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**REVIEW AND UPDATE
OF THE
1998 COMPREHENSIVE STUDY
OF
NORTH KINGSTOWN SCHOOL OPERATIONS**

Prepared for

THE NORTH KINGSTOWN TOWN COUNCIL

Prepared by

B&E CONSULTING LLC

MARCH 2006

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SCOPE OF ENGAGEMENT:

This review and update of the 1998 “*Comprehensive Study of the North Kingstown School Operations*” conducted by Bacon & Edge P.C. was completed by B&E Consulting LLC (B&E) (formerly the consulting division of Bacon & Edge P.C.). This review and update was completed at the request of the North Kingstown Town Council (NKTC) and contains B&E’s findings, recommendations for improvement and areas that should be reviewed further.

The scope of the engagement was delineated as follows:

- 1) A review and update of the Bacon & Edge’s 1998 “*Comprehensive Study of the North Kingstown School Operations*” to determine the current status of the implementation of the 1998 recommendations;
- 2) A follow-up review of the adequacy of the School District’s management and control systems and the utilization of School District personnel resources and capital assets to include:
 - a) Opportunities for outsourcing,
 - b) The School’s purchasing policies,
 - c) Recent roofing project purchase orders,
 - d) The School’s field maintenance contract.
- 3) The preparation of a written report that will present all findings, updated recommendations for further improvements to school operations and other areas that should be reviewed in more detail in the future.

In general, B&E found that the North Kingstown School District (NKSD) provides an educational program which is in compliance with the mandates of the state and local Basic Education Plans (BEP). Further, B&E determined that the NKSD did implement many of the recommendations made in the 1998 Bacon & Edge report, while some of the recommendations were either not implemented for cause, or given today’s education environment, should not be implemented. This report will update the status of each of the findings made in the 1998 report and address the other issues identified by the Council.

Although B&E has made many new recommendations and identified additional areas for improvement, B&E realizes that any changes in the existing operations and educational programs are the sole responsibility of the North Kingstown School Committee (NKSC) under Title 16 of the General Laws of Rhode Island.

REVIEW AND UPDATE OF THE BACON & EDGE 1998 RECOMMENDATIONS

The findings for the following section of this report will be presented in the same order as the original report in 1998. To make this section easier to follow B&E has provided the previous comments and recommendations (in bold) followed by the current observations, comments, findings, and/or recommendations.

Program Study Recommendations

Policy Manual:

The 1998 Bacon & Edge Report was very critical of the School Committee Policy Manual on a number of levels that included, among others, seriously outdated policies, whole sections with few or limited policies and policies that had questionable legal status. In addition, it was obvious that the Manual had not been reviewed on a regular basis.

The recommendations were based upon a review of the existing Manual at that time without the benefit of knowing the impact that an outdated and incomplete Policy Manual had on the operation of the School Department. As a result of B&E's present review, B&E has observed that the lack of a complete and current Policy Manual has greatly impacted the efficiency and decision making of the NKSC during the past few years.

Since the Bacon & Edge Report, and in partial response to the report, a consultant was hired to help revise the Manual. The overall appearance of the Manual is greatly improved and many of the extremely old policies removed. However, many of the original Bacon & Edge recommendations were not addressed. Based on discussions with the Director of Administrative Services (DAS), the consultant only prepares policies on request and is not under contract to assure that the NK Policy Manual is complete and meets the necessary obligations required under the law.

Under RI General Law 16-2-32 School Committees are required to have a Policy Manual which contains all of their policies in writing, properly indexed and kept up to date. The Policy Manual is meant to be a source used to govern the school system. B&E Consulting finds that, in its opinion, the North Kingstown School Committee has failed to meet its obligations under this Law.

Recommendation: B&E recommends that the NK School Committee takes immediate action and direct the Superintendent to develop policies for the School Committee that will place the Committee in compliance with General Law 16-2-32. This can be addressed in-house with administrative staff, by the existing consultant, or by advertising for a R. I. firm that has expertise and experience in this area.

The update/recommendations below will help to focus the School Committee members on both the deficiencies and the needs of their present Policy Manual.

- **The NKSC follow through with its Objective # 6 (as cited in NKSD's objectives for the school year 1997-1998) and take a pro-active role in reviewing and revising its current Policy Manual during the 1997-98 school year.**

Update: After the 1998 Report, the NKSC hired a consultant to help the Committee and Administration revise the Policy Manual. Although many improvements were made and many old policies eliminated or revised, the Policy Manual still needs a significant amount of work and must be reviewed and updated on a regular basis.

- **The NKSC, as a matter of practice, review pertinent existing policies prior to making operation decisions in order to avoid making decisions that are inconsistent with or in direct opposition to its pre-determined policies.**

Update: This recommendation relates to the individual responsibility of each School Committee Member and Superintendent to review the policy manual prior to operational decisions. B&E found no evidence that indicates non-compliance with this recommendation, however, a limited review of the policy manual should have resulted in School Committee members noticing that many policies were inadequate or missing.

Further Observation: A review of recent minutes of NKSC meetings indicates that progress through agenda items (even ones as simple as approving the minutes of prior meetings) is extremely slow and often results in an unproductive use of time. These verbal roadblocks result in long delays in getting important business completed (often agenda items are postponed from meeting to meeting without action taken). The reason for the delays and waste of time seems to be a failure of the NKSC to halt non-productive discussion and proceed to a vote.

New Recommendation: A revision of NKSC Policy Manual, with regards to the conduct of NKSC meetings, should be undertaken with the goal being to increase meeting productivity, improve cooperation, and better attend to the important business of running the District.

- **The NKSC increase the total number of appropriate pre-determined policies per section according to the NSBA's Code Finders Index. Such action would greatly reduce perceptions that the Committee micro-manages the school department.**

Update: This recommendation remains appropriate. For example, the Finance section in the National School Board Association's (NSBA) Code Finders Index has 64 suggested policy titles. North Kingston's Policy Manual has only 7 Finance policies.

Financial operations are a major concern of committee members, the Town Council, Taxpayers Groups and the Media, and it would be prudent to greatly expand the policies in this section to improve controls in the finance section and prevent even the perception of financial mismanagement.

The NKSC policy manual's section on Facilities has only 1 policy and an accompanying "administrative policy", while the NSBA's Code Index suggests 34 possible policies. Two of the suggested policies of NSBA are FCA (Combining of Schools) and FCB (Closing of Schools). If appropriate detailed policies were available in the FY 2006 the process of redistricting and closing of a school might have reduced the anxieties of parents and the controversy that arose around these issues.

The section on Negotiations in the NSBA's Code Finders Index has 21 suggested policies. The NKSC policy manual has none. With no policies regarding Negotiations it could be argued that the NKSC negotiates each time without an agreed upon set of policies and procedures to follow that have the complete support of the School Committee.

New Recommendation: The NKSC should establish a sub-committee to address these and other weaknesses in the District's policy manual. The sub-committee, working with the administration and consultants, should present changes and recommendations to the full NKSC as they are completed (and not wait for a complete rewrite of the policy manual) so that some progress can be achieved immediately for those policies that have been specifically addressed above.

- **The NKSC establish an ongoing policy manual revisions, replacements and additions policy to ensure that their Policy Manual is always current.**

Update: It is obvious that the NKSC policy manual is not always current. While a number of the policy manual entries were written, revised, or amended after the original Bacon & Edge report, there are still a significant number of policies that are older than 10 years and show no evidence of revision, amendment or reaffirmation.

For example NKSC policy IGBA and its accompanying "administrative regulations" are both dated July 19, 1977. This policy concerns the education of special needs students and was approved by the then NKSC shortly after the first federal law was passed in 1976. Thirty years have passed with a number of revisions occurring in the federal law and regulations.

The latest federal reauthorization took place last year with final regulations to be completed this spring. The duties and responsibilities of school committees and administration in the new law are much different, but these changes are not reflected in the NKSC policy manual.

Additionally, the policy section on Personnel has a number of policies, but many have approval dates older than 10 years. There has been an administrative change in the District with the addition of a full time Human Resource Director. B&E determined that some of the policies predate that appointment.

Another area that should be addressed is the Table of Organization (dated February, 1999). This listing of the Superintendent and Principals includes many principals who no longer work for the NKSD. A proper Table of Organization reflects all current administrative positions as a minimum and shows lines of authority and communication between all positions named.

Also, B&E noted that the policy and “administrative regulation” for High School Department Heads are both dated 6/7/65, the last time they were reaffirmed and revised. The Teacher Evaluation Policy (GCN) is dated 4/22/74. Changes in both of these areas have occurred, but the policy manual does not recognize the changes.

Some policies, if not consistent with current practice, could lead to costly litigation. For example, the District’s employee contracts with Teachers and Non-Certified personnel are not made part of the policy manual by reference. Therefore, existing outdated policies concerning such employees are often not enforceable.

Lastly, Policy IK (Recognition of Student Achievement) in the Instruction Section was last reaffirmed on 8/7/89, but its accompanying “administrative regulation” which deals with High School Rank in Class is dated 10/23/79. The policy and regulation do not recognize existing changes in the High School Curriculum and changes in RI High School Graduation Requirements.

New Recommendation: B&E recommends that all existing policies should be reaffirmed, revised or terminated on a five year review cycle or sooner as required by changes in federal and state law, contract negotiation, or local changes in school department operations.

Central Administration:

B&E reviewed the job descriptions and met with the 5 central administrators. From a review of the material provided and the one-on-one interviews with the administrators B&E developed the following recommendations:

- **Employee Benefits responsibilities be assigned to the Office of Human Resources.**

Update: B&E interviewed the employee who does the benefits work and her supervisor in the payroll and benefits section of the accounting offices. It is obvious that the supervisor of this section must deal on a daily basis with the Controller and the Director of Human Resources. In fact, to some extent, the supervisor reports to both individuals. B&E found that the current system works well therefore B&E withdraws this recommendation.

- **The Directorship Central Administrative Model presently in place be fully implemented when practicable.**

Update: The Model has been fully instituted with a Director of Human Resources and the Director of Technology appointment.

- **The span of control of the Director of Administrative Services (DAS) be reduced. This reduction can be implemented over time by assigning some administrative services to 3rd party administrators through competitive bidding at appropriate points. Further discussion of this topic will be addressed under other sections of this report.**

Update: The “span of control” of the DAS has been reduced somewhat with greater authority given to the other Directors (Human Resources, Curriculum and Technology) and the full assumption of the duties and responsibilities of these new director positions. B&E determined, however, that the North Kingstown DAS still has additional responsibilities that reach beyond the normal levels expected of a DAS. See the comments relating to outsourcing of student transportation and food services addressed later in this report.

- **Under the Directorship Model the responsibility for federal grants and state restrictive funding related to regular education should be assigned to the Director of Curriculum’s (DC) Office.**

Update: Recommendation adopted and implemented.

- **Under the Directorship Model the position of Director of Pupil Services (DPS) be re-named to that of Director of Special Education.**

Update: B&E believes that this recommendation was not accepted to the point that it is compliant with State law and regulation.

State regulation requires that there shall be a full time Special Education Director (see Section VIII, 2.0 of the Regulations of the Board of Regents for Elementary and Secondary Education Governing the Education of Students with Disabilities). The District's administration explained to B&E that they have a full time Director of Special Education (DSE), but assign other duties and responsibilities to the DSE and call him the DPS. B&E supports the strict interpretation of a full time Director of Special Education as presented in State regulations.

- **Ongoing in-service be given to interview teams as to the role of the Director of Human Resources (DHR) in the staffing process.**

Update: B&E found that the new role of the DHR in the staffing process has been properly communicated, greatly appreciated and well accepted by all individuals involved in the process.

- **Negotiation policies be developed by the NKSC that clarify the roles and responsibilities of School Committee members, administrative personnel, appropriate attorney(s), or other consultant(s).**

Update: There are still no policies in the NKSC Policy Manual with regards to Negotiations. (See comments relating to the policy manual earlier in this report)

- **School and Town government resolve their differences with regard to the Munis computer software. Failure to do so could result in duplication of effort and added costs to the taxpayers.**

Update: Previous differences have been resolved. Due to staffing changes on the Town side, discussions are presently taking place concerning the operation of the Munis Computer Software.

K-12 Instruction - General:

The following general curriculum recommendations were developed from B&E's overview of the NKSD. These recommendations are for system wide improvement and are as follows:

Update: B&E expresses its appreciation to the K-12 certified administrators for their cooperation and expert assistance in the collection of the data necessary to complete this engagement. In addition, B&E was impressed with all of the building principals with respect to their professional knowledge and dedication to the children of North Kingstown.

- **The DC job description be fully implemented as soon as possible and no later than July 1, 1998.**

Update: This recommendation regarding the Director of Curriculum was accepted and implemented.

- **As the Curriculum Improvement Process matures the process becomes sufficiently flexible to meet the needs of the district in a timely manner.**

Update: The curriculum process as designed is flexible, but funding availability and priorities often prevent timely implementation.

- **Care be taken to ensure building administrator involvement with the Curriculum Improvement Process.**

Update: Building principals are aware of the curriculum process and the DC keeps them in the communication loop. Actual involvement is voluntary and discussions with principals and the DC indicate little direct involvement by the Principals. There is no specific plan that each curriculum council has direct Principal involvement from each grade level administration.

- **The DC office provides ongoing support to the School Improvement Process and School Advisory Council (SAC) program in order to provide the needed consistency to the implementation of the Curriculum Improvement Process.**

Update: This recommendation was accepted and implemented. However, the DPS is still very much involved in these programs.

- **Central administration resolves lingering questions concerning "The Study of Teaching" program through discussions with the teacher's bargaining agent. Without cooperation from the teachers the last year of the program could be less than effective.**

Update: “The Study of Teaching” program was completed and is supposedly offered once every two years for new teachers and maintenance for previously exposed teachers.

- **The Enrichment Program be terminated as of June 30, 1998. The savings be used to increase the professional development funds to \$6 per student in FY 1999 with the remainder (\$40,000) to decrease the FY 1999 Budget.**

Update: The then existing “Enrichment Program” was terminated. The NKSD has since implemented a new enrichment program for all ability students at both the elementary and middle school levels. The new program is called the “SmART Schools Program” (SSP) and this program attempts to integrate the arts across the curriculum. The origin of the SSP is Project Zero at Harvard University.

SSP was first implemented in North Kingstown at several elementary schools and the Davisville Middle School with available grant funds. SSP consists of a drama/dance teacher who works with classroom teachers as well as the traditional itinerant teachers to introduce projects with the goal of integrating the arts with the general curriculum. One of the major ingredients of SSP is to provide common planning in the day to day schedule of the classroom teachers and SSP teacher. A second critical ingredient is professional development for the classroom teachers and SSP teacher.

At the elementary level the SSP teacher actually meets with each classroom in a 40 minute class period. The middle school SSP has the SSP teacher working with the various teams, grades 6-8, on a project oriented basis.

After discussions with all principals and the appropriate directors in the program, B&E determined that the SSP is given a great deal of credit for the increase in student performance scores and is considered a key “piece of the puzzle” for continuing educational growth in North Kingstown. B&E agrees that the program seems to be working.

In FY 2006, due to redistricting and parent demand, SSP was extended to all elementary and middle schools, but with major changes. The elementary SSP teachers are now responsible for two schools and the one SSP middle school teacher was assigned to both middle schools after the start of the academic year. The additional time required for the drama/dance class at the elementary level has greatly reduced the common planning time needed to make SSP operate at optimum levels.

At this point of the school year there has been no professional development time allotted to the program, although there was some discussion of some training later in the year. Building principals, who had the full SSP experience in previous school years, expressed praise for SSP, but admitted that the reduced program was less effective this year due to the changes. The SSP is not a required program under the Basic Education Plan (BEP). It is an expensive program that requires additional staff and professional development.

New Recommendation: B&E recommends that a decision be made by the community through their elected officials to either adequately fund the SSP at a level that assures success or redistribute these discretionary funds to other budget priorities or reduce overall education costs.

- **The FY 1999 budget commitment to computer hardware and infrastructure be reduced to \$100,000 (which will save \$100,000). A 3 to 5 year updated schedule for the purchase of hardware and installation be developed for budgetary purposes.**

Update: This was a budget specific recommendation and presently not applicable.

- **The NKSD develop a schedule for the reduction of the Information Systems Department. Responsibilities of that department would eventually be assumed by a third party provider as a result of competitive bidding.**

Update: Due to the significant changes in technology since the original recommendation, this recommendation no longer applies.

- **Teacher technology coordinators be assigned to the DC for supervision and direction.**

Update: B&E determined that the coordinators are now properly under the supervision of the Technology Director who is in appropriate communication with the Director of Curriculum.

- **The technology curriculum area be terminated as a separate entity and incorporated into all other areas under the DC.**

Update: Based on discussions with principals, the DC and the DT and visits to various computer labs and classrooms, B&E concluded that technology has been integrated throughout the K-12 curriculum.

- **Teacher technology coordinators be reduced by one each year from FY 2001-2003. A sum of approximately \$35,000 be placed in the Professional Development Fund to support staff technology training beginning in FY 2004, and the remainder of about \$160,000 be used to reduce budget requirements as funds become available.**

Update: The present level of technology in the District makes this recommendation not applicable. In fact, with the significant changes in technology since 1998, the District has had to expand its technology capability consistent with industry requirements.

- **The Technology Plan dated 1996-97 be revised to reflect a more flexible position on computer platforms. Such revisions should consider all of the points made in the financial section of this report.**

Update: Under current law, RI School Districts are required to develop a five-year technology plan. NKSD's present plan covers the period FYE June 30, 2001-2006. This Plan is very complete and after four plus years seems well implemented. A new Plan covering the next five years is under development.

Special Education K-12:

The special education portion of this report was considered very important because per B&E's initial review, it was determined that although NKSD had 16.5% less students identified as special education students than the state average (last available information was 1996 data) the cost per full time equivalent (FTE) was 50% greater than the state average. B&E identified this area as one where significant savings may be available. The following recommendations were developed from B&E's review:

- **The district should change their management structure to include a full-time special education director.**

Update: Even though B&E's present review of the Special Education Department indicates a department that is operating at a very effective and efficient level, the requirement of this recommendation still applies. As stated earlier, there is a difference of opinion between B&E and the NKSD as to what is required by the RIDE definition of Full-Time Special Education Director.

The District's Director of Pupil Services is also the Special Education Director, but he is assigned additional duties. These additional duties are often the responsibility of an assistant superintendent in other RI school districts. B&E believes that the NKSD should come into compliance with RIDE Regulations.

- **Consolidation of K-5 self-contained programming into two elementary buildings is recommended, saving 1 FTE teacher position at a cost of \$58,000, while eliminating caseload compliance, space, and individual education program (IEP) content issues. The need for 13 one-to-one aide positions should be carefully examined during consolidation, possibly maintaining 2 per program if returning to traditional self-contained programs, thereby eliminating 9 positions for additional savings of approximately \$135,000.**

Update: This recommendation is no longer applicable with the new pairing of elementary schools. Nevertheless, the present existing elementary special education program and aide arrangement seems to be appropriate.

- **To make the Classroom Alternating Process/Classroom Alternative Support Team (CAP/CAST) process more consistent, the involvement of a full-time special education director is needed who takes a more active role at the building level to support the process. North Kingstown also needs to make a district-wide commitment to the development and use of this important cost and time-saving process by meaningful incentives for the teachers who currently staff these teams on a volunteer basis. Incentives need to be chosen based on long-term effectiveness and long-term cost-savings and should be researched and determined with the participation of involved staff and administration.**

Update: The CAP/CAST process has been changed to “Teacher Support Teams” and seems to be operating appropriately on a K-12 voluntary basis. The District seems to be committed to the process with principals and certified staff playing effective roles.

- **North Kingstown should develop and implement consistent district-wide criteria regarding the necessary content of both initial and re-evaluations to eliminate unnecessary testing time for both staff and students.**

Update: The reauthorization of IDEA and the federal regulations to implement the law have changed the criteria for evaluation. NKSD has been undergoing a major change since the original report and has already implemented many of the required changes.

- **The position of behavior specialist/psychologist at NKHS should be eliminated for a cost saving of \$58,000.**

Update: This was a budget specific recommendation and does not appear to be a concern at this time.

- **Reports from principals and therapists of unmet student IEP needs in speech and language should be closely examined by a full-time special education director for appropriate resolution.**

Update: This problem was a result of staffing shortages and/or case loads. While it was a problem in 1998, it does not seem to be a problem at this time.

- **Decision-making processes at the school Multi-Disciplinary Team (MDT) level regarding out-of-district placements should be led by a full-time special education director and aligned to a set of district-wide criteria that look at least restrictive environment, supplementary aides and services, and student needs, rather than severity and nature of disability. Current out-of-district placements costs are \$1,000,000 for services for approximately 40 students and should be carefully reviewed for appropriateness and necessity according to the regulations on least restrictive environment. It may be possible to save \$200,000 to \$300,000 over the next three years.**

Update: Presently, all student evaluations and IEPs are done at the building level with the Principal or designee chairing each team. A Para Legal assigned to the DPS provides all the necessary paperwork and assistance. The DPS and/or Para-Legal are present at evaluation and IEP meetings by Principal request. All involved indicate approval of the process and are committed to provide the least restrictive environment for the students. There seems to be a district wide commitment to increase internal capacity to educate special needs students and reduce dependency on special education restrictive placements. This commitment was not present in 1998 and the fact that it is now reflects the administration’s drive to develop systemic solutions to the needs of the District.

- **The preschool program, as currently organized, does not provide a full continuum of services as mandated by regulation, or adequately meet the least restrictive environment (LRE) needs of the students currently attending. It needs to be redesigned in compliance with state regulations.**

Update: The Pre-School Program is housed at Davisville Elementary and offers a full continuum of services in the least restrictive environment.

- **The space issues in the district need a thorough and immediate evaluation by the district and a plan developed to provide adequately noise and disturbance free areas for both direct and related special services.**

Update: The pairing of elementary schools and the reduction of self-contained programs have reduced space allocation problems. Wickford Middle School has the most obvious space problems due to the age of the facility. A building built to house a traditional high school in the late 1930's is not designed to accommodate 2006 middle school programs and curriculum.

Early Childhood Program:

This section of the report addresses pre-school and kindergarten.

- **The pre-school program has a potential staff reduction of at least a .5 FTE special education teacher and a .5 FTE aide especially if students can be tuitioned out to private pre-schools. The program should be reviewed for alternative, more cost-efficient approaches to meeting the needs of three to five year old special education students. Moreover, should North Kingstown decide to tuition the least severe pre-school special education students to private placements, then this would truly be the least restrictive environment and the most integrated classroom for these students. The savings of a .5 teacher and a .5 aide would be offset to some extent by the tuitions, therefore, no dollar value savings were assigned by B&E to this recommendation.**

Update: This recommendation is no longer applicable.

- **Since there is more space than is needed for the early childhood programs and since only half of the classrooms have lavatories within the classroom, the space at Fishing Cove School could be utilized to assist North Kingstown in meeting the needs of increased student population. One possible solution would be to create two early childhood centers in opposite sides of the school district, but these centers would function as a unit or wing within a grade one to five school. In so doing, one-third of the kindergarten program would be from the respective school's district, and two-thirds would be from districts closer than presently. This would:**

- 1. Enhance parental involvement since one-third of the kindergarten students' parents would remain at the respective school.**
- 2. Increase articulation and coordination between early childhood programs; pre-K and K, K and grade one.**

Update: The new pairing of elementary schools effectively responds to this recommendation.

- **Specialists who support kindergarten programs should be eliminated. This not only would be less costly but, more importantly, would increase the time available for delivering literacy instruction to kindergarten students. This reduction of specialists in the kindergarten program would represent a savings of approximately 1.6 FTE teachers or about \$90,000.**

Update: Contractual requirements of the teachers' contract provide unassigned time to K teachers covered by itinerant/specialist teachers.

- **Since educational research does not support the pre-one program concepts, it is recommended that the district terminate the pre-one program. This reduction of the pre-one program would represent a savings of 1.0 FTE teacher or \$58,000.**

Update: This recommendation was accepted and implemented.

English Second Language (ESL):

The ESL program exists at almost every elementary school, both middle schools and the high school. The program has 3.8 FTE ESL teachers. B&E's recommendations in this section are as follows:

- A review of the program for more efficiency is recommended.
- It is suggested that North Kingstown follow the route taken by most low incident school districts which find their numbers increasing, that is, to establish district-wide ESL programs at the elementary and middle school levels. This should eliminate the cost of one ESL teacher; however, because of the range of English proficiency and the range of grade levels (K-5), one might consider hiring a part-time bilingual teacher aide to assist in meeting the individual needs of ESL elementary students. This reduction represents a savings of 1.0 FTE teacher or \$58,000, minus the minor cost of a part time bilingual aid.
- By establishing district-wide programs, one at the elementary level and one at the middle school level, North Kingstown will now diminish its costs in meeting state regulations to train regular classroom teachers. Funding for this specific training of regular classroom teachers can come from RI State Aid Entitlements under the Student Investment Fund (Limited English Proficient and Language Investment).

Update: North Kingstown has relatively few ESL students. The ESL program is consistent with similar programs in other low incident school districts.

Supplemental Reading Program:

North Kingstown provides a supplemental reading program in grades one through high school. No services are provided at Fishing Cove School for the kindergarten and pre-one programs.

- **Since reading teachers can (compared to special education programs) provide the least costly programs for meeting the reading needs of underachieving students, it is not recommended to reduce the number of reading teachers. It is recommended that North Kingstown complete an extensive review of its supplemental reading program and the present organization and use of its reading staff.**
- **In addition, North Kingstown must analyze its student population in order to determine where supplemental reading programs will have the most impact in closing the gaps among its students. For instance, does North Kingstown have a very transient population? If not, then an emphasis on early intervention (perhaps K-6) would be the solution with a minimal of intervention where needed in grades 7-12. Only North Kingstown, with the assistance of an outside non-biased consultant, can make these determinations.**
- **The reading teachers at the high school be utilized in an “in class” model rather than as a separate curriculum.**

Update: All three of these recommendations have been impacted by the fact that the use of reading teachers has completely changed since the original Bacon & Edge report. Reading teachers are now literacy coaches and work with teachers to improve reading skills in the regular classroom.

Elementary Education (1-5):

A complete review of the elementary education program resulted in some very significant recommendations as follows:

- **The number of grade 1-5 teachers be reduced by a minimum of 4 as a result of creative districting such as the pairing of schools, a potential saving of up to \$232,000 is considered possible. Additional positions may be reduced by this process, but could be offset in the long run by increased enrollment.**

Update: This recommendation was implemented in the 2006 school year.

- **An additional \$50,000 be divided on a prorated basis between the schools beyond that proposed by the Superintendent for supplies and equipment to support the school's basic program. Provided, however, the Town's share of the budget remains the same as FY 98.**

Update: This recommendation was budget specific and is presently moot.

- **A schedule revision of grade 1-5 itinerant teachers with the purpose of maximizing their instructional time. B&E believes that such a process could reduce up to 2 FTE itinerant teachers for a potential savings of up to \$116,000.**

Update: The recent redistricting and pairing of elementary schools served to implement this recommendation.

- **The elementary art program be reduced to 40 minutes per week. This change reduces 1 itinerant art position or saves up to \$58,000.**

Update: This recommendation was accepted and implemented.

- **The number of librarians assigned on the elementary level be reduced by 3.5. This represents a potential saving of up to \$203,000.**

Update: This recommendation was accepted and implemented through 2005. Subsequently, the NKSC returned to full time librarians for all elementary schools during the FY 2006 school year using discretionary dollars taken from technology.

Additional Comments: B&E feels that such use of limited discretionary dollars was short sighted and indicates a lack of understanding of the importance of technology in present educational theory.

New Recommendation: B&E believes that the original recommendation is still viable and based on the number of classrooms and other requirements of the media centers, some school librarians should be part-time.

- **Central administration must provide time for elementary administrative and staff articulation between elementary schools and with the middle schools on a continuing basis and at many instructional levels. Added professional days that have been negotiated could provide some of the time required to implement this recommendation. Teacher exchange days or professional visit days within the system might also be considered.**

Update: This recommendation was accepted and implemented. Evidence of this implementation is that the School Department has added Learning Walks to the professional development program, which is an accepted practice.

Middle Schools (6-8):

There are 2 middle schools in the NKSD, Wickford (WMS) and Davisville (DMS). Although the schools offer the same basic program, the differences between the schools are major and are identifiable upon entrance into the buildings. WMS is an older multi-floored building that was designed to support a traditional secondary program. DMS is a single floor building with a second floor classroom wing. Wide corridors give a feeling of spaciousness not found at WMS. Neither school was built to support a middle school instructional delivery system. B&E's recommendations for the middle school are as follows:

- **Middle school enrollment district decisions for 1998-99 be made decisively and as soon as practicable.**

Update: This recommendation was year specific and presently moot.

- **A middle school consultant be hired using existing professional development funds to assist WMS and DMS to provide a more consistent educational program to NK students regardless of the school attended.**

Update: The middle school educational program has gone through many changes since the original Bacon & Edge Report. Further, the Wickford Middle School has gone through several changes in leadership in the intervening years. Davisville Middle School has recently changed leadership after the retirement of a long term principal. The two Schools still have significant differences, such as facilities, level of test score results, and even programs. The long term prognosis for both schools seems excellent, but facilities at Wickford need immediate attention.

The SmART Program was at Davisville for several years, but not at Wickford. After school started in FY 2006 the SmART Program teacher at Davisville was reduced to half-time and sent to Wickford for the other half. This program has been hailed by central and building administration as a key ingredient in curriculum integration and staff involvement. However, Wickford's gain was Davisville's loss.

Note: As stated earlier in this report the K-8 adoption of the SmART Program by all accounts has reduced the effectiveness of the program and caused scheduling concerns, when Program projects require additional time at one or the other schools. If this non-required discretionary Program is to be continued then it should be funded at a level to assure optimum success. (See comments relating to the SmART Program and funding earlier in this report)

- **Additional funds for instructional supplies and equipment in the amounts suggested by the superintendent and the supplemental funding suggested by B&E be approved, if conditions are met.**

Update: This recommendation was budget specific and is presently moot.

- **The middle school position paper recently submitted to the NKSC be given wide distribution and subject to public hearings.**

Update: This recommendation was time specific and this position paper would no longer be relevant given the passage of nine years.

- **The School Within a School (SWAS) Program be terminated and the \$157,141 be used to support above recommendations or reduce the FY 99 NKSD budget.**

Update: This recommendation was accepted and implemented.

- **The Saturday detention and summer program be extended to WMS.**

Update: The Saturday detention program was terminated and the Summer Program is limited to one school for each school level for cost purposes.

High School:

The North Kingstown High School (NKHS) is made up of 10 separate buildings and is staffed by 4 administrators and in 1997-98 had 82.7 certified classroom teachers.

- **The total number of classroom teachers at NKHS for the 1998-99 school year be maximized at 76 FTE. This will result in a savings of 6.7 FTE Teachers or \$388,600.**

Update: This recommendation was time specific. However, a detailed review of the FY 2006 High School master schedule indicates appropriate staffing levels.

- **Career technical students at NKHS be tuitioned to a full service (vocational and academic) Career Technical Facility.**

Update: This recommendation was accepted and implemented.

- **Only one section of 1st year Tech Prep students be scheduled in each course in 1998-99. The following year (1999-2000) all Tech Prep courses be allowed only one section in the Master Schedule.**

Update: The intent of this recommendation was accepted and, in fact, the program has been terminated.

- **Additional funds for instructional supplies and equipment in the amount suggested by the Superintendent and the supplement funding suggested by B&E be approved, if conditions are met.**

Update: This recommendation was budget specific and presently moot.

- **The present NKHS tracking system (Phases 1-5) be discarded.**

Update: This recommendation was accepted and implemented. Further, the High School presently has a three track system, which is fairly common and accepted throughout Rhode Island.

- **The replacement Program of Studies and curriculum delivery system reflect existing and emerging educational research.**

Update: This recommendation was accepted and implemented.

- **In the future the average yearly class size for all 9-12 classes be confined to the range of 20.5 - 22.5 students and that the classroom teacher FTE be consistent with that range. It is understood that individual course sections could have a wide range of class sizes.**

Update: B&E's review of the master schedule indicates that this recommendation has been accepted and implemented. The average class size has increased to 22-25 students.

- **Maximum individual class sizes be consistent with the language of the Teacher Contract.**

Update: This recommendation was accepted and implemented.

- **Natural attrition to the extent possible be used to reduce the number of NKHS classroom teachers to 76 with layoffs as a last resort.**

Update: This recommendation was time specific and presently moot.

Guidance Program (K-12):

The K-12 Guidance Program is staffed at the elementary administrative level by 2 certified counselors, at the middle school level by 3 counselors and at the high school by an administrative director and 4 counselors. The NKHS Director of Guidance supervises the 4 counselors assigned and is in turn supervised by the Principal. B&E's recommendation is as follows:

- **The title of NKHS Director of Guidance be changed to K-12 Supervisor of Guidance and the existing job description be revised appropriately.**

Update: This recommendation has been accepted and implemented.

Personnel Contracts:

There are three personnel contracts. The contracts cover the teachers, para-professional and support staff. B&E's recommendations regarding the contracts are as follows:

Comment: The following recommendations were time sensitive and specific to certain contracts. Several rounds of negotiations have taken place in the past 9 years which might reflect that the recommendations were accepted or rejected.

- **The NKSC negotiate a sunset provision on the teacher's 0.63% salary (1997-98) increase for teachers as a result of the health benefit negotiations and terminate such increase for those new teachers who never had the original benefit. This provision should be a high priority at the time of the next full contract negotiations.**

Update: The NKSD presently has a cost share provision for health benefits in its employee benefits. There is no mention of the point 0.63% in the existing contract.

- **The NKSC take full advantage of the Retirement Incentive Clause by examining the need for each replacement teacher at the .2 level and that any replacement teachers, new positions, or leave of absence replacements be hired at step 1 whenever possible.**

Update: This recommendation is ongoing and still applies for replacement teachers. Although many priorities determine the needs of a specific position, the lowest replacement cost should always be a major factor.

- **The NKSC have as a goal the reduction of the total number of K-12 teaching positions by a minimum of 75% of the those positions vacated as a result of teachers who choose the 1997-98 retirement incentive.**

Update: This recommendation was time specific and presently moot, however staffing levels are much better now than they were in 1998.

- **The NKSC budget replacement teachers for the 1998-1999 school year at the 1.5 step and direct that the DHR implement all hiring procedures to meet that objective.**

Update: Although this recommendation was time specific and presently moot, the lowest replacement cost should always be a major factor.

- **The NKSC establish by policy reasonable rules for sick leave use by all employees and include enforcement procedures and appropriate penalties.**

Update: Discussions with the Director of Human Resources indicate that recommendation was accepted and implemented.

- **The NKSC request a re-opener of the Teacher’s Contract to discuss various issues including a Savings Clause.**

Update: The present Teachers Contract still does not have a “Savings Clause”, while the Non-Certified Contract does. A Savings clause simply states that if one section of the existing contract is unlawful only that section is repealed and not the whole contract. The recommendation therefore still applies.

- **The procedures for support personnel step increases be reviewed and revised where necessary to meet the intent of their Contract.**

Update: B&E was unable to verify that the specific procedures for support personnel step increases were “reviewed and revised where necessary to meet the intent of their Contract” or that the procedures are in writing.

- **Increased educational requirements be established for new para-professional hires and professional development of existing staff be made a priority during contract negotiations.**

Update: This recommendation was accepted and implemented. The implementation was required under federal and state regulations.

Financial /Administration Recommendations

Administrative Overview:

As part of B&E's comprehensive management study B&E reviewed various areas of the North Kingstown School Department's (NKSD) administration to determine whether saving opportunities were present or revenues and/or reimbursements were being fully realized. The following section summarizes the areas that were studied and found to be operating properly and cost efficiently.

- 1. Tuitions**
- 2. Grants**
- 3. Food Services**
- 4. Cellular Telephone Service**
- 5. Health Insurance**
- 6. Group Life Insurance**
- 7. Copier Leases**
- 8 Telephone Lines**
- 9. Fuel Oil**
- 10. Long Distance Telephone Service**
- 11. Job Descriptions**
- 12. Wages**

Update: B&E reviewed each of these financial areas and determined that most had not changed. B&E determined the following:

- Tuitions for out of District students attending District schools are still recalculated on an annual basis and cover the total operating cost of educating a student within the District. The calculation appears reasonable.
- The District appears to be receiving all grant monies available to this school District.
- The District's in-house food service program was a model program in 1998 and operating at a profit. The food service program is still a very good program but no longer operates profitably. See the comments in the outsourcing section of this report relating to the food service program.
- The District goes out for bid on its cellular service to obtain the best prices. The District recently changed to speaker type cellular phones for its maintenance and custodian staff to improve communications.
- B&E found that the Health Insurance administration was operating properly and that co-payments and reimbursements were being handled correctly.
- The District participates in the R. I. Inter Local Risk Management Trust's group life program.
- The District has an excellent copier set-up. All copiers are networked and users can print to any copier. The District has a lease purchase for its copiers that was just renegotiated last year. The District reviews other suppliers and compares prices on a regular basis.

- The District has Centrex telephone lines. These lines are less expensive than conventional lines.
- Prices for fuel oil purchases are obtained by the Town through competitive bidding. Clearly the District benefits from this competitive joint bidding of fuel with the Town.
- B&E reviewed long distance telephone bills and determined that the District is getting the lowest rates available.
- B&E reviewed the job descriptions in the Administration Services Department and found that they were adequate but needed some updating. For example the Supervisor of Buildings and Grounds has direct supervisory responsibility for the custodians at the new high school and that is not in his job description.
- Wages in the finance department were reviewed by B&E and found to be within the range of reasonableness compared to other districts.

Budgetary:

B&E reviewed the NKSD budgetary process and found that the process is basically complete and thorough, although B&E is recommending certain modifications to the budgetary process as follows:

Comment: The following recommendations from the 1998 Bacon & Edge report were budget specific and therefore provide limited value to this review. That said, B&E found that the District's budgeting process has undergone significant criticism, evaluation, re-evaluation and recently great change during the past few years. For this engagement, B&E reviewed the last three budgets and found that the District's FYE June 30, 2007 budget has made significant strides toward improving the readability of the budget document. The FYE 2005 and 2006 budget documents were difficult to navigate, evaluate and understand and the supporting accounting documents (a listing of accounts with at best partial account names) were even less user friendly.

- **The NKSC must work with the administration to develop a plan to balance the current year school budget.**

Update: Does not appear to be a problem in the FYE June 30, 2006 budget. Time will tell if it is a problem in the 2007 budget.

- **The elected school committee members must recognize that the Superintendent and the fiscal office are education professionals with years of accumulated experience and rely on them to supplement their lack of expertise in areas of the schools operations.**

Update: This is still a true statement and it appears from recent newspaper articles and a review of the School Committee minutes that at times some school committee members incorrectly believe that they could run the school District better than these education professionals who have many years of education and training in the education field.

- **It is not clear why the NKSC chose to fill unbudgeted positions against the advice of the administration but it appears a rift has developed between the two groups which must be remedied so the School Department can move forward without a reoccurrence of this situation. The NKSC should familiarize themselves with their responsibilities under State and local law, which prohibit operating the school department in a deficit. A review of the minutes of NKSC meetings contained no mention of any discussions of compensating budget cuts to offset the unbudgeted expenditures. This discussion would seem to be a natural counterpart to the approval of substantial unbudgeted expenditures and its absence would indicate a lack of understanding of the budget process and the serious responsibilities attached to it.**

Update: Although this recommendation was time and budget specific, it is still relevant. School committee members should know their responsibilities, should not approve expenditures in excess of budget and when unforeseen expenditures arise (and they always do), should identify an expense line item that will be reduced in order to balance the budget.

- **Medicaid reimbursement and savings from breakage/turnover should be projected and separately identified in the School budget request. Breakage /turnover as it is used in this context refers to the savings resulting from positions being filled with individuals at a lower salary level than that received by the previous employee or the savings resulting from positions being temporarily unfilled.**

Update: This recommendation has been partially implemented. Medicaid reimbursement is included in the FYE June 30, 2007 budget. However, the District's finance department does not budget for turn-over allowance (even though it exists every year) because the finance department uses the turn-over savings to cover the cost of unfunded positions added by the School Committee. Since B&E does not support the School Committee's filling of new unbudgeted positions without identifying cost savings elsewhere, B&E does not support providing a surplus in salary dollars in the budget to cover this inappropriate behavior. B&E continues its recommendation that turn-over should be budgeted.

- **School principals should be instructed in how to participate in the budgetary process. This would include their identification of positions or programs that are not effective. They should be encouraged to propose cuts to their budget in these areas that are not educationally effective or economically efficient. In turn, they should be rewarded by permitting a portion of this cost savings to be rebudgeted to other areas within their budget. There would be great incentive for a principal to propose a staff cut if this money could be redirected to allow the purchase of additional supplies or textbooks.**

Update: School Principals have little impact on budget formation. The budget is developed by the Superintendent and the Director of Administration with advice from other Directors. Principals are provided an opportunity to discuss their specific needs with the Superintendent, including staffing, but many line items of the budget are allocated by the Superintendent on a cost per student basis. However, once the budget is finalized the Principals receive a monthly year-to-date expenditure report. Further, Principals have significant control over how the dollars allotted to their schools are spent and are allowed to adjust line item totals to reflect their priority needs. This systematic budgeting approach is acceptable, but the Principals relinquish a degree of ownership in the overall budgetary process.

Utilities & Telephone:

During its review of the North Kingstown School District, B&E examined various expenditures to determine if the School District had obtained the most competitive pricing on items or if any expenditure were unnecessary. The following are B&E's recommendations in these areas:

- **B&E recommends that the School District evaluate the monthly maintenance expenditure paid to Lucent Technologies for the individual phone sets and determine whether placing this amount of money into a capital replacement account, to be expended as necessary for repairs and replacements, might not be a more cost effective method of providing for this type of coverage.**

Update: This recommendation is no longer appropriate with the current phone system.

- **B&E recommends that the School District evaluate the savings available from the deregulation of the electric industry, in the same way as the District has taken advantage of the deregulation of natural gas.**

Update: To the extent possible, the District has addressed this recommendation.

- **Local service and in state long distance telephone service is no longer provided by just one utility. B&E recommends that the District obtain bids from at least three suppliers in an effort to save on its telephone costs.**

Update: This recommendation is still relevant. The District should continue to obtain bids for telephone service every three years.

Administrative Salary and Staffing:

As part of its review, B&E compared the administrative salaries and staffing levels to those of other R.I. school districts. The positions included as part of this review included all of the directors as listed in the organizational chart of the NKSD:

- **B&E recommends the School District develop detailed “systems manuals” for each of these key positions in order to minimize the impact the departure of one of these key employees would have upon the School Districts operations. These documents would serve as training manuals for permanent replacements and guides for temporary employees that are staffing one of these position during brief absences.**

Update: This recommendation has not been implemented and the recommendation is still appropriate.

- **B&E recommends that the Payroll Supervisor report to the Controller rather than directly to the DAS. This reorganization would decrease the workload of the DAS and result in the Controller, as well as the DAS, being capable of replacing the Payroll Supervisor in the event of a temporary absence.**

Update: When this recommendation was made, both the Controller and the Payroll Supervisor were long term employees. Since then, the Controller has been promoted to the Director of Administration Services (DAS) and a much newer and younger person is currently the Controller. The Payroll Supervisor still reports to the DAS but the DAS is now the former controller. Since taking the position, the current DAS has realigned the responsibilities of the DAS and the Controller but has not implemented this recommendation. Nevertheless, the recommendation is still appropriate and the Payroll Supervisor should report to the Controller.

Student Transportation Costs:

The North Kingstown School Department provides its student transportation in a unique manner, in that the School Department is one of only two school departments in the State of Rhode Island to contract directly with individual bus contractors. The North Kingstown School Department contracts with the North Kingstown School Bus Contractors' Association to provide the buses and drivers necessary to transport the students to the classroom and to extracurricular activities. The following recommendations were made in this section:

Comments: The District still provides student transportation in the same manner as in 1998. Regular education buses (big buses) are provided through an agreement with the North Kingstown Bus Contractor's Association and the Special Education buses (small buses) are owned and operated in-house. Some of the following recommendations are still appropriate but some are no longer meaningful.

- **Given that the comparative analysis has shown the in-house student transportation system to be a cost effective method of providing student transportation, possibly saving the School Department in excess of \$200,000 per year, B&E recommends the School Department take steps to insure its continuation. Specifically, B&E recommends that the School Department consider the following steps for protecting their investment in this system:**

Comments: B&E's current review resulted in far different results as to the savings (or lack there of) of the District's student transportation program. See the comments relating to outsourcing of the Student Transportation program later in this report.

- 1) **Contact an employment agency to determine the availability and salary requirements of an individual with the necessary experience to replace Mr. Kettelle. If it is determined that there is a sufficient pool of qualified individuals available to replace him upon retirement, then the School Department need only concern themselves with coverage during a temporary absence.**

Update: When Mr. Kettelle retired, the District was not properly prepared and his immediate replacement was unable to continue the program as well as Mr. Kettelle had for years. That replacement was eventually replaced with an individual with significant experience doing the same type of work for one of the large student transportation (bus) companies. Now the District is at risk if the current Supervisor leaves and the transportation program is still administered in-house.

- 2) **If inquiries regarding the availability of a replacement for Mr. Kettelle indicate that the School will have difficulty replacing him because of salary requirements or availability of such an individual, the School should consider hiring an intern for Mr. Kettelle to train. Although this will result in an additional expenditure for salary, it will insure the continuation of this program and protect the School Department's annual savings for student transportation.**

Update: This recommendation was rejected due to lack of financing.

- 3) **The School Department should consider cross-training an existing employee to cover for Mr. Kettelle in the event of a prolonged and sudden absence. Mr. Kettelle indicated his assistant would fill in for him during his vacation, however it seems unlikely that she could fill in for him for a prolonged period and continue to perform her normal job duties.**

Update: This recommendation was apparently not done and the concern remains.

- **B&E recommends that N.K. obtain written permission from the insurer allowing the participation of the bus subcontractors in the N.K. health plan. It is B&E's understanding, through conversations with the Blue Cross sales representative about this matter, that upon receipt of a legal agreement between the Town and the NK School Bus Contractors which demonstrates a legal right for the bus contractors to purchase their health insurance through the Town, the insurer will provide the Town with written assurance that the School Bus Contractors coverage is permissible, thereby eliminating any potential liability to the Town or School Department. As of the issue date of this report the Blue Cross approval was received.**
- **The classification of an individual as an employee or a subcontractor has a significant financial impact on the employer, and is of great concern to the IRS. An employee would participate in employee benefits, such as retirement and health plans, and be eligible for unemployment benefits and Social Security benefits. Because there is financial motivation for an employer to classify an individual as a subcontractor, the IRS has developed a multi-point test to determine whether a working relationship is an employer-employee vs. subcontractor relationship. The working relationship between the School Department and the bus subcontractors has elements of both relationships. After reviewing the specifics of the working relationship between the two groups, B&E feels that the relationship between the School Department and the bus subcontractors is, most likely, a legitimate subcontractor relationship. B&E recommends that the School Department seek a ruling from the IRS on this relationship, in order to have an authoritative ruling on the issue.**

Update: The District accepted Bacon & Edge's conclusion that the bus driver are "most likely" legitimate subcontractors and chose not to seek a ruling from the IRS.

Computer Technology:

During the management review of the North Kingstown School Department, B&E learned of the substantial investment that North Kingstown has committed to the acquisition and modernization of their computer technology. The Town has approved a \$2.2 million bond issue that is earmarked for the School's acquisition of computer hardware and the wiring of a computer network.

Additionally, an annual appropriation of \$200,000 will be made, these funds also are intended for capital acquisitions of computer technology. B&E wholeheartedly supports the community's commitment to the acquisition of current computer technology which should serve to carry the school and the students into the next century, but makes the following recommendations:

- **While B&E applauds the investment that North Kingstown has committed to computer technology, B&E feels strongly that the School Department should reevaluate its decision to solely acquire Apple technology. It is B&E's understanding that the network wiring already in place can accommodate both platforms (PC or Apple).**

Given the price advantage that PC's and PC-clones have over Apple, coupled with their widespread usage in the private sector, B&E feels that the School Department would be unwise to continue with its commitment to Apple computers only.

Update: This recommendation was accepted and implemented as evidenced by observation, discussion with the DT and the present Technology Plan.

- **B&E recommends that the newly created Information Systems Department have a "sunset" provision, whereby the need for the department be reviewed following a successful installation of the computer system. It is B&E's opinion that departments can become institutionalized and take on a life of their own. Upon completion of the installation and setup of the computer system a review of this department should be undertaken to determine whether the department can be staffed by fewer employees supplemented by outside subcontractors or, possibly, replaced completely by using outside subcontractors.**

Update: This recommendation to review the Information System department was accepted in the preparation and terms of the 2001-2006 Technology Plan. After review of the alternatives, the District chose to keep the technology program in-house. Given the success of the Department, it seems that the District chose the correct path. B&E supports that decision.

- **B&E recommends that the technology coordinator positions have a “sunset” provision similar to the above recommendation for the Information Systems Department. As they perform their job duties, the classroom teachers should need less instruction in this area, and seminars and/or in-house presentations can be arranged to keep them updated on changes occurring in this area. Also, if the NKSC decide to include IBM computers as part of the acquisition process, a determination should be made as to whether the current technology coordinators are capable of providing instruction under an IBM platform as well as the Apple platform.**

Update: This recommendation was also accepted in terms of the 2001-2006 Technology Plan. The decision reached to keep the technology program in house seems to be the correct decision.

- **B&E noted that the \$200,000 line item for capital acquisition of computer equipment was cut to \$120,000 by the NKSC in order to balance the FY98 budget. B&E recommends that the appropriate level of funding for this line item be determined and the budgeted amount be expended only for capital investment and not used to fund operating expenses.**

Capital investments are intended to last over a period of years and are, in fact, investments whose benefit is intended to extend to more than one fiscal year. Funding for these type of acquisitions should not be cut to provide for operating expenditures, whose benefit is for a single fiscal year.

Update: This recommendation was time and budget sensitive, but the concept still applies. Maintaining a high level Technology Department requires funds to keep equipment current and provide upgrades as new technology becomes available. The benefits of technology are significant and varied. Therefore, technology line item funding should be protected and not be used to balance other line items that do not have the same level of priority or importance to the District’s learning process as a whole.

- **The Town Council should consider retaining control over these capital funds by making the School Computer line item part of the Town’s budget, thereby ensuring it will be invested in capital equipment and not used to supplement operating costs.**

Update: This recommendation was not accepted, and further, B&E would not support this recommendation at this time. However, the NKSC’s recent shift of funds from technology to replace librarians supports Bacon & Edge’s original recommendation.

Janitorial Services

Service Master was engaged to perform a janitorial efficiency audit of the NKSD. Their full report is presented as a separate document. The following are excerpts from their report.

- **The principal, as CEO of his building, is directly responsible for supervision of the Head Custodians. But the central administration, in the person of the Director of Building and Grounds, needs to have the authority to be able to correct those individuals when the need arises, in order for there to be good system wide standards.**

Update: This recommendation was not implemented. B&E recognizes, as did Service Master in 1998, that the Head Custodian should be responsible to, and work with, the Principal of the school that he or she is assigned to. However, all custodians must be required to follow and maintain good system-wide standards. To maintain those standards, the Supervisor of Buildings and Grounds must be able to set the working standards, require the proper use of chemicals, and supervise the productivity of all custodians. When problems exist in the cleaning of the schools, the Supervisor (not the Principal) is expected to correct the problem, but he needs greater pro-active authority to prevent such situations from occurring.

- **There is no system for coordinating resources. Each custodian is basically left to determine how and when various jobs get done, and most importantly, how well they are done. There is no real direct supervision, training or cross training to take advantage of various skills and technological advances.**

Update: This recommendation goes to the same issue that was discussed in the previous recommendation. The Supervisor of Buildings and Grounds is responsible for the High School and the floating custodians and has established work scheduling, resource coordination, and standards. His knowledge and experience are provided through in-house classes but should be used by all custodians through direct supervision, training year round and cross training.

- **During our survey we noticed more than a few unlabeled spray bottles. This is a serious safety issue, as well as an OSHA violation. Immediate action should be taken to correct this problem.**

Update: During B&E's discussions with the Supervisor of Buildings and Grounds he echoed the above recommendation and his concern with the use of unauthorized chemicals at the schools other than the High School. He is concerned about unlabeled spray bottles, chemicals brought in from home and the control of chemicals purchased by the District. It appears that there would be better control over these concerns and less likelihood of OSHA violations if the Supervisor of Buildings and Grounds supervised all of the custodians.

- **By combining resources at the high school and using more efficient methods and equipment, it is possible to save at least eight hours per day, or one FTE at a savings of approximately \$25,000 per year.**

Update: The new High School makes this recommendation less relevant however using more efficient methods should always be a goal of good management.

REVIEW OF THE ADEQUACY OF NKSD MANAGEMENT CONTROL SYSTEMS AND THE UTILIZATION OF PERSONNEL AND CAPITAL ASSETS:

The following items are presented in the same order as they were given to B&E for review by the Council and therefore are not in the order of importance. It is important however to point out that B&E has evaluated each item in a cold analytical manner and that B&E's observations and comments are not intended to agree or disagree with one side or the other on these issues. B&E's observations and comments are factual and not subjective. B&E was not hired to complete a forensic audit of these items but rather to interview current employees and review appropriate documentation.

Opportunities for Outsourcing:

Most school districts within Rhode Island have decided that they are, as much as possible, exclusively in the education of students business and that certain activities, although related to providing a quality education, are better handled by experts in that field. This decision has lead most communities within Rhode Island to outsource certain peripheral activities that are not part of the main activity, which is the education of students.

There are generally four areas that are most often considered for outsourcing in other school districts. They are transportation, food services, computer technology and central supply. B&E has reviewed each of these activities in the NKSD to determine if they are being operated in the most economical manner in-house or if they are more appropriate for outsourcing. Although B&E's reviews are thorough, it is important to understand that the only true way to evaluate if outsourcing of a service is more economical than retaining the service in-house is to put the service out to bid. B&E is a strong supporter of putting these types of services out to bid on a regular basis. However, it is important to point out that outsourcing can result in the loss of some administrative control but a well written contract with the third party can alleviate much of this concern.

Transportation:

B&E determined that the District still provides student transportation in the same manner as in 1998 when Bacon & Edge made its initial review of the District's in-house transportation department. As stated earlier, regular education buses (big buses) are provided through an agreement with the North Kingstown School Bus Contractor's Association (Association). The current contract covers the period July 1, 2003 to June 30, 2006 and is budgeted for FY 2006 at \$1,012,194. The Special Education buses (small buses) are owned and operated in-house.

After reviewing the contract with the Association, B&E concluded that the District has all of the administrative problems and risks relating to the management of transportation service without the financial benefits. Currently, the District pays \$212.20 per day regardless of the age of the bus, which can be from new to twelve years old. This approach does not reflect the difference in cost of providing buses of different ages.

In 1998 Bacon & Edge calculated that the transportation department was operating economically and saving over \$200,000 per year when compared to the outsourcing model of a similar size community. However, since early 1998 the transportation supervisor retired, fuel costs have sky rocketed, and there have been at least two renegotiations of the Association contract. Further, this year the competition within the busing industry in Rhode Island has become greater (with the addition of a new company to R.I.) providing better opportunities (lower prices) and service for communities.

B&E's analysis in 2006 of the transportation department suggests that the current in-house transportation system is, at best, a break even activity and, at worst, costing the District more than it would if the service were outsourced. B&E concluded that it would be appropriate, at this time, to put this service out to bid and evaluate the responses.

Due to the many differences in transportation contracts and transportation costs, it is extremely difficult to compare bus services between communities. Contracts include items such as various busing needs, size of communities, number of students, cost per day, base miles per day, overage mile rates, fuel costs and many other items. These items differ substantially from community to community, however some of the component costs of the contract can be compared to determine if the component costs are reasonable.

In order to review the reasonableness of the District's busing costs, B&E first determined the costs incurred by the District as a result of the Association contract. The District is responsible for the following:

1. As stated earlier, the cost per day for the bus and the driver is currently \$212.20.
2. The bus driver's physical costs the District up to \$75.00.
3. The District must hire, train, assign and pay monitors.
4. Signing individual contracts with the contractors (7 year terms for new buses with 5 year options). First line buses can not be older than 12 years (B&E's survey suggests that most communities allow 8 to 10 year old buses).
5. The District pays the contractor \$55.00 for initial annual inspections conducted at the Registry of Motor Vehicles Garage.
6. The District will provide all fuel for the buses.
7. The District allows the association members (no description of who can be a member) to purchase medical and dental coverage at the prevailing District rates.

Not mentioned in the Association contract is who pays for the insurance on the bus. B&E understands from the Supervisor of Transportation that ownership of the bus is turned over to the District during the individual contractor's contract period and that the District pays for the registration and the insurance on the bus while the contract is in force. The District also pays the salary and fringe benefits of the Supervisor of Transportation and his assistant. These additional costs must be added to the above costs to get a complete picture of the cost of operating the Association provided regular buses.

To calculate the cost per day to the District of operating the regular daily buses, B&E started with the daily cost paid to the contractor of \$212.20 for the bus and driver. B&E then added to that amount the estimated cost of fuel. The mileage allowance for the daily rate is 80 miles. B&E assumed that with all of the time spent picking up and dropping off students that the buses would probably only get about 7-9 miles per gallon but used 10 miles per gallon to be conservative and a cost per gallon of gas of \$2.00 (which may also be conservatively low). The daily fuel cost was calculated to be \$16.00 $((80/10)*\$2.00)$. B&E checked its assumptions by dividing the annual fuel budget for regular buses, \$75,000, by 180 days and then dividing the result by 26 buses and found that the estimate of daily fuel cost per bus using the budget was \$16.03 per day.

Combining the \$212.20 payment to the Association for the contract and \$16.00 for the fuel resulted in a daily bus, driver and fuel cost per day of \$228.20. Of course, this daily rate does not cover the cost of other overhead items such as insurance, drivers' physicals, registrations, inspections, and the salary and benefits of the Supervisor of Transportation and his assistant.

Nevertheless, B&E wanted to determine through a limited survey what the cost per day was for communities that have outsourced their transportation services. It should be noted at this time that all but four communities have chosen to outsource transportation.

The Supervisor of Transportation provided B&E with the fact that Cumberland had just gone out for bid and that they had received a higher daily cost than the District was paying. At his suggestion, B&E called Cumberland (a recently bid contract) and determined that the cost per day for a big bus and driver in Cumberland's new contract was \$232.55 (Note: Cumberland does not provide fuel).

This means that there is only \$4.35 per day per bus favorable difference between Cumberland's contract and the District's daily rate. B&E is aware that this comparison is not necessarily a good match but for this reasonableness review it served the purpose. Nevertheless, B&E contacted three other communities and found that one had daily rates a bit higher and one had daily rates that are much lower than Cumberland's daily rate. The third community contacted is one of the communities that provide transportation services in-house. That community is currently in the process of going out for bid.

As part of its review, B&E next decided to calculate the total savings available from comparing the daily rate for the District to Cumberland's daily rate by multiplying the \$4.35 per day difference times the number of days of school (180) times the number of big buses (26) in order to find out how much was available in savings to pay all of the other overhead costs. The result was \$20,358. This amount would barely pay the insurance cost on the buses and would be inadequate to pay for the remaining overhead costs of physicals, registrations, inspections, and the administrative salaries and benefits (Note: the administrative salaries and benefits cost in excess of \$100,000).

Also not mentioned earlier are the costs and concerns that have to be addressed with the storage, security and dispensing of fuel which could be eliminated if the District outsourced its transportation service.

B&E's analysis clearly demonstrates that the District should seek competitive bids for transportation services this year. When those bids are received the District will be in a better position to evaluate the savings, if any, of out-sourcing student transportation.

B&E noted one concern that must be addressed by the District when considering outsourcing the transportation services. The fact that the contractors have individual contracts with different terms requires special consideration. The 1998 Bacon & Edge report noted that the DAS had reviewed this issue and determined that the large bus companies would absorb the remaining contractor contracts within their proposed contracts. Nevertheless, this situation will need to be part of the request for bids. Should the transportation bids result in a savings to the District those savings could be used to help lower overall education costs and balance the budget.

The above analysis addresses the transportation contract with the Association. Special Education transportation is run totally in-house and the cost effectiveness of this activity would be more difficult to determine. However, it should be noted that the capital replacement of Special Education buses has been discontinued due to a lack of funds for the past three or more years and the Special Education buses should be replaced regularly. This replacement cost should be part of a cost analysis when calculating the efficiency of the in-house Special Education bus service. Nevertheless, B&E would expect the District to put all student transportation out to bid.

Additional Findings Relating to Transportation:

During B&E's interviews with the Wickford Middle School principal and the Supervisor of Transportation, B&E learned that the middle school afternoon buses were arriving well after student dismissal leaving many students waiting for buses with minimal supervision. In addition, late runs that were scheduled twice a week were arriving 30 to 45 minutes after schools were dismissed leaving only the principal and the assistant of the middle school to supervise these students after hours. Further exacerbating the problem, the middle school is used as a transfer point for high school students on the late bus. This leaves the middle school administration responsible for the additional responsibility of high school student supervision.

Another problem presented to B&E is Special Education transportation at the elementary schools. Principals indicated that some special education students are consistently arriving late for their classes. This is a violation of their IEP.

Follow-up: The transportation Supervisor and the Superintendent both agreed that these two findings were accurate but did not have the financial resources to correct the problem by adding additional buses to meet transportation needs. They suggested that there may be a partial solution in changing the opening and closing times of certain schools next year.

Recommendation: B&E recommends that these serious student safety issues relating to busing be corrected as soon as possible.

Food Services:

By all accounts, the food service program in the District is very good. So good in fact, that the Jamestown School District has asked, and the District has allowed, the Supervisor of the District's food service department to run the Jamestown food service, which she does at a profit to the District.

The supervisor of food services has been in the department for over twenty years. Her knowledge and understanding of the operations and her desire to run the food service department as a business have resulted in a quality product provided at a profit for most of the last 20 plus years. In fact, through June 30, 2004, the School Cafeteria Enterprise fund had a cumulative fund balance surplus of \$155,923.

All seemed well back in June of 2004 except that the net income for Food Services for FYE June 30, 2004 was only \$5,127 down from \$17,639 the year before and that the profit from the Jamestown food service operation was \$25,332 in FY 2004 and only \$18,264 in FY 2005. In other words, the District's own food service operation has been operating at a loss for at least the last three years and it is operating at a loss again this year. In FYE June 30, 2005 the District's Food Service Enterprise fund had a \$129,464 deficit which almost eliminated a twenty year cumulative surplus that the Supervisor had worked so hard to accrue. Making matters worse was the fact that the enterprise fund surplus was not liquid and cash had to be provided by the District's general fund.

When B&E met with the Supervisor of food services the recent losses and the current deficit were discussed in length. B&E found the food service department in the "perfect storm" of adverse circumstances. So much so, that it appears that the Food Service Department will operate at a significant loss for the foreseeable future unless something is done immediately. The Supervisor listed the following externalities that she can not control that are adversely impacting her operations as follows:

1. The Food Service Department has an aging employee base that has been with the program for many years. Although these employees are quality employees the fact that they are almost all at the top step in the union contract puts significant strain on the bottom line profitability of the Department.
2. The union contract creates other adverse impacts on the Department's profitability. Because the food service contract almost mirrors the benefits of the certified staff these food service workers receive benefits not normally available to part time employees working only 3 hours a day (half time). These benefits include 50% of their health insurance benefit paid by the District for half time employees which grows to 71.4% in 2009. The Food Services Department can not survive under this excess labor weight. Salary costs represent about 63% of the cost of the Department with food costs costing about 37%.

3. The Department was recently impacted by a change in State funding. The State required all school districts to offer a morning breakfast program and the State initially reimbursed districts for the supervision of that program. Per the Supervisor of Food Services, the State eliminated the reimbursement for the supervision of the breakfast program last year.
4. For the most part, free food products, such as cheese and other commodities previously provided by the Federal Government, are no longer provided.
5. The supervisor even mentioned the fact that at the High School she is competing against the High School Principal, booster clubs and student groups and individual students for food service dollars. It is hard to sell apples when someone else is selling donuts.
6. Lastly, according to the Supervisor there are fewer reimbursements and matching funds available to the Department.

Recommendation: Based on all of the problems listed above it would be easy to suggest that the District outsource its food service program. And, in fact, B&E is recommending that the District requests bids from qualified food service providers and review the results. If the District is happy with one of the bids and there is a reasonable amount of savings, then the District should outsource its food service program. Unfortunately, outsourcing may result in a loss of control over the food service program.

Recommendation: In the alternative, the District should advise the union of the financial problems faced by the enterprise fund. The District should explain that it prefers to keep the food service operation in-house but will have to consider outsourcing if costs can not be controlled. Since 63% of the cost of the food service department is labor the union is in the best position to help keep the service in-house. The District can also raise the fees and re-evaluate all services for cost effectiveness.

Computer Technology:

B&E found that the NKSD is a leader in educational technology. The program has moved from a one platform Apple based system in the late 1990s to a two platform system with Apples (Elementary/Middle) and PC's (High School/Administration). Students (K-12) are educated to be computer literate at their appropriate level. Administrative student record keeping is poised to be at the highest possible level, including student electronic portfolios to assist in meeting the new RI graduation requirements.

The Technology Department (TD) is presently staffed by five technical personnel, a secretary and two technical educators. The technical staff consists of a Director, senior technician, technician, entry level technician and a college intern. The two K-12 technical educators operate on a demand-schedule basis.

The TD not only supports NK technology, but also provides a similar service to Jamestown for a fee. There is also some discussion with the Town concerning their technology needs due to a Town staffing change.

However, the TD is not without problems. Success generates additional demand from both teachers and students. The schools complain of problems getting on line for grade reporting and other administrative requirements. Connection problems have occurred due to a recent change in the RIDE Web Server and a previous lack of technical staff. This problem should be reduced now that the department planned staffing level has been reached.

A new grant funded program "Read 180" that was supposed to be available in the fall is still not operable due to both hardware and software problems. Physical security of hardware and software is lacking as shown by the recent break-in at Davisville Middle School where new equipment was stolen over a school vacation. Both Principals and the DT expressed concerns in this area.

Space availability for servers is critical at Wickford Middle School, where an entryway to a bathroom is used. The new High School has servers in closets without air conditioning which causes overheating problems and equipment breakdown. The major problem, however, seems to be the lack of understanding/appreciation at the School Committee level of the total technology program and its financial needs.

The problems created when a school's technology system reaches the level of expertise that exists in North Kingstown are the continuation of financial requirements and maintenance of effort. The NKSC reduced its investment in technology by \$100,000 for the FY 2006 school year. The \$100,000 of discretionary funding removed from the technology budget was used to replace part-time media specialists with full-time staff at small elementary schools. NKSD has tremendous technology assets and a cutting edge program that need to be protected if North Kingstown wants to maintain its technology edge and provide the necessary educational program for its children in a technological world.

Recommendation: In the 1998 Bacon & Edge report a recommendation was made that the District review and evaluate whether the technology department should be partially or fully outsourced. The District complied with the recommendation and completed its review and evaluation of the technology department and chose to keep the program in-house. Given the success of the department, B&E supports the decision. Further, at this point in time, B&E believes that there are no reasonable outsource alternatives available for education technology programs.

Central Supply:

Central supply is an area within a school district that can be streamlined in today's electronic age. No longer do most supplies have to be shipped to a central holding area to be received, stored, eventually requested, selected and then delivered to the individual school. Of course, some paper supplies are large volume items and probably can not be stored in the individual schools. However, the District should make every effort to use the technology that exists to reduce the need for the central supply function.

A second observation made by B&E is that there are inadequate perpetual inventory records maintained in central supply and the accounting department. Therefore, the District has no single record that shows inventory balances, issuances, new purchases or economic reorder quantities. Adequate perpetual inventory records provide security by identifying when and by whom the supplies were taken. The fact that the central supply inventory is counted only once a year, without the added control of adequate perpetual inventory records, provides an opportunity for supplies to be taken without authorization.

B&E also toured the central supply room. From a limited review of only one of the rooms (there are three) B&E noted that there appears to be a significant amount of dollars tied up in inventory. In fact, it appeared that some items which should have already been used this year were available for use next year. Tying up dollars in inventory in today's technology driven economy is a waste of funds.

Recommendation: The District should investigate options for "drop shipping" supplies directly to the schools. Direct delivery of central supply items to the schools will result in a significant reduction in the time spent selecting school orders and delivering the orders to the schools.

Recommendation: The District should immediately establish complete computerized perpetual inventory records for the items in central supply that can not be drop shipped directly to the schools. These perpetual records should reflect the current number of items in central supply, the addition of new purchases of these supplies and the shipment of these supplies to the various schools. This task can be made less daunting by significantly reducing the number of items that flow through central supply.

Recommendation: The District should review all of the items currently in central supply, eliminate obsolete items and establish economic reorder quantities for the rest of the items. Central supply clerks have a tendency, when left to their own devices, to overstock items so that they never run out. This strategy results in the district having valuable school resources tied up in inventory that will not be used for a year or more.

SPECIFIC ISSUES IDENTIFIED FOR REVIEW BY THE TOWN COUNCIL

For the most part, the next three items which B&E was specifically asked to review and evaluate for this engagement have been reviewed, discussed, argued, evaluated, challenged, and dissected by the general public, concerned parent groups, taxpayer groups, the School Committee, individual members of the School Committee, the District's management, the Town Council, the Town management and outside parties (such as the Auditor General, the Attorney General and the State Police).

Nevertheless, B&E provides the following comments in an attempt to clarify the issues, point out how and why it appears that things went wrong (if they did) and, if possible, put these issues, that have consumed the Town and the School for the last two years, to rest. B&E understands that if these items were only a sampling of a much bigger problem then a complete investigation would be appropriate. However, B&E did not conclude that such a complete investigation was necessary or appropriate based upon its findings after reviewing the following items.

School Purchasing Policies:

As stated earlier in the policy Manual section of this report the District's financial policies are lacking. The NSBA guidelines suggest that the purchasing sections of the Policy Manual include the following:

1. Purchasing Authority
2. Purchasing Procedures
3. Petty Cash
4. Cooperative Bidding
5. Bidding Procedures
6. Local/Competitive Purchases
7. Vender Relations
8. Sales Calls and Demonstrations

The current District Policy Manual has only two policies and one administrative regulation relating to Purchasing. They are as follows:

1. Competitive Bidding
2. Purchasing Procedures
3. Administrative Regulation Pertaining to Pre-Fiscal Year Purchase Orders

The competitive bidding policy has only three paragraphs.

- The first relates to "ample opportunity shall be given for competitive bidding" in accordance with the School Committee and the Town Charter.

- The second paragraph relates to bid lists.
- The last paragraph relates to consulting engineers and the fact that the Superintendent does not have to notify the individuals on the bid list of jobs solicited through a consulting engineer.

The Purchasing Procedures policy is even shorter. The first paragraph states that all supplies will be available the first day of school. The second paragraph relates to “long-lead time” purchase orders for supplies purchased in one year for the next fiscal year.

The Administrative Regulation (two pages long) describes what items can be purchased in the previous fiscal year for the next year and what controls are in place to avoid abuse. Further, it points out that the purchases will be charged to the year they are used and not the year they are purchased.

There is no mention in the three District’s purchasing policies of the following:

1. Purchasing Authority for major contracts that are beyond the expertise of the School District’s administration (such as the maintenance of fields to the level currently maintained, or the design/build project to re-build three elementary school roofs).
2. The purchasing procedures to be followed relating to joint effort contracts with the Town, communication requirements relating to addendums and change orders or how to deal with construction contracts that have either not been completed on time or run into other problems such as environmental, etc.
3. Cooperative purchasing which can save both time and money, if done correctly.
4. Bidding procedures, as it relates to the appropriate approach to bidding design/construct engagements rather than two contracts 1) design and 2) construct. What do you do when bid specs are challenged by bidders? How do you handle student and staff safety in circumstances that arise during a construction project?
5. How do you consider the value of Local/Competitive purchases and what weight if any do you give to local contractors?
6. What relationships are appropriate with vendors who may have expertise that they are willing to share with the District at no cost, who may eventually become the successful bidder on an engagement? When is it appropriate to hire a consultant to help write a bid?
7. How does the administration provide for the acknowledgement of sales calls and demonstrations? Do sales calls and demonstrations have to be approved by a supervisor or director?
8. What is the purchasing policy relating to free or reduced items offered to an administrative employee? What is the policy for reporting any apparent inappropriate purchasing activity?

It seems clear to B&E that adequate policies to address all of the above questions faced in the purchasing area would have helped in avoiding the current issues identified in the following two circumstances that B&E has been asked to review.

The first flaw in the District's purchasing policies is the School Committee's own Policy Manual. B&E also reviewed the Finance Department's written purchasing procedures which were provided by the DAS. In short, except for the first and eighth paragraphs, the purchasing procedures do not relate to purchasing at all.

The first paragraph states that all non-capital items are purchased through the business office and "that there is a potential risk of purchasing being done for personal gain or non-school purposes". A flow chart is attached to identify the approval steps for a purchase order to prevent purchases for personal gain.

The remaining eight paragraphs relate to 2) accounts payable, 3) payroll, 4) student activity funds (bank statements), 5) warehouse supplies and fixed assets, 6) the bookkeeping for food services, 7) staff turnover, 8) approval of purchase requisitions (a purchasing activity) and 9) the controller audit function.

Given the fact that the School Committee's Policies are so inadequate does not fully excuse the Finance Department's inadequate purchasing policies.

Recommendation: As stated earlier the School Committee's Policy Manual must be expanded to give policy guidance to the finance department relating to purchasing. The Finance department should take that guidance and prepare proper purchasing policies.

Additional Observation: The District does not have a defined purchasing department that can deal with difficult contracts that require engineering or other professional expertise. The District's purchasing clerk handles the purchases of school supplies and other items that require follow up phone calls to get better prices. The District's purchasing clerk is not in a position to prepare a detailed purchase order for a complicated design/construct contract for re-roofing three elementary school roofs or even to prepare the specs for the maintenance of the sports complex. The District has to rely on expertise not found at the School for both of these contracts.

This said, B&E observed that for the most part, the current system of the School working with the Town's purchasing and public works departments appears to work adequately. However, as stated elsewhere in this report, the current purchasing policies and procedures (along with many others) should be reduced to writing and approved by the School Committee.

Recent Roofing Project Purchase Orders:

This item refers to the “Design/Construct Re-roofing” contract for three elementary schools in the District. The schools are Forest Park, Davisville, and Stony Lane. The contract was completed in November 2003, and came in under budget and by the low bidder. Yet this relatively short (one month of design and two months of construction project) and relatively simple project has stayed alive and been the hot topic of discussion in North Kingstown for more than two years.

No matter who has reviewed this issue and no matter what they conclude, there are those who believe that there was something very wrong with this contract. It is unlikely that this report will convince the most hardened adversaries, but B&E believes that an impartial reviewer of this report will be able to conclude, as B&E has, that, although many things went wrong, they were the result of poor decisions and not illegal activity.

At the very beginning of this review, B&E was told that the Auditor General had reviewed this same issue for the Town. Having great respect for the Auditor General and his staff, B&E first reviewed the letter dated May 28th 2004 from the Auditor General to Representative Kenneth Carter. The letter presented the Auditor General’s comments and observations relating to his review of the “Roofing Contract”.

After providing a little over two pages of background, the Auditor General opined that ***“The town administrators and the school department appear to have followed reasonably appropriate procedures in this project.”*** The Auditor General also provided the town with the recommendation that ***“The town seek school committee and town council approval of contract change orders as appropriate in any future projects managed by the town.”*** For the most part, and after careful review of the issues, B&E agrees with both the Auditor General’s opinion and his recommendation.

However, in spite of the B&E conclusion many things went wrong with the contract. First, however, it is important to digress to the time before the project was even sent out for bid to understand why decisions that caused many of the problems were made. The following limited chronology of events tells the story.

- The year before the subject roofing project the Hamilton Elementary school roof partially failed and debris was found in the school yard by the Principal before school opened. The roof was fixed (by Wayne Roofing as low bidder). The winter before the roofing project the Stony Lane Elementary School roof failed and was repaired. Grave concern arose for the condition of the remaining elementary school roofs.
- Subsequently, the District investigated the condition of the elementary school roofs and determined that the three elementary schools, Forest Park (20 year old same type roof), Davisville (previously patched roof) and Stony Lane (failed roof) had to be rebuilt. It was decided that these roofs should be re-built the coming summer when the children and staff were not in the buildings.

- A memo from the Town Manager to the Superintendent of Schools appears to be one of the first communications relating to the “Three School Roofs”. That communication suggested that the project be completed using the following process:
 1. Town prepares design build specifications for repair of roof.
 2. School department signs off on the RFP.
 3. Town Purchasing issues the RFP.
 4. Town Purchasing receives Bids.
 5. Town and School Department reviews bid and recommends low bidder.
 6. Town Council appropriates funds.
 7. School Committee awards contract and enters into the contract.

The above is pretty much exactly how the contract proceeded. However, unfortunately, there were many delays between when the bid specs were finished and when the contract was completed. These delays resulted in the Town and School missing the most important intent of the design/build contract which was to complete the contract during the summer so that the children and staff would not be impacted.

Note: B&E interviewed a number of individuals who were involved in this contract. Most agreed that the reason for the design/build form of the contract was because most felt that, if the design work was bid and the work completed and then the build work was bid using the design work product and then completed, that the process could not be finished before the students returned to school. As it turned out the use of the design/build approach was the major reason that the project did not get completed during the summer and the work was done after the children returned to school. Consideration during the process was given to postponing the contract to the next summer but was rejected for safety reasons.

- May 9th pre-bid conference. Although this was early enough to get started and still complete the project before school began many questions about asbestos on the roofs were raised.
- May 12th the Town received a letter from a concerned contractor who stated that, without better information regarding the asbestos on the roofs and the limited amount of time for responding to the request for bid his firm would be unable to bid. (Note: this individual did eventually bid and was the high bidder of five)
- May 15th addendum 1 delaying the time for when bids were to be filed so that the concerns of the contractors could be addressed. May 19th inspection by Vortex for asbestos on the roofs.
- June 3rd letter of transmittal from Vortex regarding asbestos abatement.
- June 4th addendum 2 provides for more time. June 18th addendum 3 provides for more time.

- June 27th addendum 4 is issued and it identifies that there is asbestos on the roofs and that it is the sole responsibility of the contractor to remove it. The Town's engineer estimated about 41 square feet of asbestos had to be removed.
- June 30th the Vortex Asbestos Plan report received at the school department and sent to the Department of Health. This report identified that there was more than 41 square feet of asbestos on the roofs.
- July 9th close of bids (the successful bidder's bid was submitted using the 41 square feet of asbestos estimated by the Town engineer)
- July 10th bids open. Five bidders. Wayne Roofing was the low bidder on the base bid, the alternative bid and the voluntary alternative proposal. Wayne's base bid of \$767,000 was the lowest by about \$16,000. The third through fifth lowest bids were all over \$200,000 higher.
- July 29th Wayne roofing was notified that the asbestos estimate in addendum 4 was too low at 41 square feet and that the actual asbestos was 1,300 square feet.
- August 22nd Wayne roofing receives a proposal from SenCam to remove the asbestos. This amount is significantly higher \$24,800 compared to the \$3,500 Wayne Roofing had in its proposal based upon the original estimate.
- All this time the Town and School were dealing with legal challenges relating to the awarding of the contract to Wayne Roofing by unsuccessful bidders.
- August 29th contract signed with Wayne Roofing. It is obvious that, at this time, the Town, School and Wayne Roofing knew that the asbestos removal amount had to be adjusted because Wayne Roofing had relied on the original estimate (41 square feet) by the Town's engineer. No one recalled, but it appears reasonable to believe, that the parties agreed to sign the contract knowing that there would have to be at least one change order to adjust for the additional asbestos removal beyond the estimated amount. This decision, although a bit questionable, seems to be reasonable by the parties, given that it was only a 2.7% change order and given that everyone was trying to keep this project moving.
- September 22nd first day of roofing. November 18th last day of roofing.
- December 11th change order #1 prepared by the Town and approved by School Department. This was the only change order of the contract. The change order addressed three items 1) the increase cost of asbestos removal (known in August), 2) the elimination of the Dens-deck overlay from the contract (explanation for the elimination was provided by the architect who stated that the warrantee on the roof did not require the Dens-deck and because the roofs got very little foot traffic) and 3) an addition for work completed by Wayne Roofing at Davisville Elementary regarding wall flashing and re-activation of drains. The net result of the change order reduced the contract amount by \$4,600.

Findings: B&E did find that one error was made in the preparation of the change order. Through an oversight of the Town's Public Works Department, who prepared the change order, and the School DAS, who signed the change order, the adjustment for asbestos was included as the total cost of all asbestos removal. That amount was \$24,800 (as stated above). Since Wayne Roofing included \$3,500 in its original bid for asbestos removal, based upon the estimate made by the Town's engineer, the adjustment should have been only \$21,300 (\$24,800-3,500). The inclusion of the 100% allowance for the asbestos removal provided Wayne Roofing an additional \$3,500 that it was not entitled to.

Recommendation: The School Committee should consider appropriate action, if any, given the relative small amount of money involved and the significant passage of time, to recover the \$3,500 from Wayne Roofing. At a minimum, however, B&E would notify Wayne Roofing of the error and ask them to refund the monies.

Recommendation: B&E reiterates and expands the Auditor General's recommendation "that the Town (and per B&E, the School Administration) seek School Committee and Town Council approval of contract change orders as appropriate in any future projects managed by the Town" for the District. B&E believes that such approval should be given to the Superintendent or Town Manager prospectively for contract change orders that fall within the lesser of 5% of the contracted amount or \$5,000. Larger change orders may require emergency meetings to obtain approval by the Town Council or School Committee. If there is no need for emergency action, approval should be obtained in the normal course of business. Had this recommendation been in place during the roofing contract, someone may have noticed the \$3,500 error noted above on the change order.

Recommendation: Whenever there is a situation where there is knowledge of the need for a change order (such as the one in the roofing contract) before the contract is signed a note on the contract under the section "Miscellaneous Provisions – Other Provisions" should be made explaining that all parties are aware of the need for a change order and that the calculation of that change order will be done at the completion of the project.

Additional Observations: One thing that would have eliminated this entire roofing contract issue would have been better communication and planning. It is difficult to believe that the condition of the elementary school roofs was not known even before the Hamilton roof failed. The Supervisor of Buildings and Grounds has an obligation to request that capital items relating to buildings be included on the capital budget. When these requests are not acted upon it is his responsibility to make enough noise so that the items get noticed. It is also the DAS' responsibility to be aware of the needs in the departments that he/she manages. The DAS should have been more forceful in getting the roofs re-built.

Recommendation: B&E recommends that there be a detailed listing of all existing capital projects in priority order. Procedures (which should be identified in the Policy Manual) must be in place to change priorities when emergencies occur. When design work is required, the design work should be completed as early as possible so that emergency situations (such as roof replacement) are not delayed by the absence of technical data (such as asbestos) for bidding purposes.

Had the design phase of the roofing project been completed the summer before, immediately after the Hamilton roof failed, or even before it failed, the roofing project could have been completed in the summer and the students and staff at the schools would not have been disturbed.

Additional Observations: It should be noted that there was actually a more recent roofing project for Fishing Cove Elementary School because the roof failed during the winter of 2003 -2004. The repair was made by Eagle Comice Co. on an emergency basis. B&E did not review this transaction as it was not part of the “big” roofing contract. B&E finds it interesting that even after the major roofing contract for three elementary school roofs another roof failed. One should ask why it wasn’t addressed when the other three elementary roofs were re-built.

The above summary of events does not reflect the politics that has gone on for the last two years relating to this issue. Further, the comments above do not address the real problems faced by the elementary school students and staff as a result of the project continuing into November. Many things went wrong on this contract but the construction, once it got started, was completed in two months, by the low bidder, under budget, and the roofs are apparently fixed.

B&E believes that the Town and School employees who were part of this contract acted in the best interest of the School and Town and completed their assignments to the best of their abilities throughout on the contract. Everyone makes mistakes and poor decisions at times. But B&E believes that the mistakes on the roofing contract were honest mistakes.

School's Field Maintenance Contract:

This contract, approved April 23, 2003 by the School Committee, was entered into between the District and McGeough's Turf Management, Inc. of Tiverton R.I. When the initial contract was signed, the District had just completed the construction of a state of the art sports complex (sports field, bathrooms, stands, etc.) for over \$2,000,000. The District was concerned that if the proper attention was not given to the new field much of the value of the field could be lost. The same was true regarding the proper cleaning and maintenance of the facilities that are at the complex. The District decided to adopt a turn-key approach for managing the complex.

The District did not have the expertise to assure that the new field would be maintained as it should be and B&E believes that the District turned to a turf management company that it had used before (to rebuild the baseball field) to get a better understanding of what the new field needed. B&E further believes the company the District turned to was McGeough's. B&E believes that McGeough's provided much of the information that was included in the request for bids. That said, B&E knows that many communities turn to outside experts in the field for guidance in preparing very difficult requests for bids. Often communities hire an expert to help write the bid but that expert does not bid on the engagement. The School Committee's Policy Manual is silent on the issue of requesting outside expertise.

The real problem with this bid and contract is that the only company to bid was McGeough's. Had there been additional bidders and McGeough's was the lowest bid then things would not appear to be as predetermined. At this point, the District should have considered reworking the request for proposal and re-bidding the contract. Once again the School Committee's Manual is silent on this issue.

The District accepted the bid and awarded the contract to McGeough's Turf Management, Inc. and by most accounts they have done a fine job managing the complex. The problem that exists is that the contract was and still is for \$139,500. One might reasonably ask why it costs so much to maintain a football field for one year. B&E noted that the contractor must maintain Workers' Compensation Insurance (\$500,000 limit), Liability Insurance (\$3,000,000 limit) and vehicle insurance (\$1,000,000 limit)

B&E reviewed the scope of work required by the contract and found that there was far more work than simply cut the grass, as follows:

1. There were extensive equipment requirements but nothing that a turf company wouldn't have.
2. Agronomic activities that included soil testing, field irrigation, turf grass mowing, aerification, topdressing and overseeding, sod and field repairs, integrated pest management, and fertility program.
3. Field preparation, takedown and clean-up after games.
4. Clean-up of all seating areas with either backpack blowers or water hoses.
5. Removal of all litter.
6. All seating areas power washed at least one a year.

7. Field lining.
8. Contractor must supply all tools, fertilizer, insecticides, fungicides and labor to complete the contract.
9. Clean Mezzanine area of all spills, trash, graffiti after every event (50 to 70 a year).
10. Clean press box and both team boxes to include floors and windows.
11. Clean ticket booths.
12. Clean and disinfect boys and girls bathrooms. Provide all supplies to complete cleaning.
13. Maintain tennis courts.
14. Maintain all practice fields for baseball, softball and soccer to include mowing.

Information was provided to B&E that showed that there was confusion about the scope of this engagement. Clearly the contract requires much more than cutting the grass on one football field.

When B&E completed its review of the scope of this contract it seemed obvious that the District was paying McGeough's a significant amount of money to provide its expertise to the maintenance of the new field. Given the impressive client list provided by McGeough's which included many of the best golf courses in the State of Rhode Island and the fact that the field at the complex is in very good condition after three years of use it appears that the District received what it expected in the area of field maintenance.

The District also paid McGeough's a significant amount of money to line the fields; cut the grass at the practice fields; clean the tennis courts; clean bathrooms; clean the complex; and set up and break down the fields after events. B&E does not see how McGeough's turf expertise helps in providing these other services and B&E is concerned that these other services could be provided for less.

B&E interviewed the Supervisor of Buildings and Grounds and asked him who did the work that McGeough's is doing before they were hired. He replied that all of the grass (other than the new field) was cut by his maintenance men (none of which were eliminated after McGeough's was hired). The maintenance men used the District's tractors to cut the grass (they still have the equipment). The bathrooms and the complex did not exist so they were not maintained prior to McGeough's contract. His maintenance men put out the stands at the beginning of the year at the old football field and took them in at the end of the season. The old football field had no lock so no one had to open up the field. The Athletic Director, Coaches and students set up and broke down the fields. The football field was lined by an outside contractor, but the maintenance department lines all of the fields at the other schools.

Recommendation: B&E recommends that the District divide the McGeough's contract into many individual parts and that the work be completed as follows:

1. Request bids for management consulting of the maintenance of the field (the agronomic activities) at the athletic complex. B&E agrees that this field is worth maintaining at the proper level but does not believe that the expertise needed to manage the field's agronomic activities is the same as that needed to cut the field.
2. All athletic fields at the high school be cut by the maintenance department as they did prior to the McGeough's contract.
3. The Supervisor of Buildings and Grounds re-organize his custodial work force (14 custodians at the High School and three floaters) to allow time for his custodians to clean the athletic field complex bathrooms, press box, team boxes, etc.
4. Hire a company to line the field at the athletic complex as was done previously.
5. Have the Athletic Director, Coaches and Students set up and break down the fields for events.

B&E believes that in this time of tight budgets, the maintenance of the High school fields and sports complex can be completed for far less than the \$139,500 currently being paid to McGeough's without losing the quality of the field.

Additional Observation: The Supervisor of Buildings and Grounds has an enormous staff of maintenance men (11) and custodians (17 custodians - 14 at the high school and 3 floaters). There are also two or more custodians at each of the schools. B&E was advised that twice a month five of the maintenance men go to the State supply depot to get food and supplies for the food service department. It takes about six hours a day and two vans to make the food trip. If the food service department is out-sourced the maintenance department will save about 60 hours a month (about 600 hours a year). This reduction of work should result in a reduction of staff. However, when the McGeough's contract was signed freeing up maintenance hours the number of maintenance men remained the same. When the Wickford Elementary School was closed one custodian position was eliminated and the other custodian was reassigned to a custodial floater position with no additional savings in manpower costs.

Recommendation: B&E recommends that the Supervisor of Buildings and Grounds be instructed to realign his work force to complete the additional work generated by the elimination of the McGeough contract and to determine if his staff can be further reduced.

Additional Observation: When the two year sport complex contract was completed, the DAS, at the last minute, brought the renewal of the contract forward to the School Committee for approval. The contractor had agreed to a two year extension with no increase in fee. At that point in time the contract was not placed out for bid.

Recommendation: B&E always recommends that a check list (tickler) be maintained by the Supervisor of Buildings and Grounds and the Finance Office of all outstanding contracts in excess of \$5,000 so that no item comes to the School Committee for approval at the last minute. Per discussion with the DAS such a list is now maintained. B&E recommends the continuance of this procedure.