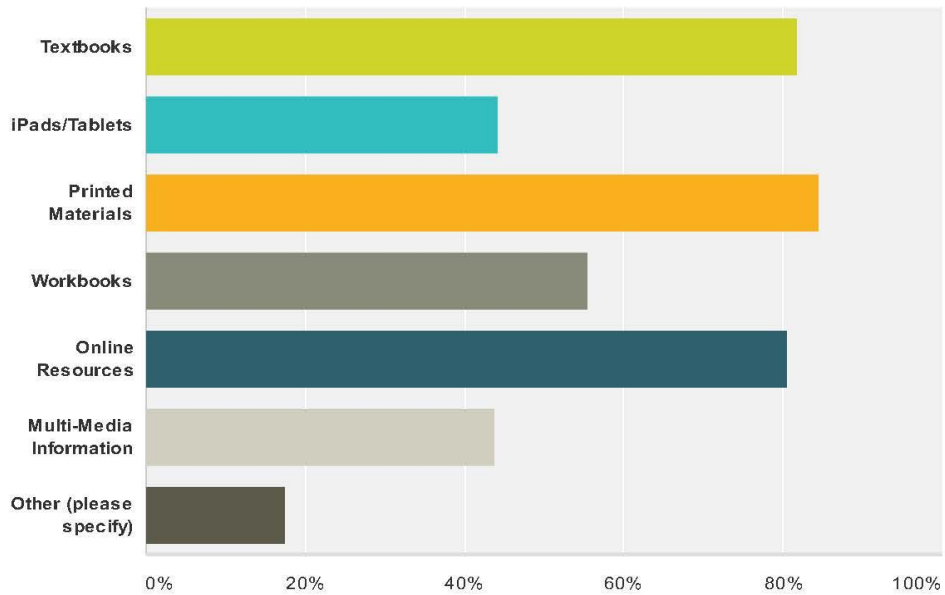


| Answer Choices | Responses | |
|---|---|---|
| Textbooks | 81.79% | 1,837 |
| iPads/Tablets | 44.30% | 995 |
| Printed Materials | 84.51% | 1,898 |
| Workbooks | 55.57% | 1,248 |
| Online Resources | 80.68% | 1,812 |
| Multi-Media Information | 43.86% | 985 |
| Other (please specify) | 17.63% | 396 |
| Total Respondents: 2,246 | | |

Kentucky Classroom Teacher Survey

## Q5 Are these instructional resources available for use only in the school or are these resources, as applicable, available for students to take home? (Mark all that apply.)

Answered: 2,246    Skipped: 662



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## Kentucky Classroom Teacher Survey



Legend: Only in school · Both in school and at home · N/A
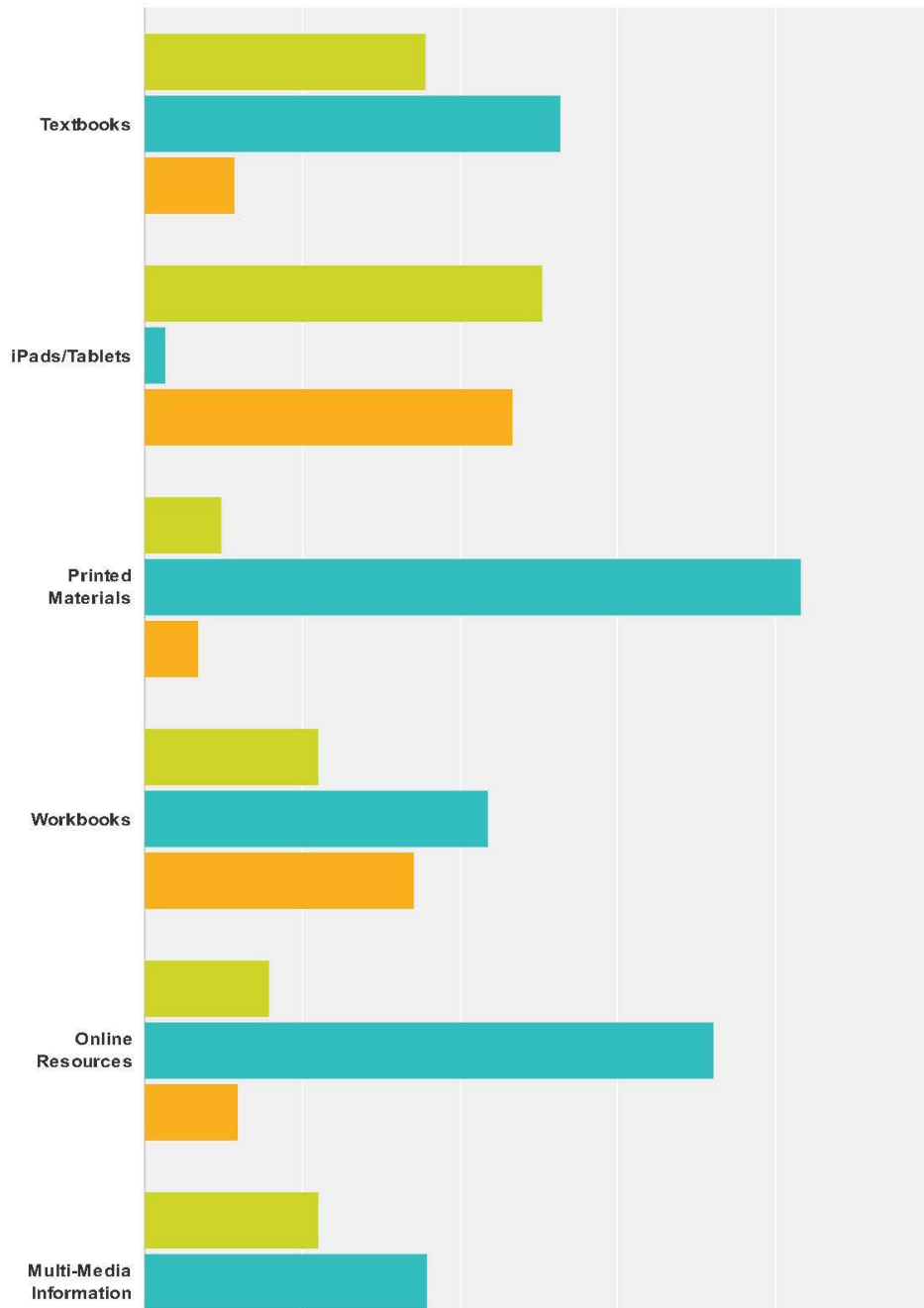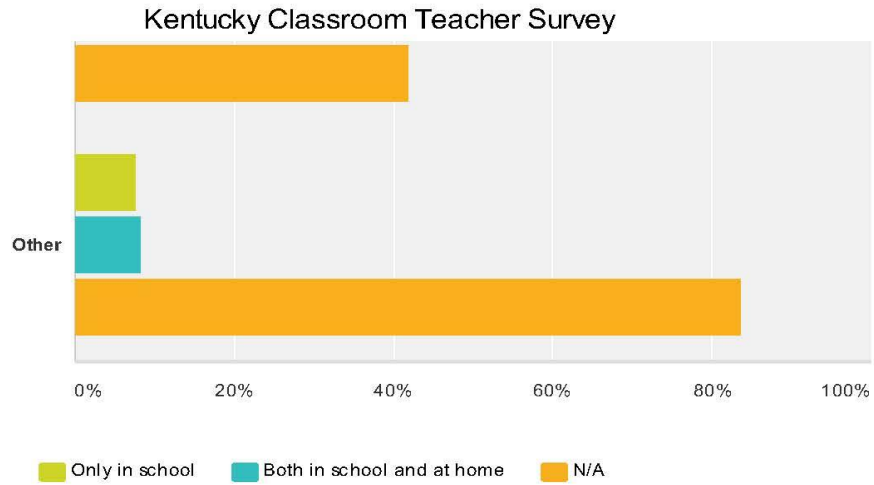
| | Only in school | Both in school and at home | N/A | Total |
|---|---|---|---|---|
| Textbooks | 35.66%<br>801 | 52.76%<br>1,185 | 11.58%<br>260 | 2,246 |
| iPads/Tablets | 50.53%<br>1,135 | 2.63%<br>59 | 46.84%<br>1,052 | 2,246 |
| Printed Materials | 9.75%<br>219 | 83.35%<br>1,872 | 6.90%<br>155 | 2,246 |
| Workbooks | 22.13%<br>497 | 43.59%<br>979 | 34.28%<br>770 | 2,246 |
| Online Resources | 15.85%<br>356 | 72.26%<br>1,623 | 11.89%<br>267 | 2,246 |
| Multi-Media Information | 22.13%<br>497 | 35.84%<br>805 | 42.03%<br>944 | 2,246 |
| Other | 7.79%<br>175 | 8.41%<br>189 | 83.79%<br>1,882 | 2,246 |

Kentucky Classroom Teacher Survey

## Q6 Please rate how strongly you agree or disagree with the following statements about instructional resources in your school:

Answered: 2,246    Skipped: 662
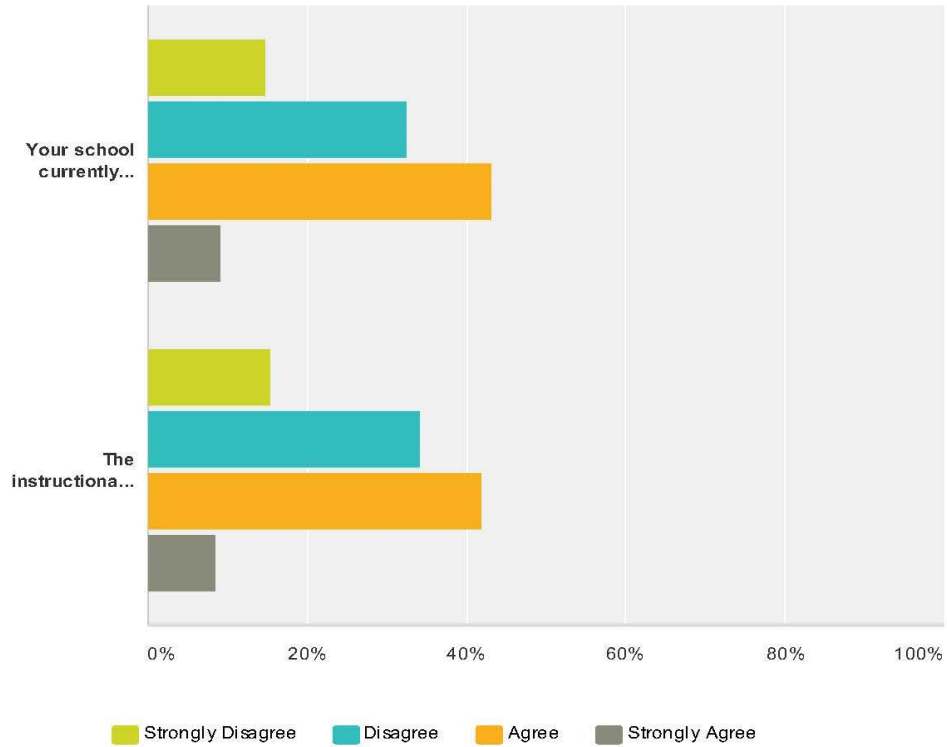


| | Strongly Disagree | Disagree | Agree | Strongly Agree | Total |
|---|---|---|---|---|---|
| Your school currently provides a sufficient number of instructional resources to all students. | **14.87%** 334 | **32.64%** 733 | **43.28%** 972 | **9.22%** 207 | 2,246 |
| The instructional resources provided by your school are adequate for the educational needs of the students. | **15.36%** 345 | **34.15%** 767 | **41.94%** 942 | **8.55%** 192 | 2,246 |

Kentucky Classroom Teacher Survey

## Q7 For the 2013-2014 school year, did you receive a stipend or classroom budget to make discretionary purchases of instructional resources?

Answered: 2,246    Skipped: 662
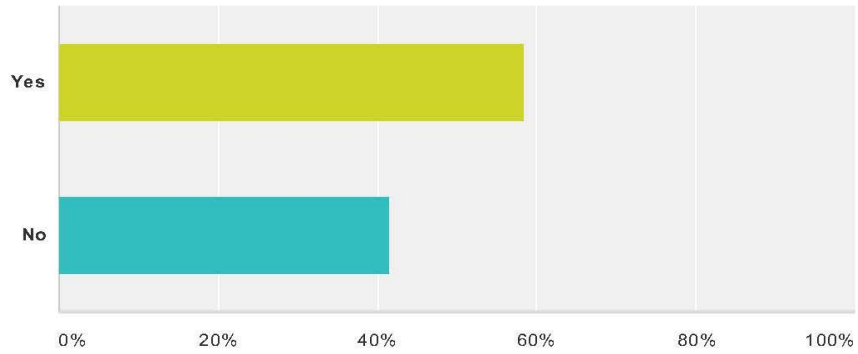


| Answer Choices | Responses | |
|---|---|---|
| Yes | 58.55% | 1,315 |
| No | 41.45% | 931 |
| Total | | 2,246 |

Kentucky Classroom Teacher Survey

## Q8 Please indicate the stipend or budget amount you received based on the following ranges:

Answered: 1,295    Skipped: 1,613
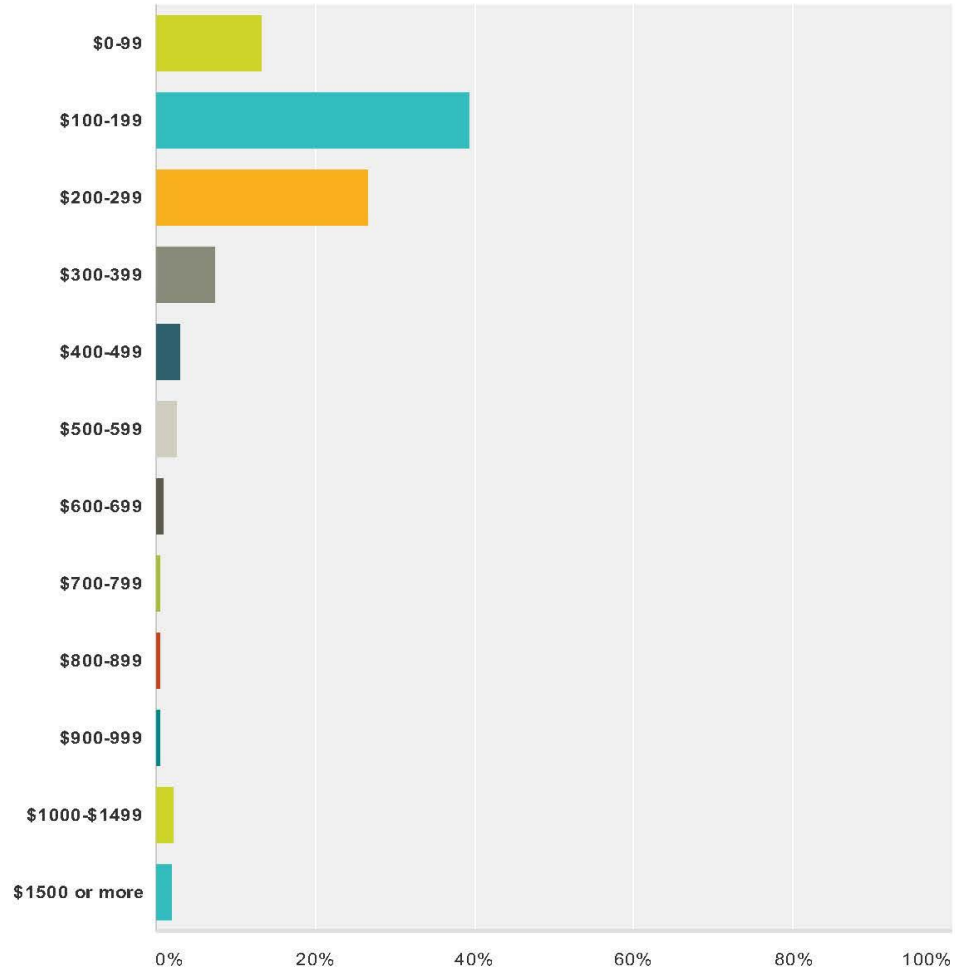


| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 13.28% | 172 |
| $100-199 | 39.38% | 510 |
| $200-299 | 26.80% | 347 |
| $300-399 | 7.41% | 96 |
| $400-499 | 3.17% | 41 |
| $500-599 | 2.78% | 36 |

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### Kentucky Classroom Teacher Survey

| | | |
|---|---|---|
| $600-699 | **1.00%** | 13 |
| $700-799 | **0.54%** | 7 |
| $800-899 | **0.62%** | 8 |
| $900-999 | **0.54%** | 7 |
| $1000-$1499 | **2.39%** | 31 |
| $1500 or more | **2.08%** | 27 |
| **Total** | | **1,295** |

Kentucky Classroom Teacher Survey

## Q9 Compared with previous stipends/budgets received, did the amount provided for the 2013-2014 school year:

Answered: 1,295   Skipped: 1,613
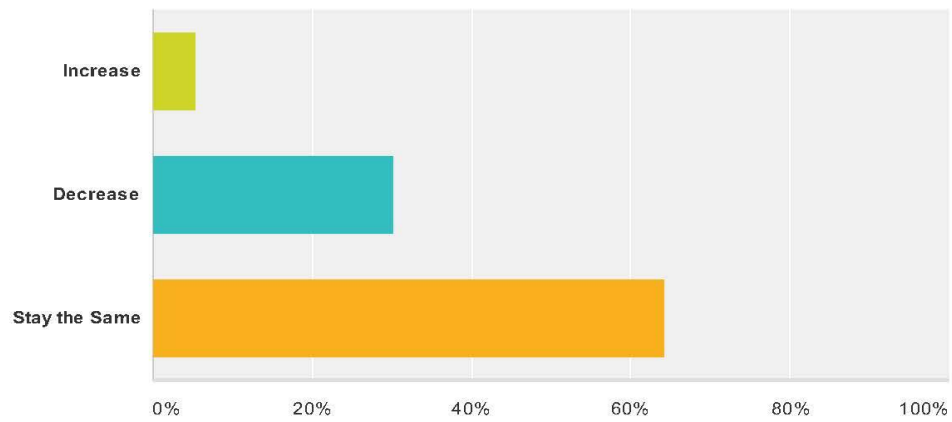
| Answer Choices | Responses | |
|---|---|---|
| Increase | 5.41% | 70 |
| Decrease | 30.35% | 393 |
| Stay the Same | 64.25% | 832 |
| Total | | 1,295 |

Kentucky Classroom Teacher Survey

## Q10 Do you spend personal resources to supplement the instructional or other resources available for your classroom?

Answered: 2,222   Skipped: 686
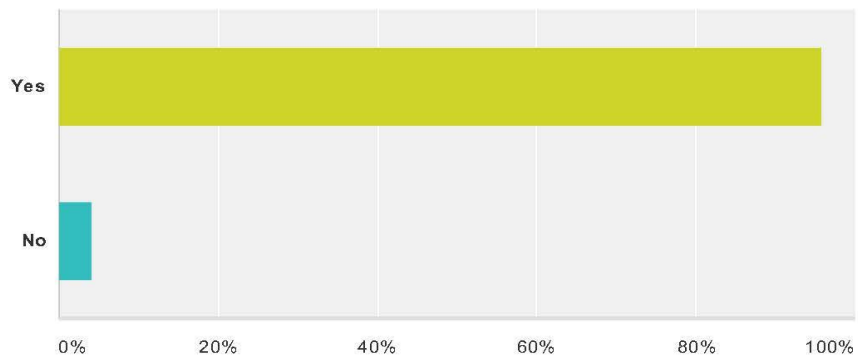


| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 95.90% | 2,131 |
| No | 4.10% | 91 |
| Total | | 2,222 |

Kentucky Classroom Teacher Survey

## Q11 Please indicate the amount of personal resources you spent during the previous school year (2012-2013):

Answered: 2,074    Skipped: 834
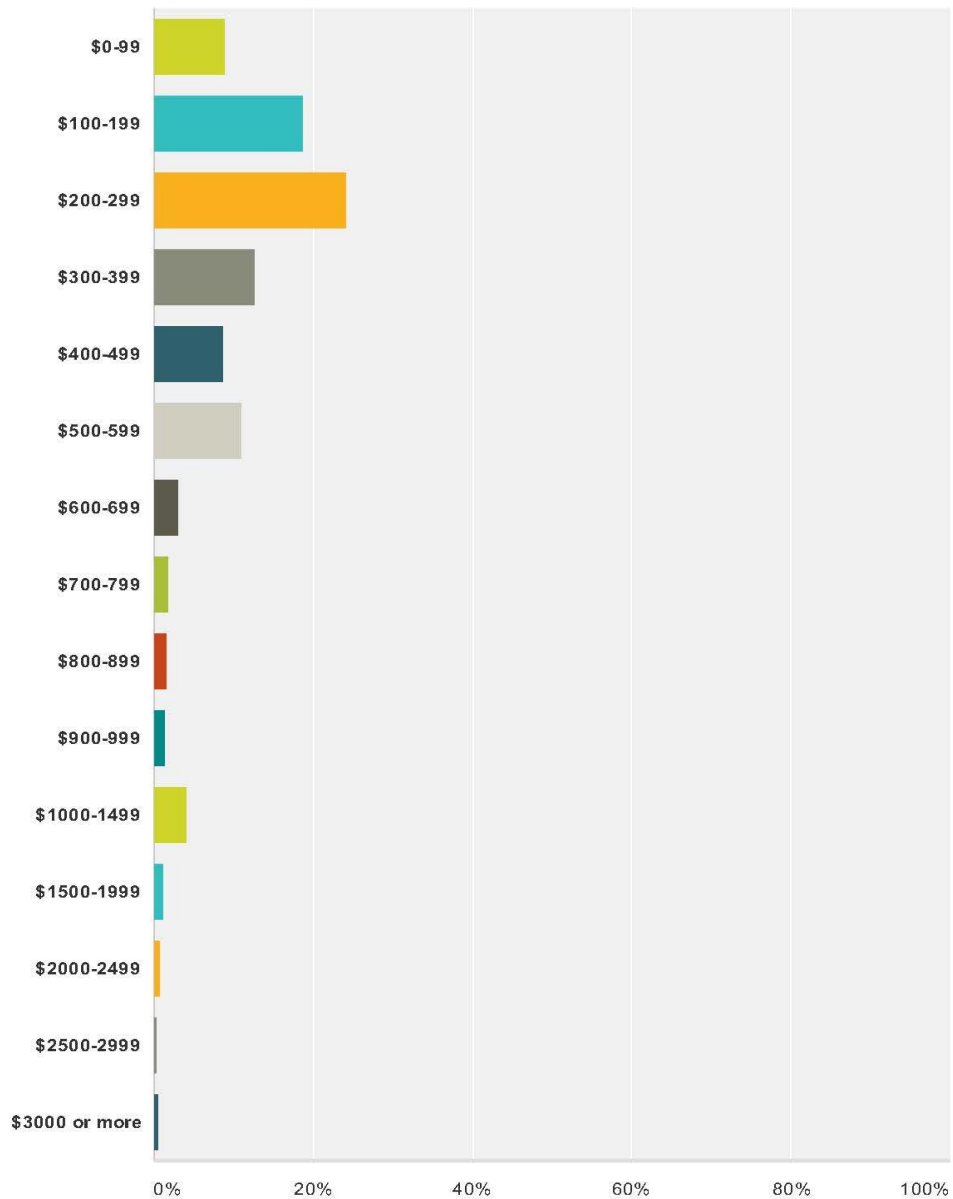


| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 8.92% | 185 |

## Kentucky Classroom Teacher Survey

| | | |
|---|---|---|
| $100-199 | **18.80%** | 390 |
| $200-299 | **24.20%** | 502 |
| $300-399 | **12.83%** | 266 |
| $400-499 | **8.82%** | 183 |
| $500-599 | **11.09%** | 230 |
| $600-699 | **3.04%** | 63 |
| $700-799 | **1.78%** | 37 |
| $800-899 | **1.59%** | 33 |
| $900-999 | **1.54%** | 32 |
| $1000-1499 | **4.15%** | 86 |
| $1500-1999 | **1.25%** | 26 |
| $2000-2499 | **0.92%** | 19 |
| $2500-2999 | **0.34%** | 7 |
| $3000 or more | **0.72%** | 15 |
| Total | | **2,074** |

Kentucky Classroom Teacher Survey

## Q12 Do you anticipate the amount of personal resources spent during the current school year (2013-2014), compared with previous school years, will:

Answered: 2,074    Skipped: 834
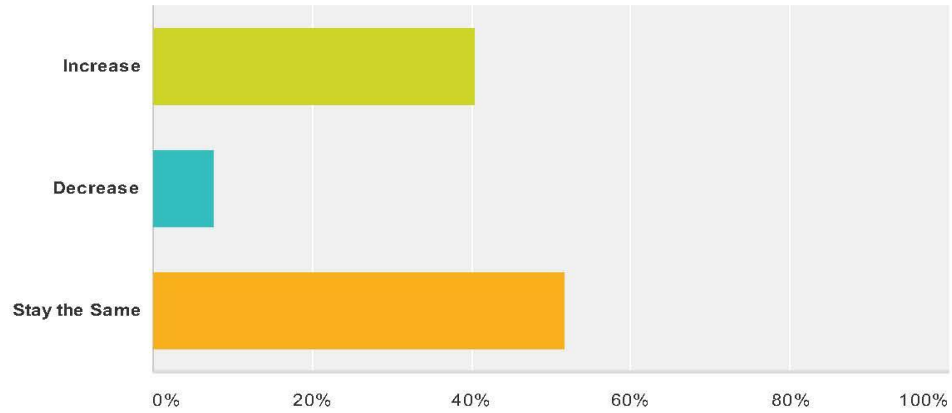


| Answer Choices | Responses | |
|---|---|---|
| Increase | 40.55% | 841 |
| Decrease | 7.67% | 159 |
| Stay the Same | 51.78% | 1,074 |
| Total | | 2,074 |

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Kentucky Classroom Teacher Survey

## Q13 What was the primary reason you felt it was necessary to use personal resources?

Answered: 2,074    Skipped: 834
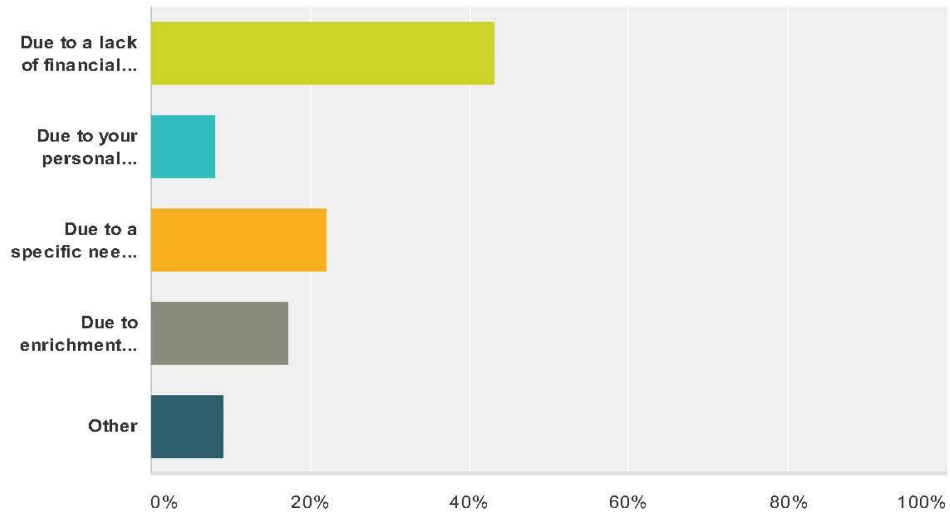


| Answer Choices | Responses | |
|---|---|---|
| Due to a lack of financial resources allocated to the classroom | 43.15% | 895 |
| Due to your personal preference | 8.20% | 170 |
| Due to a specific need of your student population | 22.23% | 461 |
| Due to enrichment activities you initiated | 17.26% | 358 |
| Other | 9.16% | 190 |
| Total | | 2,074 |

Kentucky Classroom Teacher Survey

## Q14 Please provide examples of the type of instructional resources or other items purchased by you to be used in your classroom.

Answered: 2,074   Skipped: 834

Kentucky Classroom Teacher Survey

## Q15 Were school supply lists developed by you or your school for the 2013-2014 school year?

Answered: 2,161    Skipped: 747
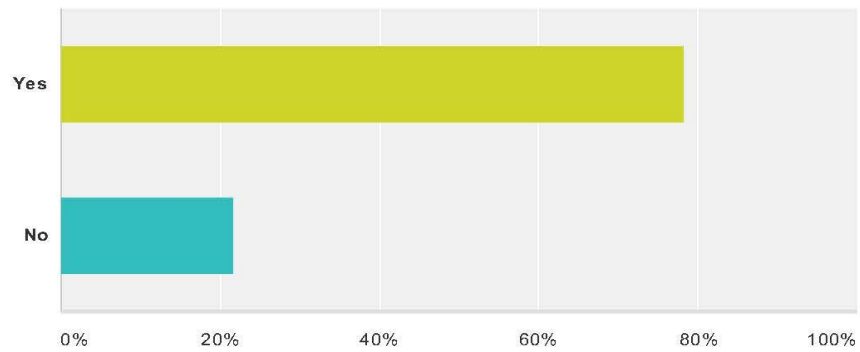


| Answer Choices | Responses | |
|---|---|---|
| Yes | **78.20%** | 1,690 |
| No | **21.80%** | 471 |
| Total | | **2,161** |

Kentucky Classroom Teacher Survey

## Q16 How has the number of items on the student school supply lists changed during the last three years?

Answered: 1,661    Skipped: 1,247
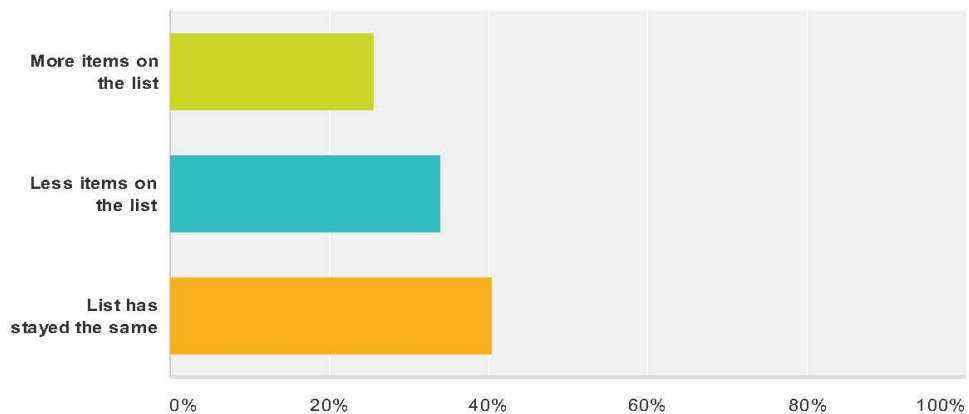


| Answer Choices | Responses | |
|---|---|---|
| More items on the list | 25.65% | 426 |
| Less items on the list | 33.96% | 564 |
| List has stayed the same | 40.40% | 671 |
| Total | | 1,661 |

Kentucky Classroom Teacher Survey

## Q17 For those items on the supply list considered necessary and/or required, what percentage of students in your classroom this year provided all of the items listed?

Answered: 1,661   Skipped: 1,247
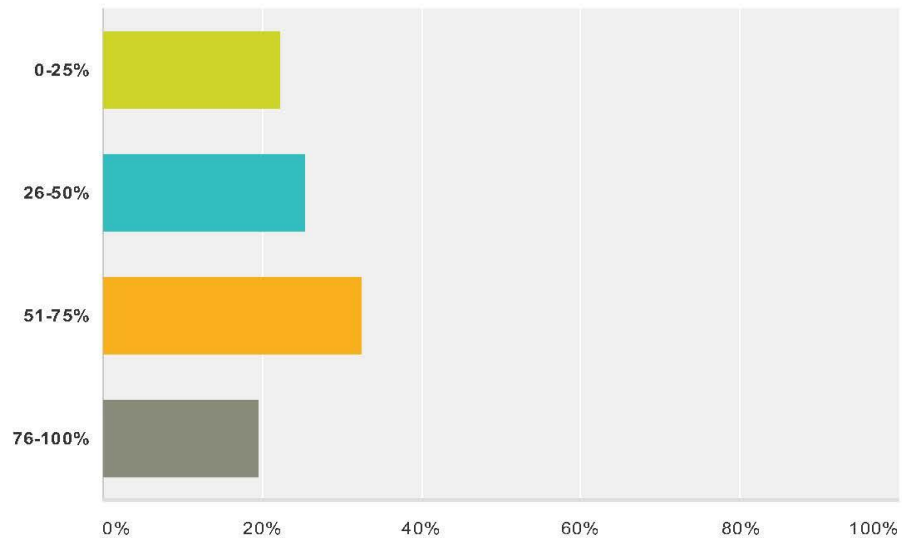


| Answer Choices | Responses | |
|---|---|---|
| 0-25% | **22.34%** | 371 |
| 26-50% | **25.53%** | 424 |
| 51-75% | **32.57%** | 541 |
| 76-100% | **19.57%** | 325 |
| Total | | 1,661 |

Kentucky Classroom Teacher Survey

## Q18 How has the percentage of students in your classroom able to provide all of the items listed as necessary and/or required changed in the last three years?

Answered: 1,661 Skipped: 1,247
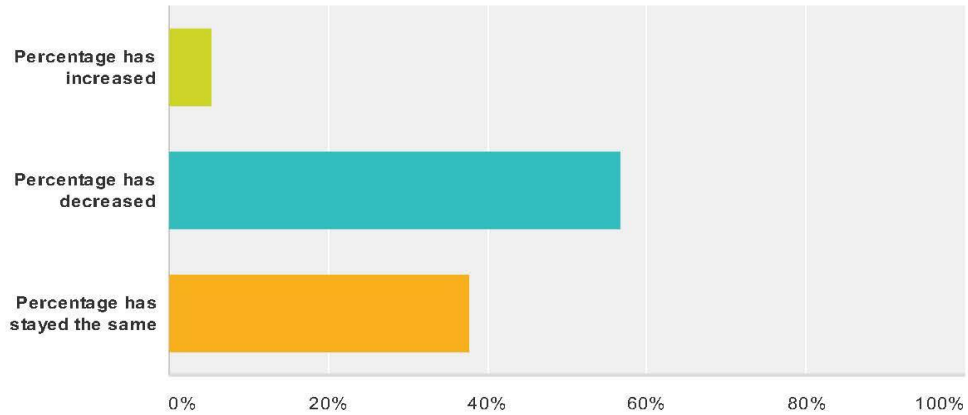


| Answer Choices | Responses | |
|---|---|---|
| Percentage has increased | **5.48%** | 91 |
| Percentage has decreased | **56.77%** | 943 |
| Percentage has stayed the same | **37.75%** | 627 |
| Total | | 1,661 |

Kentucky Classroom Teacher Survey

## Q19 Please provide examples of the necessary and/or required items included on the supply list.

Answered: 1,661    Skipped: 1,247

Kentucky Classroom Teacher Survey

## Q20 Were there any items on the supply list that were intended to be shared with other students and not strictly for an individual student?

Answered: 1,661    Skipped: 1,247
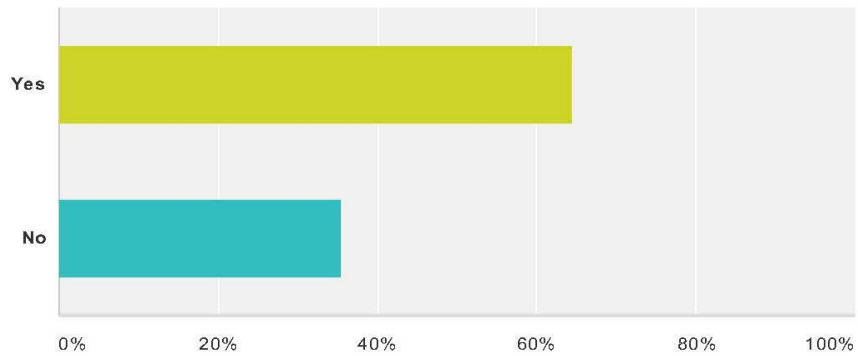


| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 64.60% | 1,073 |
| No | 35.40% | 588 |
| Total | | 1,661 |

Kentucky Classroom Teacher Survey

## Q21 How has the number of items on the supply list intended to be shared with all students changed during the last three years?

Answered: 1,074    Skipped: 1,834
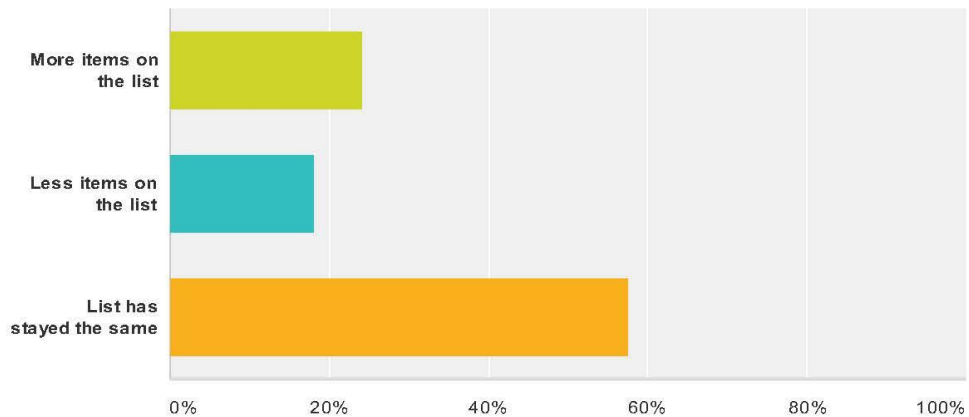


| Answer Choices | Responses | |
|---|---|---|
| More items on the list | 24.30% | 261 |
| Less items on the list | 18.16% | 195 |
| List has stayed the same | 57.54% | 618 |
| Total | | 1,074 |

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Kentucky Classroom Teacher Survey

### Q22 Are parents provided a list of requested optional supplies or a "wish list" for the classroom?

Answered: 1,658   Skipped: 1,250
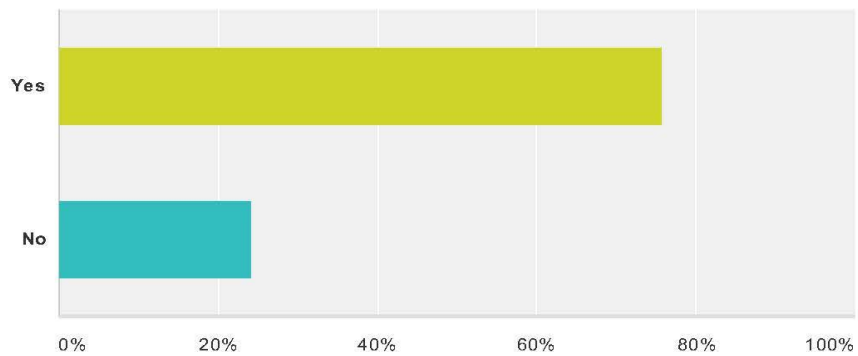
| Answer Choices | Responses | |
|---|---|---|
| Yes | 75.69% | 1,255 |
| No | 24.31% | 403 |
| Total | | 1,658 |

Kentucky Classroom Teacher Survey

## Q23 What percentage of students in your classroom this year provided one or more optional items?

Answered: 1,248   Skipped: 1,660
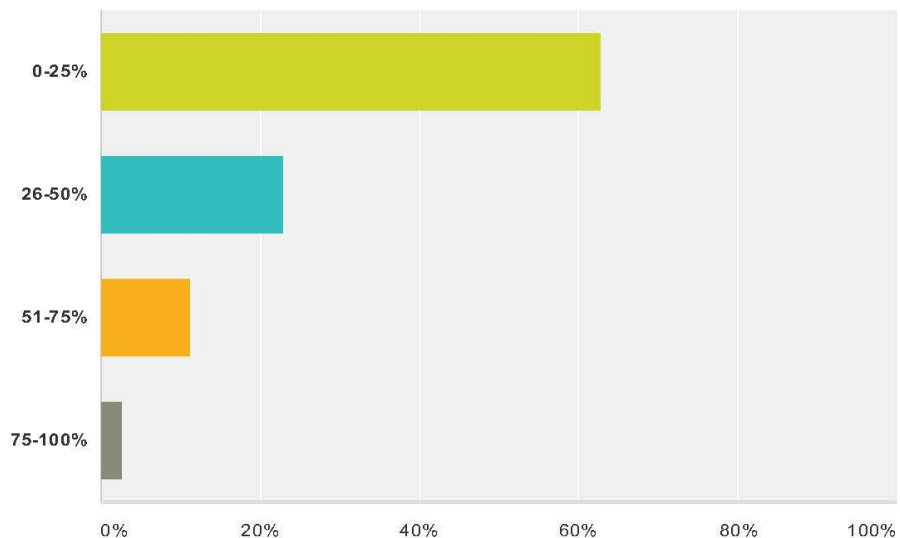


| Answer Choices | Responses | |
|---|---|---|
| 0-25% | 62.90% | 785 |
| 26-50% | 23.00% | 287 |
| 51-75% | 11.30% | 141 |
| 75-100% | 2.80% | 35 |
| Total | | 1,248 |

Kentucky Classroom Teacher Survey

## Q24 How has the percentage of students in your classroom able to provide items listed as optional changed in the last three years?

Answered: 1,248   Skipped: 1,660
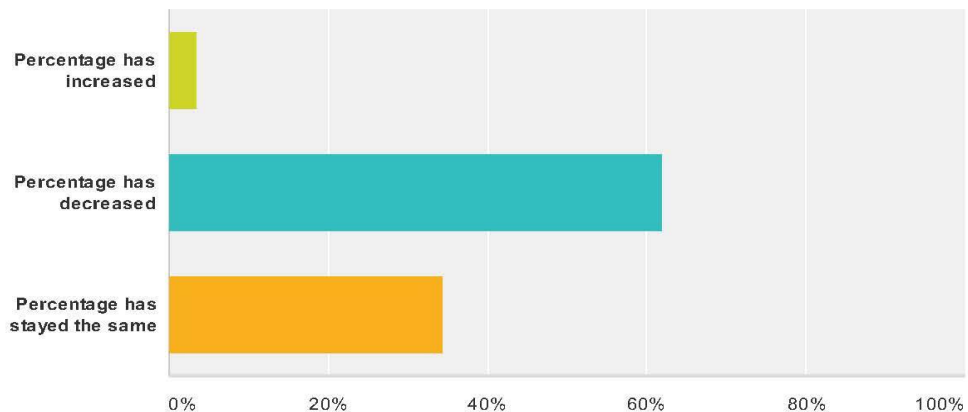


| Answer Choices | Responses | |
|---|---|---|
| Percentage has increased | 3.61% | 45 |
| Percentage has decreased | 61.94% | 773 |
| Percentage has stayed the same | 34.46% | 430 |
| Total | | 1,248 |

Kentucky Classroom Teacher Survey

## Q25 Please provide examples of optional supplies or classroom "wish list" items included on the supply list.

Answered: 1,248    Skipped: 1,660

Kentucky Classroom Teacher Survey

## Q26 If you only work a partial school day due to sickness or other reasons, are you required to use accrued leave to account for the missed hours of that school day?

Answered: 2,115   Skipped: 793
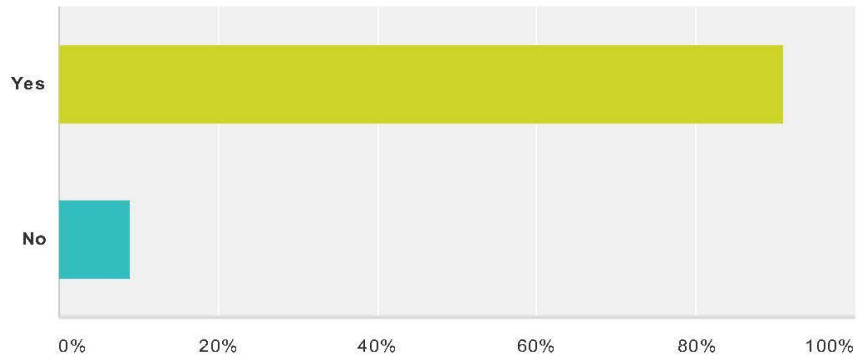


| Answer Choices | Responses | |
|---|---|---|
| Yes | 90.97% | 1,924 |
| No | 9.03% | 191 |
| Total | | 2,115 |

Kentucky Classroom Teacher Survey

### Q27 If you have traveled and incurred costs on behalf of your school district, were you provided with a copy of policies, procedures, or guidelines related to what is and is not allowed to be reimbursed or paid with District funds?

Answered: 2,115    Skipped: 793
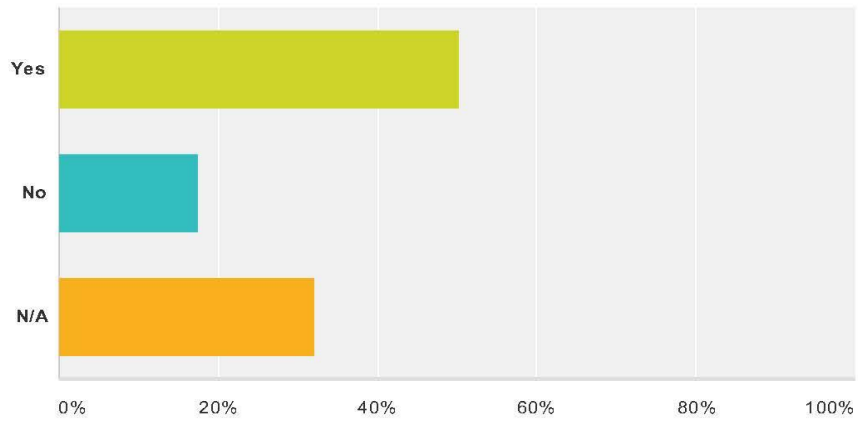


| Answer Choices | Responses | |
|---|---|---|
| Yes | 50.26% | 1,063 |
| No | 17.54% | 371 |
| N/A | 32.20% | 681 |
| Total | | 2,115 |

Kentucky Classroom Teacher Survey

## Q28 Are you notified by your school district's Human Resources when your certification is due to be renewed?

Answered: 2,115   Skipped: 793
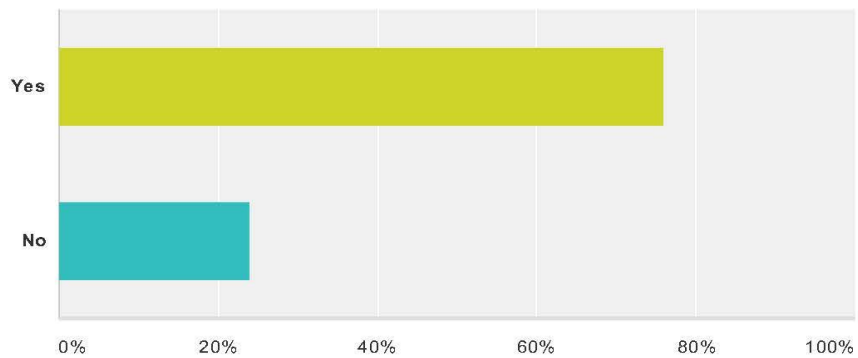


| Answer Choices | Responses | |
|---|---|---|
| Yes | 76.03% | 1,608 |
| No | 23.97% | 507 |
| Total | | 2,115 |

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Kentucky Classroom Teacher Survey

## Q29 What improvements would you suggest for the allocation of instructional resources for the classroom? (Optional)

Answered: 796   Skipped: 2,112

Kentucky Classroom Teacher Survey

## Q30 Any additional comments? (Optional)

Answered: 266   Skipped: 2,642

Kentucky Principal Survey

## Q1 What type of school do you oversee?

Answered: 160    Skipped: 0
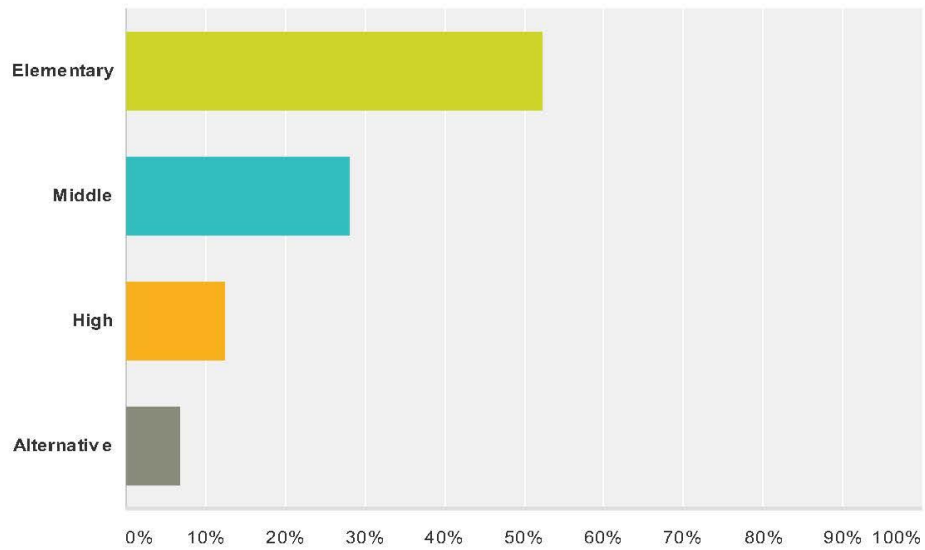


| Answer Choices | Responses | |
|---|---|---|
| Elementary | **52.50%** | 84 |
| Middle | **28.13%** | 45 |
| High | **12.50%** | 20 |
| Alternative | **6.88%** | 11 |
| Total | | 160 |

Kentucky Principal Survey

## Q2 Years of experience in current position:

Answered: 160    Skipped: 0
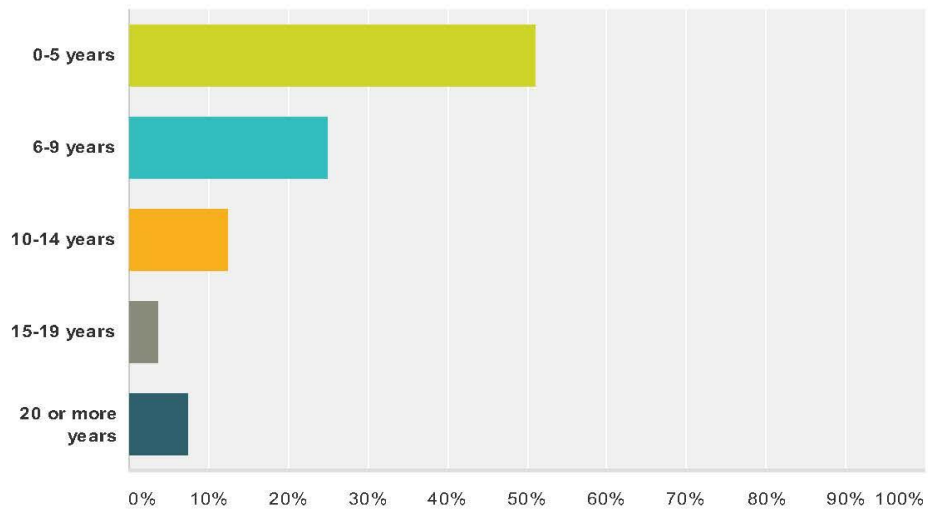


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | 51.25% | 82 |
| 6-9 years | 25.00% | 40 |
| 10-14 years | 12.50% | 20 |
| 15-19 years | 3.75% | 6 |
| 20 or more years | 7.50% | 12 |
| Total | | 160 |

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Kentucky Principal Survey

## Q3 Total years of experience as a principal:

Answered: 160    Skipped: 0
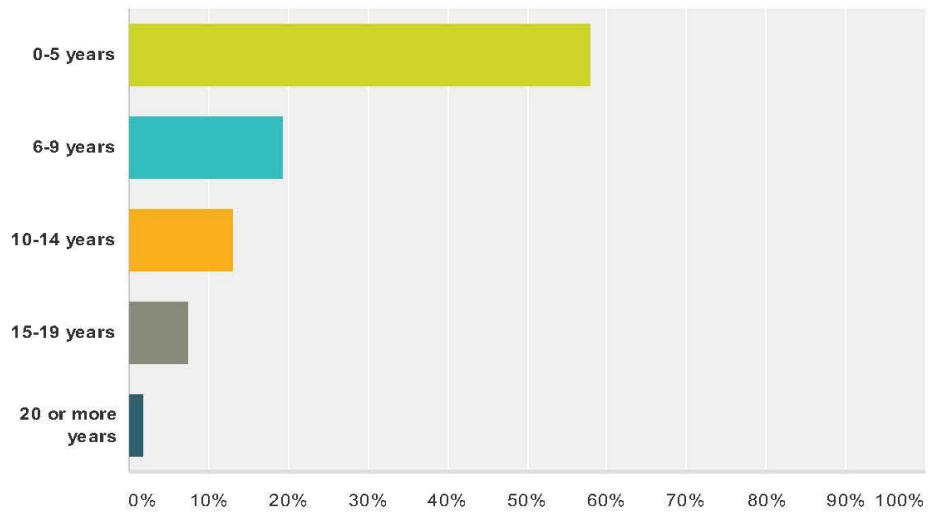


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | **58.13%** | 93 |
| 6-9 years | **19.38%** | 31 |
| 10-14 years | **13.13%** | 21 |
| 15-19 years | **7.50%** | 12 |
| 20 or more years | **1.88%** | 3 |
| **Total** | | **160** |

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Kentucky Principal Survey

## Q4 Total years of experience:

Answered: 160    Skipped: 0
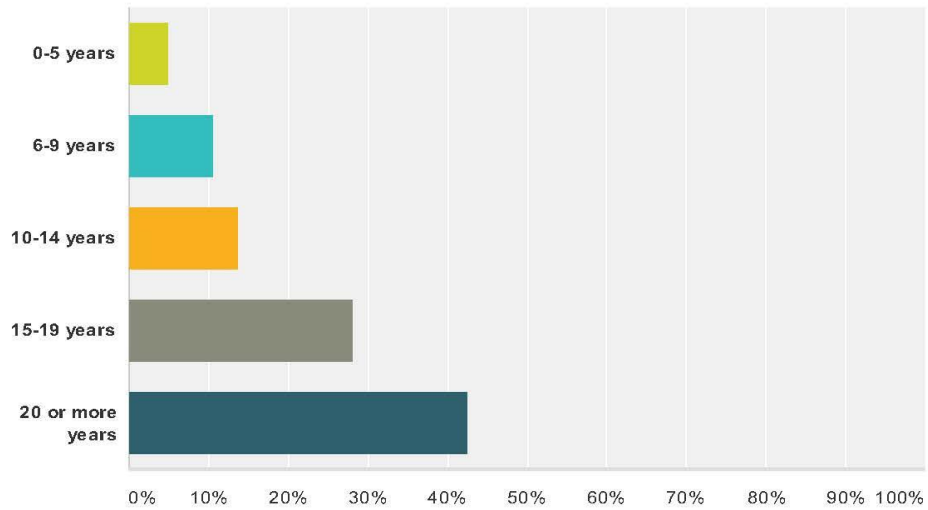


| Answer Choices | Responses | |
|---|---|---|
| 0-5 years | 5.00% | 8 |
| 6-9 years | 10.63% | 17 |
| 10-14 years | 13.75% | 22 |
| 15-19 years | 28.13% | 45 |
| 20 or more years | 42.50% | 68 |
| **Total** | | **160** |

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Kentucky Principal Survey

## Q5 Please rate how strongly you agree or disagree with the following statements about instructional resources in your school. (i.e.: Textbooks, iPads/Tablets, Printed Materials, Workbooks, Online Resources, Multi-Media Information, etc.).

Answered: 95    Skipped: 65
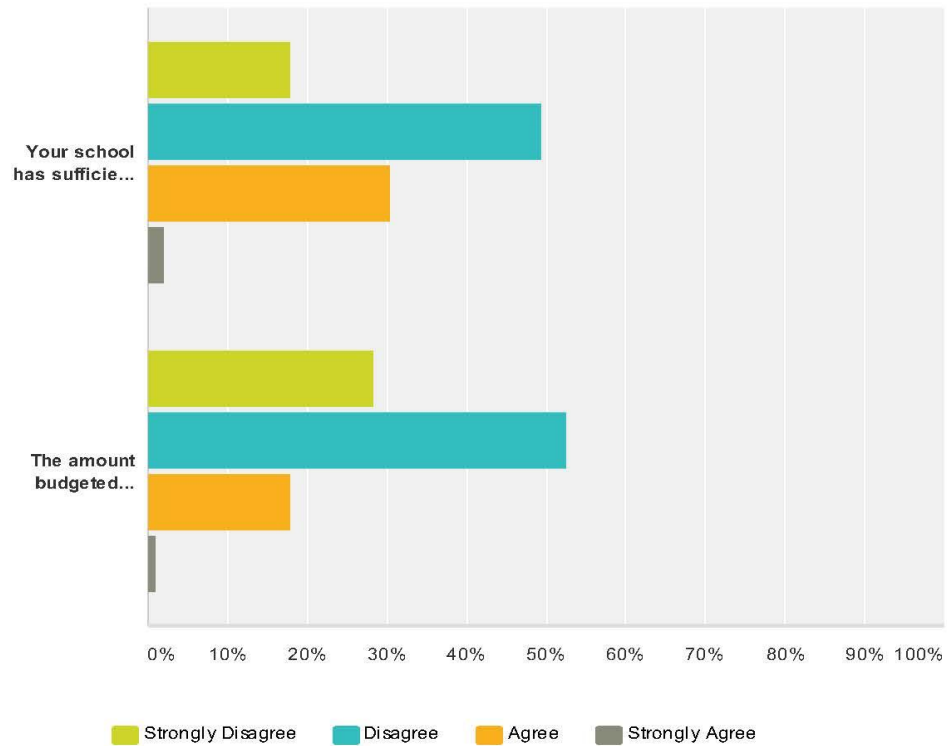


| | Strongly Disagree | Disagree | Agree | Strongly Agree | Total |
|---|---|---|---|---|---|
| Your school has sufficient instructional resources. | 17.89% 17 | 49.47% 47 | 30.53% 29 | 2.11% 2 | 95 |
| The amount budgeted annually is sufficient to meet the school's needs for instructional resources. | 28.42% 27 | 52.63% 50 | 17.89% 17 | 1.05% 1 | 95 |

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Kentucky Principal Survey

## Q6 For the previous two school years (2011-2012 and 2012-2013), please identify the school's budgeted amount for instructional resources. (Whole numbers only. No commas, decimals, or dollar symbols. Ex. 110000)

Answered: 95    Skipped: 65

| Answer Choices | Responses | |
|---|---|---|
| 2011-2012 School Year Amount | 100.00% | 95 |
| 2012-2013 School Year Amount | 100.00% | 95 |

Kentucky Principal Survey

## Q7 For the previous two school years (2011-2012 and 2012-2013), please identify the actual amount expended by the school for instructional resources. (Whole numbers only. No commas, decimals, or dollar symbols. Ex. 110000)

Answered: 95   Skipped: 65

| Answer Choices | Responses | |
|---|---|---|
| 2011-2012 School Year Amount | 100.00% | 95 |
| 2012-2013 School Year Amount | 100.00% | 95 |

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Kentucky Principal Survey

## Q8 If the total amount budgeted was not spent in one or both of the previous two school years, did the school carry over these funds into the next budget year for a specific purpose?

Answered: 95    Skipped: 65
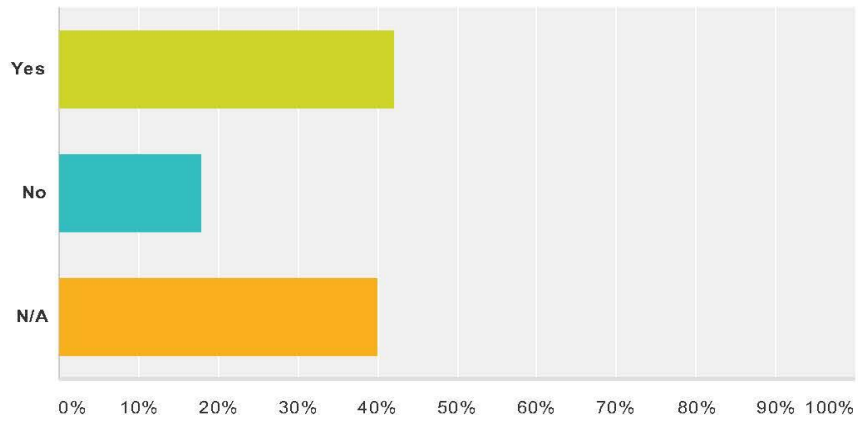


| Answer Choices | Responses | |
|---|---|---|
| Yes | 42.11% | 40 |
| No | 17.89% | 17 |
| N/A | 40.00% | 38 |
| **Total** | | **95** |

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Kentucky Principal Survey

## Q9 What was the specific purpose of the carryover amounts from the instructional resources budget?

Answered: 40    Skipped: 120

Kentucky Principal Survey

## Q10 What form(s) of instructional resources is the school currently providing its student population? (Mark all that apply.)

Answered: 89    Skipped: 71
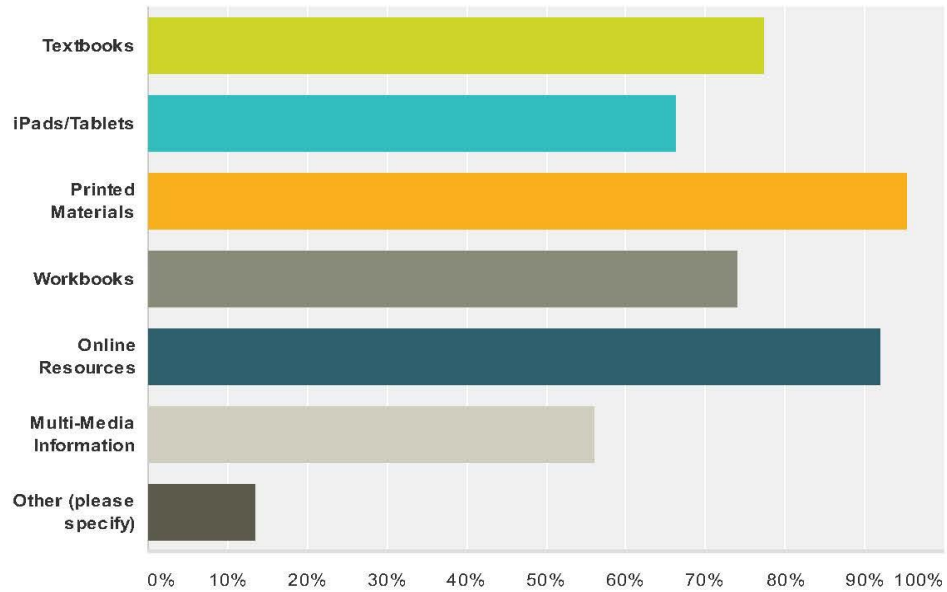


| Answer Choices | Responses | |
|---|---|---|
| Textbooks | 77.53% | 69 |
| iPads/Tablets | 66.29% | 59 |
| Printed Materials | 95.51% | 85 |
| Workbooks | 74.16% | 66 |
| Online Resources | 92.13% | 82 |
| Multi-Media Information | 56.18% | 50 |
| Other (please specify) | 13.48% | 12 |
| **Total Respondents: 89** | | |

Kentucky Principal Survey

## Q11 Are these instructional resources available for use only in the school or are these resources, as applicable, available for students to take home?

Answered: 89   Skipped: 71

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## Kentucky Principal Survey



Legend: Only in school | Both in school and at home | N/A

| | Only in school | Both in school and at home | N/A | Total |
|---|---|---|---|---|
| Textbooks | **32.58%** 29 | **60.67%** 54 | **6.74%** 6 | 89 |
| iPads/Tablets | **69.66%** 62 | **4.49%** 4 | **25.84%** 23 | 89 |
| Printed Materials | **6.74%** 6 | **91.01%** 81 | **2.25%** 2 | 89 |
| Workbooks | **19.10%** 17 | **67.42%** 60 | **13.48%** 12 | 89 |
| Online Resources | **7.87%** 7 | **88.76%** 79 | **3.37%** 3 | 89 |
| Multi-Media Information | **25.84%** 23 | **43.82%** 39 | **30.34%** 27 | 89 |
| Other | **17.98%** 16 | **16.85%** 15 | **65.17%** 58 | 89 |

Kentucky Principal Survey

## Q12 What is the average age (in years) of the following instructional resources currently being provided:

Answered: 89  Skipped: 71

Kentucky Principal Survey

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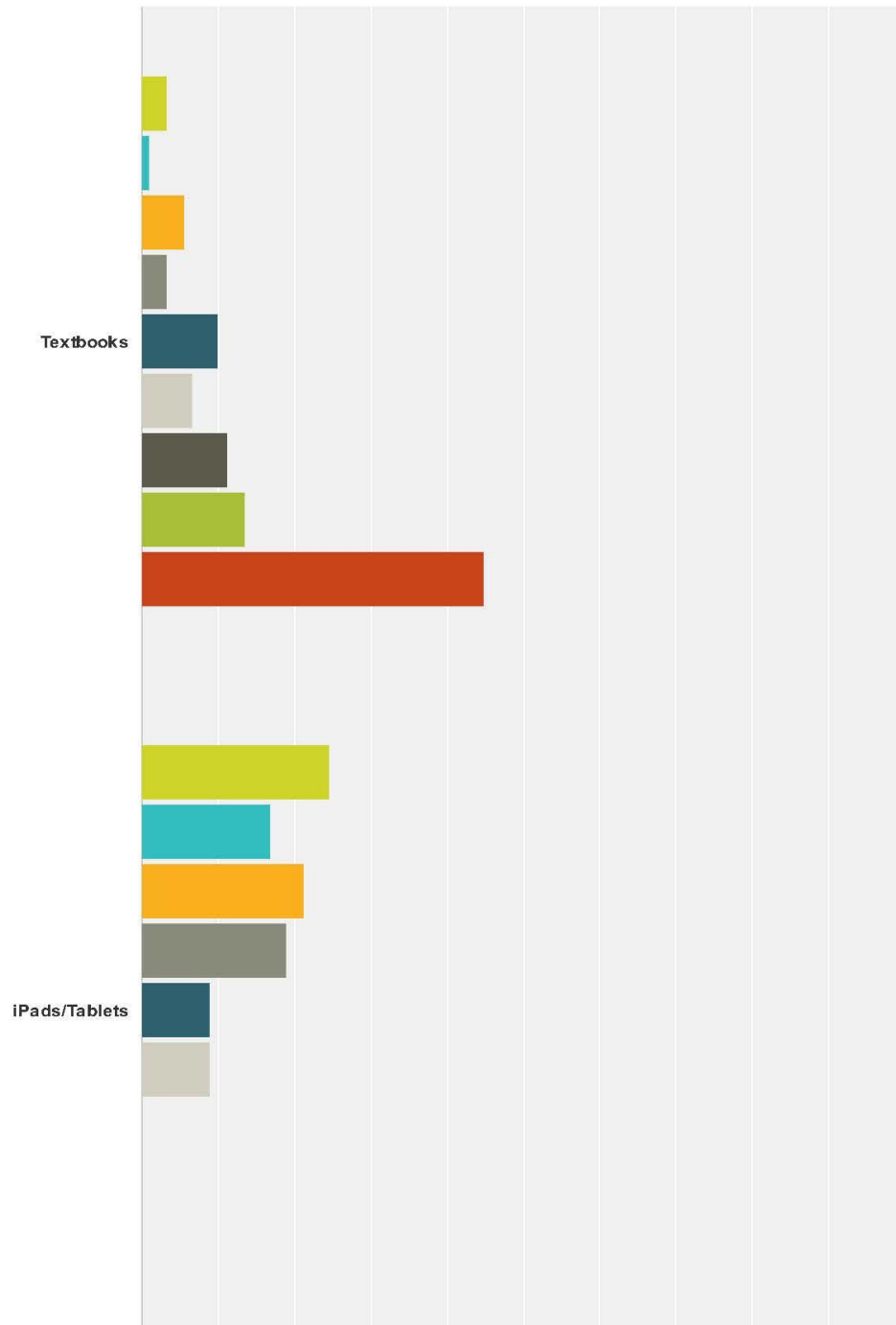
### Kentucky Principal Survey
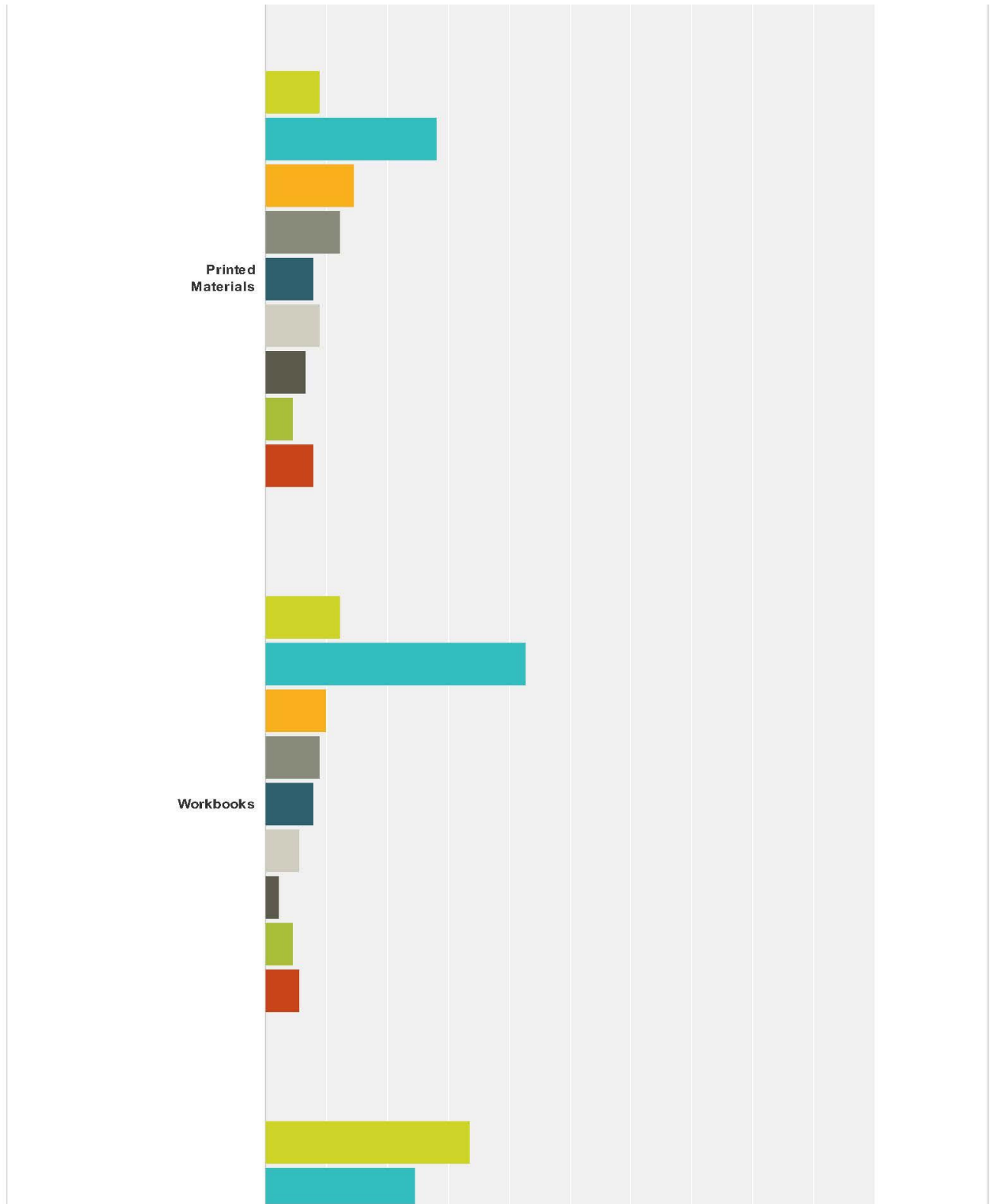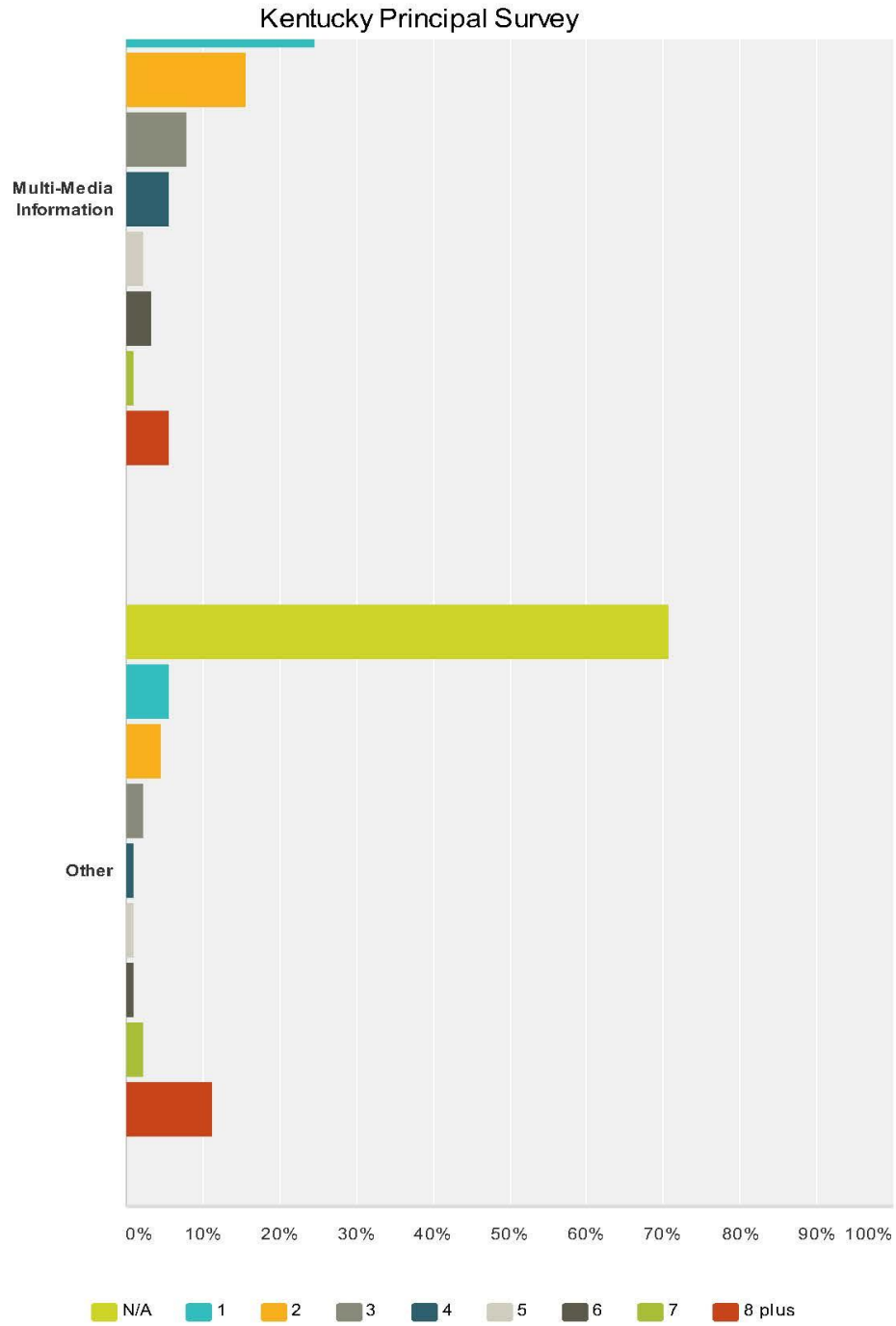


| | N/A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 plus | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Textbooks | **3.37%** 3 | **1.12%** 1 | **5.62%** 5 | **3.37%** 3 | **10.11%** 9 | **6.74%** 6 | **11.24%** 10 | **13.48%** 12 | **44.94%** 40 | 89 |
| iPads/Tablets | **24.72%** 22 | **16.85%** 15 | **21.35%** 19 | **19.10%** 17 | **8.99%** 8 | **8.99%** 8 | **0.00%** 0 | **0.00%** 0 | **0.00%** 0 | 89 |

Kentucky Principal Survey

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Printed Materials | **8.99%** 8 | **28.09%** 25 | **14.61%** 13 | **12.36%** 11 | **7.87%** 7 | **8.99%** 8 | **6.74%** 6 | **4.49%** 4 | **7.87%** 7 | 89 |
| Workbooks | **12.36%** 11 | **42.70%** 38 | **10.11%** 9 | **8.99%** 8 | **7.87%** 7 | **5.62%** 5 | **2.25%** 2 | **4.49%** 4 | **5.62%** 5 | 89 |
| Multi-Media Information | **33.71%** 30 | **24.72%** 22 | **15.73%** 14 | **7.87%** 7 | **5.62%** 5 | **2.25%** 2 | **3.37%** 3 | **1.12%** 1 | **5.62%** 5 | 89 |
| Other | **70.79%** 63 | **5.62%** 5 | **4.49%** 4 | **2.25%** 2 | **1.12%** 1 | **1.12%** 1 | **1.12%** 1 | **2.25%** 2 | **11.24%** 10 | 89 |

Kentucky Principal Survey



**Q13 What is your school's target replacement age for the following instructional resources?**

Answered: 89    Skipped: 71

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### Kentucky Principal Survey



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## Kentucky Principal Survey



| | N/A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 plus | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Textbooks | 26.97% 24 | 1.12% 1 | 3.37% 3 | 3.37% 3 | 4.49% 4 | 20.22% 18 | 8.99% 8 | 6.74% 6 | 24.72% 22 | 89 |
| iPads/Tablets | 41.57% 37 | 2.25% 2 | 6.74% 6 | 11.24% 10 | 5.62% 5 | 19.10% 17 | 5.62% 5 | 2.25% 2 | 5.62% 5 | 89 |
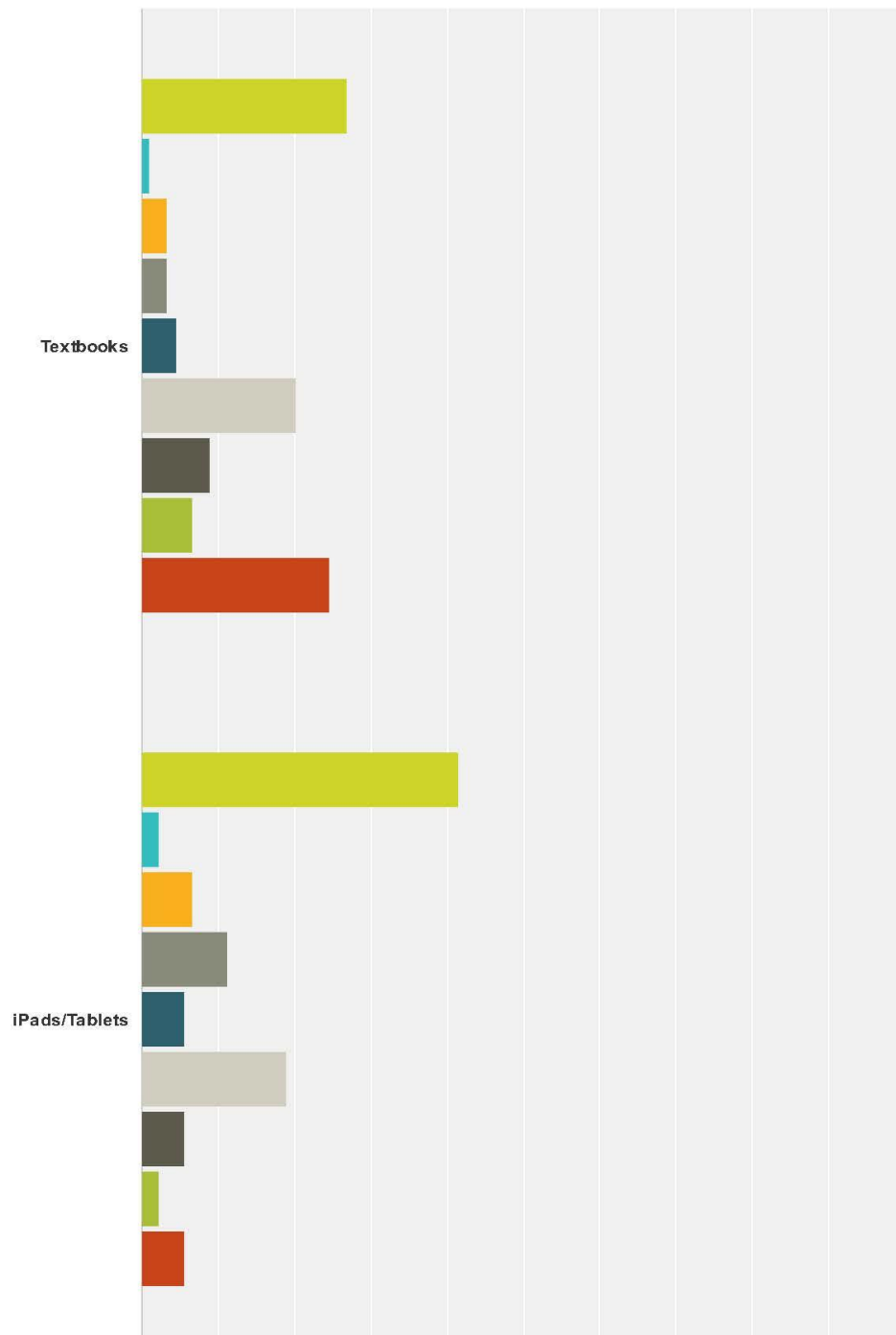
### Kentucky Principal Survey

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Printed Materials | 25.84%<br>23 | 29.21%<br>26 | 12.36%<br>11 | 5.62%<br>5 | 4.49%<br>4 | 12.36%<br>11 | 4.49%<br>4 | 0.00%<br>0 | 5.62%<br>5 | 89 |
| Workbooks | 19.10%<br>17 | 51.69%<br>46 | 7.87%<br>7 | 3.37%<br>3 | 2.25%<br>2 | 8.99%<br>8 | 2.25%<br>2 | 0.00%<br>0 | 4.49%<br>4 | 89 |
| Multi-Media Information | 44.94%<br>40 | 28.09%<br>25 | 6.74%<br>6 | 5.62%<br>5 | 1.12%<br>1 | 6.74%<br>6 | 1.12%<br>1 | 0.00%<br>0 | 5.62%<br>5 | 89 |
| Other | 76.40%<br>68 | 6.74%<br>6 | 4.49%<br>4 | 0.00%<br>0 | 0.00%<br>0 | 2.25%<br>2 | 0.00%<br>0 | 0.00%<br>0 | 10.11%<br>9 | 89 |

Kentucky Principal Survey



**Q14 Please indicate all forms of instructional resources that your school currently plans to provide for its student population in the next three years? (Mark all the apply.)**

Answered: 89    Skipped: 71
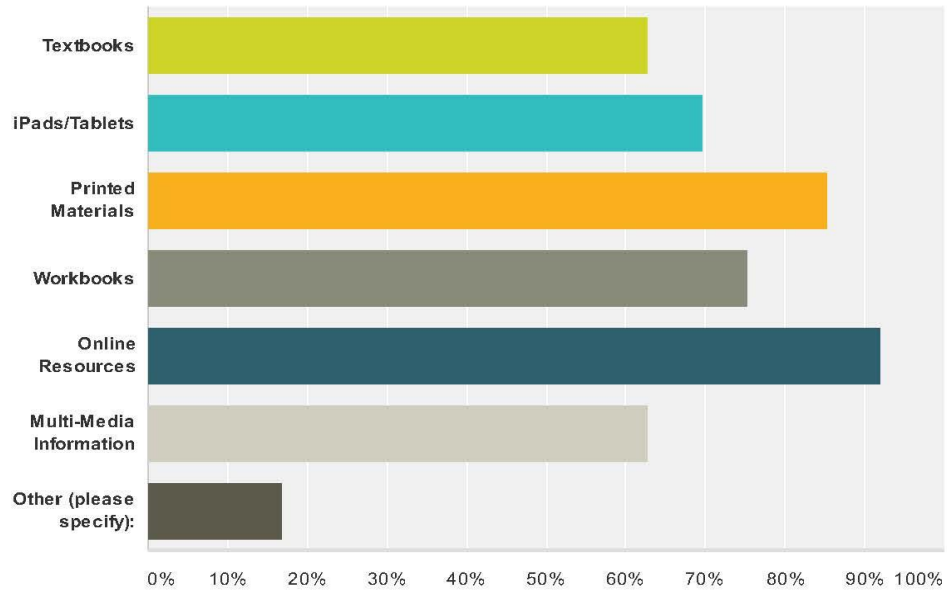
| Answer Choices | Responses | |
|---|---|---|
| Textbooks | 62.92% | 56 |
| iPads/Tablets | 69.66% | 62 |
| Printed Materials | 85.39% | 76 |
| Workbooks | 75.28% | 67 |
| Online Resources | 92.13% | 82 |
| Multi-Media Information | 62.92% | 56 |
| Other (please specify): | 16.85% | 15 |
| Total Respondents: 89 | | |

Kentucky Principal Survey

## Q15 Does your school district's Central Office provide guidance as to how Instructional Resource expenses should be classified?

Answered: 89    Skipped: 71
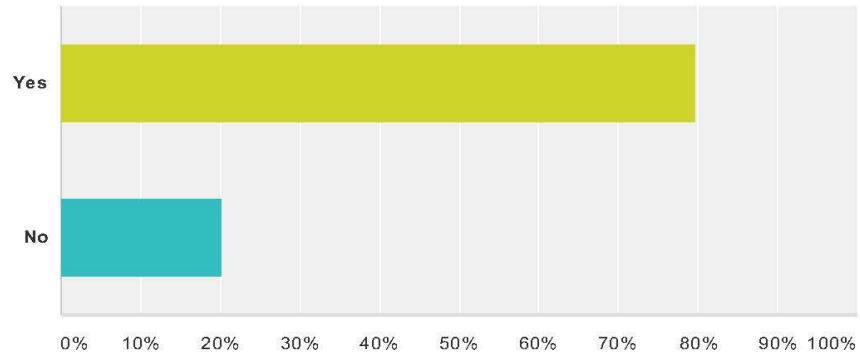


| Answer Choices | Responses | |
|---|---|---|
| Yes | 79.78% | 71 |
| No | 20.22% | 18 |
| Total | | 89 |

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Kentucky Principal Survey

## Q16 Are costs associated with materials downloaded to electronic devices coded as Technology expenses or Instructional Resource expenses?
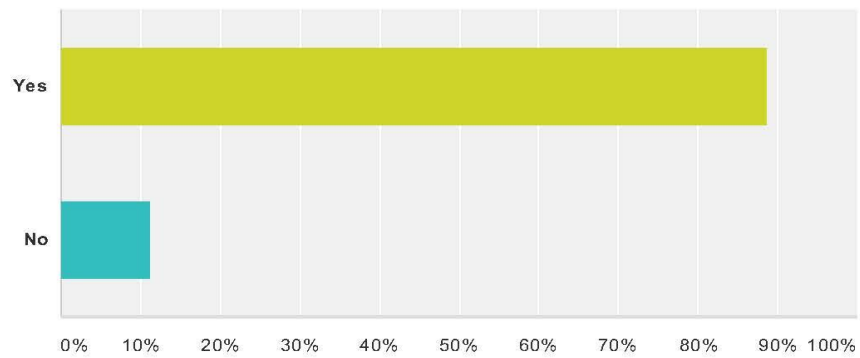
Answered: 89    Skipped: 71
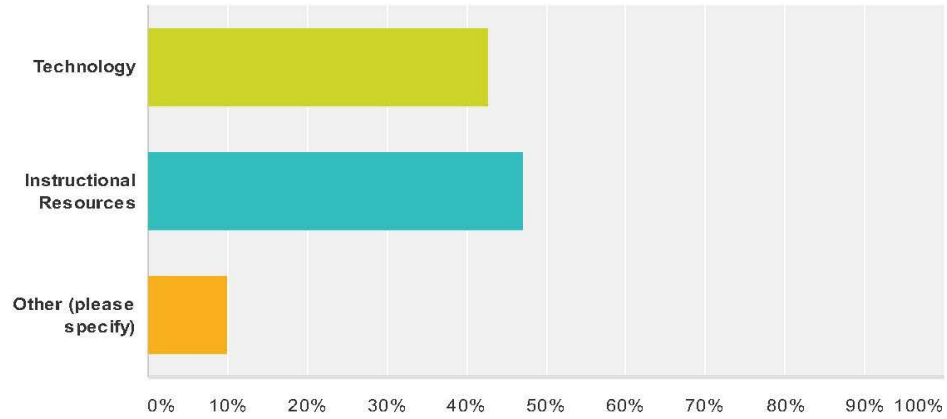


| Answer Choices | Responses | |
|---|---|---|
| Technology | 42.70% | 38 |
| Instructional Resources | 47.19% | 42 |
| Other (please specify) | 10.11% | 9 |
| Total | | 89 |

Kentucky Principal Survey

## Q17 Does your school district monitor the individual school's use of budgeted instructional resource funds?

Answered: 89   Skipped: 71



| Answer Choices | Responses | |
|---|---|---|
| Yes | 88.76% | 79 |
| No | 11.24% | 10 |
| Total | | 89 |

Kentucky Principal Survey

## Q18 How does your school district monitor an individual school's use of budgeted instructional resource funds? (Mark all that apply.)

Answered: 79    Skipped: 81
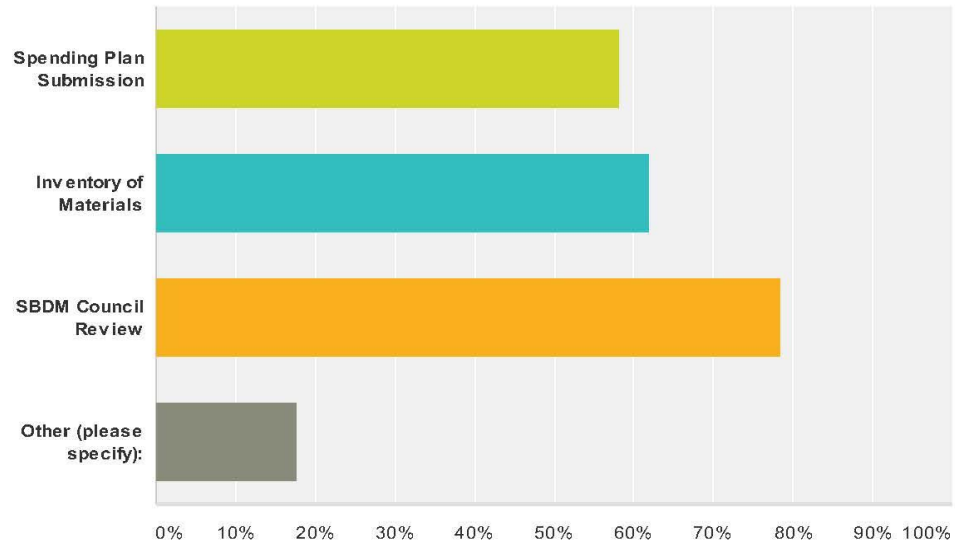


| Answer Choices | Responses | |
|---|---|---|
| Spending Plan Submission | **58.23%** | 46 |
| Inventory of Materials | **62.03%** | 49 |
| SBDM Council Review | **78.48%** | 62 |
| Other (please specify): | **17.72%** | 14 |
| **Total Respondents: 79** | | |

Kentucky Principal Survey

## Q19 Are classroom teachers annually provided a stipend or classroom budget to make discretionary purchases for their classrooms?
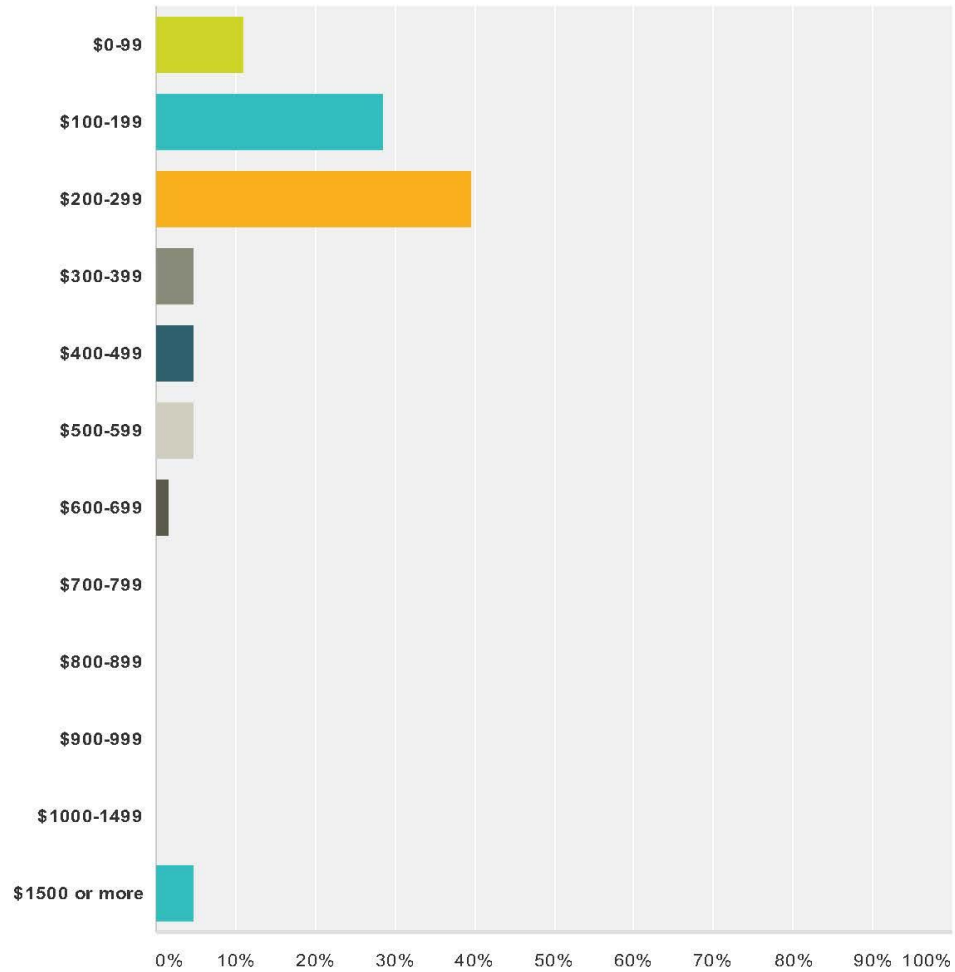
Answered: 89    Skipped: 71
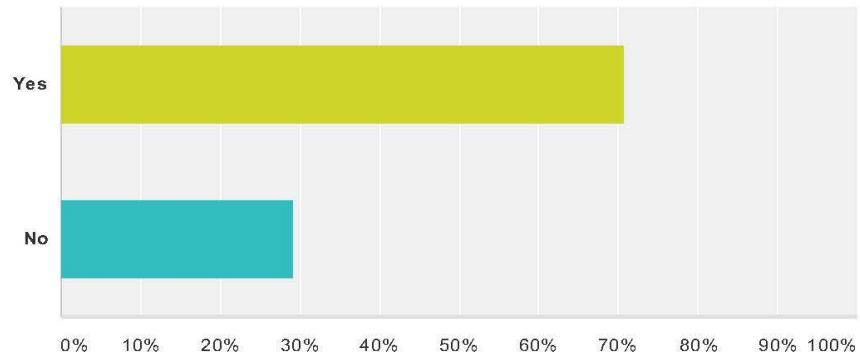


| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 70.79% | 63 |
| No | 29.21% | 26 |
| Total | | 89 |

Kentucky Principal Survey

## Q20 Please indicate the stipend or budget amount teachers received for the current school year (2013-2014) based on the following ranges:

Answered: 63    Skipped: 97



| Answer Choices | Responses | |
|---|---|---|
| $0-99 | 11.11% | 7 |
| $100-199 | 28.57% | 18 |
| $200-299 | 39.68% | 25 |
| $300-399 | 4.76% | 3 |
| $400-499 | 4.76% | 3 |

## Kentucky Principal Survey

| | | |
|---|---|---|
| $500-599 | **4.76%** | 3 |
| $600-699 | **1.59%** | 1 |
| $700-799 | **0.00%** | 0 |
| $800-899 | **0.00%** | 0 |
| $900-999 | **0.00%** | 0 |
| $1000-1499 | **0.00%** | 0 |
| $1500 or more | **4.76%** | 3 |
| **Total** | | **63** |

Kentucky Principal Survey

## Q21 Compared with previous stipends/budgets received, did the amount provided for the 2013-2014 school year:
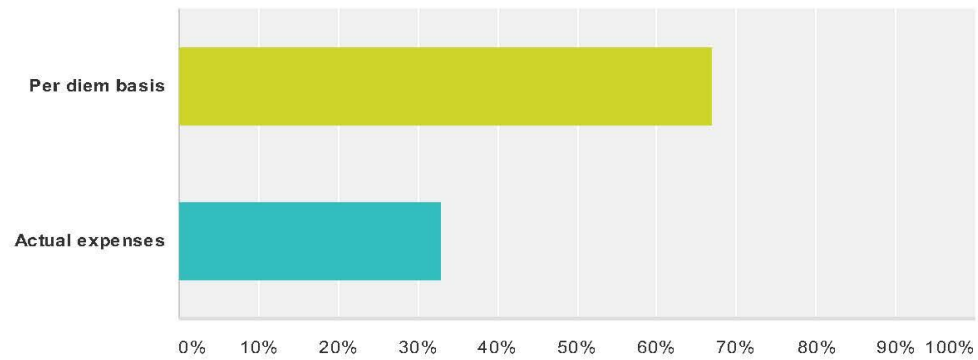
Answered: 63   Skipped: 97
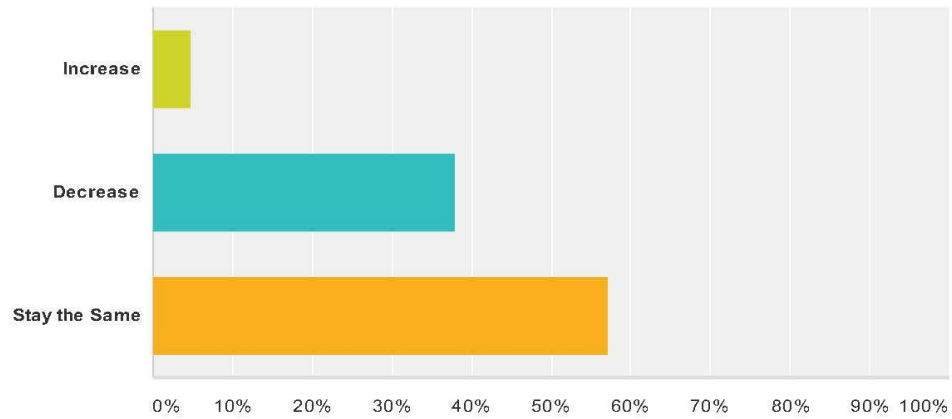


| Answer Choices | Responses | |
| --- | --- | --- |
| Increase | 4.76% | 3 |
| Decrease | 38.10% | 24 |
| Stay the Same | 57.14% | 36 |
| Total | | 63 |

Kentucky Principal Survey

## Q22 How does your district reimburse for meals while you are on travel status on behalf of the district?
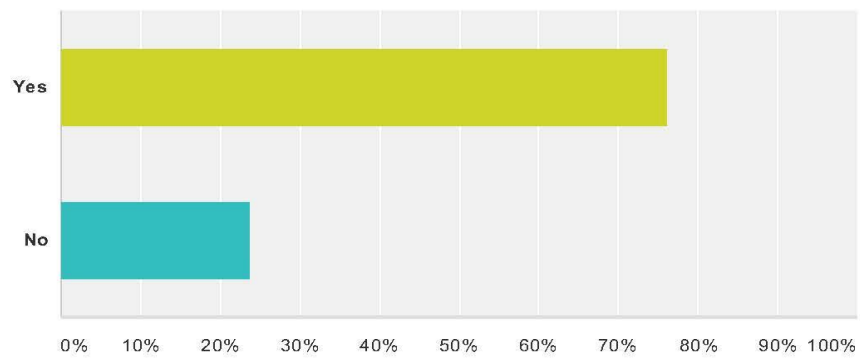
Answered: 88   Skipped: 72

| Answer Choices | | Responses | |
|---|---|---|---|
| Per diem basis | | **67.05%** | 59 |
| Actual expenses | | **32.95%** | 29 |
| **Total** | | | **88** |

Kentucky Principal Survey

## Q23 In order to be reimbursed for a meal by the district, does travel have to be overnight?

Answered: 88    Skipped: 72



| Answer Choices | Responses | |
| --- | --- | --- |
| Yes | 76.14% | 67 |
| No | 23.86% | 21 |
| Total | | 88 |

Kentucky Principal Survey

**Q24 Any additional comments (Optional):**

Answered: 8    Skipped: 152

**JEFFERSON COUNTY PUBLIC SCHOOL DISTRICT RESPONSE**

Jefferson County
Public Schools
**Shaping the Future**

May 20, 2014

Honorable Adam Edelen
Auditor of Public Accounts
209 St. Clair Street
Frankfort, KY  40601-1817

RE:  Preliminary Response to Management Performance Review

Dear Mr. Edelen:

Jefferson County Public Schools (JCPS) and the Jefferson County Board of Education (JCBE) took a bold step on our path of continuous improvement by enlisting the expertise of your office in April 2013. For the past year, we have worked together so that your office could thoroughly evaluate JCPS resources, policies, and procedures to ensure they are aligned with our vision of all students graduating prepared. It is clear we share the same core belief — that our children must be the center of the universe.

On behalf of JCPS, we would like to express our appreciation to you and your staff for the professional manner in which your examination was conducted. Please accept this letter as JCPS' initial response to the detailed draft report prepared by your office. JCPS acknowledges the findings and recommendations, and we would like to take this opportunity to describe some of the substantial improvements we have already implemented or are in the process of implementing.

We will be reviewing your report in greater depth recognizing the opportunities available for improvement and making recommendations to the JCBE. Our actions over the last three years demonstrate our commitment to progress, productivity, and transparency.

- In providing benchmarking data, you have used fiscal year 2010-11. This provides a great baseline from which to track our financial commitment to instruction. Instructional costs have increased $24 million since 2011, and instructional staff support increased $19 million (Data from JCPS 2013 AFR). Increasing the spending directed to schools is a success measure in the district's *Strategic Plan Vision 2015*.

- The JCBE is currently undergoing a complete review of JCPS policies to ensure they provide specific guidance. A full accounting and review of all procedures and guidelines is a necessary and complimentary step.

- One of the focus areas in our Strategic Plan is to ensure all schools are staffed, resourced, and supported. To do that, we reduced Central Office staff, froze Central Office positions, and froze administrative salaries for 2012-13. Your report provides a road map for continuous improvement in this area.

- The issue of sanitizing and disposing of technology equipment came up during the review. As a result of this inquiry, we have implemented a process to ensure all equipment is sanitized before disposal through auction or repurpose. We will also enhance and define policies and procedures surrounding sanitizing and disposal of Information Technology (IT) equipment.

- We are in the process of hiring a new Director of Internal Audit and Investigations. Internal Audit should be independent and have the responsibility of managing the fraud hotline complaints. We will enhance our existing Board Policy 04.41 Fraud Prevention and submit changes for Board approval.

- During our 2014-15 budget presentation, we notified the JCBE we will eliminate take-home vehicles. As stated in Board Policy 03.1321 Use of School Property, we will develop written procedures related to the assignment and usage of JCPS-owned vehicles.

- Of the 45 findings, 16 were classified as Information Technology. Many of the technology findings relate to software or network systems controlled by the Kentucky Department of Education (KDE). We will work closely with KDE to investigate areas of potential improvement and to employ a risk-based approach to ensure protective measures are implemented where warranted.

We are drafting a finding-by-finding response to your examination, which will be provided to your office and to the public within 60 days of receiving your final report. We will also present to the JCBE for approval a recommended implementation plan and a progress reporting schedule.

Your recommendations will better our operations and help us achieve our goal of becoming the best urban school district in the nation. Thank you for partnering with JCPS and the JCBE to ensure our resources, policies, and procedures all support student achievement to the highest possible level.

Sincerely,

Donna M. Hargens, Ed.D.
Superintendent

DMH:scf

c: Jefferson County Board of Education Members
   Brian Lykins, Executive Director, Office of Technology and Special Audits